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Moneywise. Be wise.

Prospectus
Dated: July 11, 2024

SMC GLOBAL SECURITIES LIMITED

Our Company was incorporated in New Delhi on December 19, 1994, under the Companies Act, 1956, as amended (the "Companies Act"), as 'SMC Global Securities Limited', a public limited company, pursuant to a Certificate of Incorporation issued by the Registrar of Companies, National Capital Territory Delhi and Haryana. Our Company received a certificate of commencement of business on January 2, 1995. For further details, see "***General Information***" on page 53 of this Prospectus.

Corporate Identity Number: L74899DL1994PLC063609; **PAN:** AAACS0581R
Registered Office and Corporate Office: 11/6B, Shanti Chamber, Pusa Road, New Delhi -110 005, India
Tel: +91-11-3011 1000, 4075 3333; **Website**: www.smcindiaonline.com; **Email**: smcncd@smcindiaonline.com
Company Secretary and Compliance Officer: Suman Kumar; **Tel**: +91-11-3011 1000; **Email**: sumankumar@smcindiaonline.com
Chief Financial Officer: Vinod Kumar Jamar; **Tel**: +91-11-3011 1000; **Email**: vinodjamar@smcindiaonline.com

PUBLIC ISSUE BY OUR COMPANY OF SECURED, RATED, LISTED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF ₹1,000 EACH ("NCDS") FOR AN AMOUNT UP TO ₹7,500 LAKHS ("BASE ISSUE SIZE") WITH AN OPTION TO RETAIN OVERSUBSCRIPTION UP TO ₹7,500 LAKHS ("GREEN SHOE OPTION"), AGGREGATING UP TO 15,00,000 NCDs FOR AN AGGREGATE AMOUNT OF UP TO ₹15,000 LAKHS ("ISSUE SIZE" OR "ISSUE LIMIT") (HEREINAFTER REFERRED TO AS THE "ISSUE") THROUGH THIS PROSPECTUS (THE "ISSUE DOCUMENT").

THIS ISSUE IS BEING MADE PURSUANT TO THE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON - CONVERTIBLE SECURITIES) REGULATIONS, 2021, AS AMENDED (THE "SEBI NCS REGULATIONS"), THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER, AS AMENDED (THE "COMPANIES ACT, 2013") AND SEBI MASTER CIRCULAR BEARING NO. SEBI/HO/DDHS/POD1/P/CIR/2024/54) DATED MAY 22, 2024 ("SEBI MASTER CIRCULAR"), AS AMENDED.

OUR PROMOTER

Our Promoters are: (i) Subhash Chand Aggarwal; (ii) Mahesh C Gupta; (iii) Sushma Gupta; and (iv) Damodar Krishan Aggarwal, **Email**: smcncd@smcindiaonline.com; **Tel:** +91-11-30111 000. For further details, see "***Our Promoter***" on page 174 of this Prospectus.

GENERAL RISKS

Investment in non-convertible securities is risky and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it. Specific attention of investors is invited to statement of risk factors contained under "***Risk Factors***" and "***Material Developments***" on page 19 and 199 respectively of this Prospectus. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or investor's decision to purchase such securities. This Prospectus has not been and will not be approved by any regulatory authority in India, including the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), Registrar of Companies ("**RoC**") or any stock exchange in India nor do they guarantee the accuracy or adequacy of this document.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus, contains and will contain all information with regard to our Company and the Issue, which is material in the context of this Issue. The information contained in this Prospectus, is true and correct in all material respects and is not misleading and that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading.

CREDIT RATING

The NCDs proposed to be issued pursuant to this Issue have been rated '**CRISIL A/Stable'** (pronounced as CRISIL A rating with Stable outlook) by CRISIL Ratings Limited for an amount of up to ₹17,500 Lakhs by way of its letter dated November 24, 2023 (and revalidation letter dated May 21, 2024), and rated **'[ICRA] (A Stable)'** (pronounced as ICRA A rating with a stable outlook by ICRA Limited for an amount of up to ₹40,000 Lakhs by way of its letter dated July 24, 2023 (and revalidation letter dated June 12, 2024) read with rationale dated July 24. 2023. Ratings issued by CRISIL Ratings Limited and ICRA Limited are valid as on the date of this Prospectus and will continue to be valid for the life of the instrument unless withdrawn or reviewed. Instruments with this rating are considered to have an adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk. The rating provided by CRISIL Ratings Limited and ICRA Limited may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions. For the rationale, revalidated letters and press release for these ratings, see "**Annexure B-1**" and "**Annexure B-2**" of this Prospectus, on page 660 and 686 respectively of this Prospectus.

PUBLIC COMMENTS

The Draft Prospectus dated June 19, 2024, was filed with the BSE Limited, pursuant to Regulation 27(2) of the SEBI NCS Regulations for public comments for a period of seven Working Days (i.e., until 5:00 p.m.) from the date of filing of the Draft Prospectus with the Stock Exchange. No comments were received on the Draft Prospectus until 5:00 PM (Indian Standard Time) on July 01, 2024.

LISTING

The NCDs offered through this Prospectus are proposed to be listed on BSE. Our Company has received an 'in-principle' approval from BSE by way of its letter bearing reference DCS/BM/PI-BOND/10/24-25 dated July 08, 2024. For the purposes of this Issue, BSE Limited shall be the Designated Stock Exchange.

COUPON RATE, COUPON PAYMENT FREQUENCY, REDEMPTION DATE, REDEMPTION AMOUNT AND ELIGIBLE INVESTORS

For details pertaining to Coupon Rate, Coupon Payment Frequency, Redemption Date and Redemption Amount of the NCDs, see "***Terms of the Issue***" on page 200 of this Prospectus. For details relating to eligible investors, see "***Issue Structure***" on page 219 of this Prospectus. The Issue is not underwritten.

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
Corporate Professionals Capital Private Limited D-28, South Extension, Part I New Delhi -110 049, India **Tel:** +91 011 4062 2230/ 209/ 251 **E-mail:** mb@indiacp.com **Investor Grievance ID:** smc.ncd@indiacp.com **Website:** www.corporateprofessionals.com **Contact Person:** Anjali Aggarwal **SEBI Registration No.:** INM000011435 **CIN:** U74899DL2000PTC104508	**Link Intime India Private Limited** C 101, 247 Park L. B. S Marg, Vikhroli West Mumbai 400 083 **Tel:** +91 810 811 4949 **Website:** www.linkintime.co.in **E-mail:** smcglobal.ncd2024@linkintime.co.in **Investor Grievance Email:** smcglobal.ncd2024@linkintime.co.in **Contact Person:** Shanti Gopalkrishnan **URL (SEBI):** https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=10 **SEBI Registration No.:** INR000004058 **CIN:** U67190MH1999PTC118368

CREDIT RATING AGENCIES		DEBENTURE TRUSTEE**	STATUTORY AUDITORS
CRISIL Ratings Limited CRISIL House, Central Avenue Hiranandani Business Park Powai, Mumbai 400 076 Tel: +91-22-3342 3000 **Fax:** +91-22-4040 5800 **Contact Person:** Ajit Velonie **Email ID:** crisilratingdesk@crisil.com **Website:** www.crisilratings.com **SEBI Registration No.:** INCRA0011999	**ICRA Limited** Electric Mansion, 3rd floor, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025 **Tel:** +91-22- 6114 3406 **Contact Person**: L. Shivkumar **Email ID:** shivakumar@icraindia.com **Website:** www.icra.in **SEBI Registration No.:** IN/CRA/008/15	**IDBI Trusteeship Services Limited** Universal Building, Sir PM Road, Fort, Mumbai – 400 001 **Tel**: 022 4080 7000 **Fax**: 022 6631 1776 **Email**: itsl@idbitrustee.com **Investor Grievance Email**: response@idbitrustee.com **Website**: www.idbitrustee.com **Contact Person**: Chaittanya Godbole **SEBI Registration No**.: IND000000460	**M/s. P.C. Bindal & Co.** 101, Sita Ram Mansion, 718/21, Joshi Road, Karol Bagh New Delhi - 110005 **Tel:** 45073430 / 31 **Firm registration no.:** 003824N **Email:** pcbindalco@gmail.com, kcgupta@pcbc.in **Peer review certificate no.:** 013347 **Contact Person:** K C Gupta

ISSUE PROGRAMME*

ISSUE OPENS ON: Friday, July 19, 2024	ISSUE CLOSES ON: Thursday, August 01, 2024

This Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) during the period indicated above, except that this Issue may close on such earlier date or extended date (subject to a minimum period of three Working Days and a maximum period of ten Working Days from the date of opening of the Issue and subject to not exceeding thirty days from filing the Prospectus with ROC) as may be decided by the Board of Directors of our Company or the Non-Convertible Debentures Committee subject to compliance with Regulation 33A of the SEBI NCS Regulations. In the event of an early closure or extension of this Issue our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in all the newspapers in which pre-issue advertisement for opening of this Issue has been given on or before such earlier or initial date of Issue closure. Application Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchanges, on Working Days during the Issue Period. On the Issue Closing Date, the Application Forms will be accepted only between 10:00 a.m. and 3:00 p.m. (Indian Standard Time) and uploaded until 5:00 p.m. or such extended time as may be permitted by the Stock Exchanges. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5:00 p.m. (Indian Standard Time) on one Working Day after the Issue Closing Date. For further details please refer to the chapter titled "Issue Related Information**" on page 200 of this Prospectus.*

***IDBI Trusteeship Services Limited pursuant to Regulation 8 of the SEBI NCS Regulations and by way of letter dated June 14, 2024, has given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in the Draft Prospectus, this Prospectus and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to this Issue.*

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning ascribed to such definitions and abbreviations set forth. References to any legislation, act, regulation, rules, guidelines, clarifications, or policies shall be to such legislation, act, regulation, rules, guidelines, clarifications, or policies as amended, supplemented, or re-enacted from time to time until the date of this Prospectus, and any reference to a statutory provision shall include any subordi-nate legislation notified from time to time pursuant to such provision.

The words and expressions used in this Prospectus but not defined herein shall have, to the extent applicable, the same meaning ascribed to such words and expressions under the SEBI NCS Regulations, the Companies Act, 2013, the SCRA, the Depositories Act, the RBI Act and the rules and regulations notified thereunder.

*Notwithstanding the above, the terms defined as part of "**Risk Factors**", "**General Information**", "**Industry Overview**", "**Regulations and Policies**", "**Statement of Possible Tax Benefits** ", "**Other Regulatory and Statutory Disclosures**", "**Provisions of Articles of Association**" and "**Financial Statements**" on pages 19, 53, 91, 307, 79, 292, 316 and 337 respectively, shall have the meaning ascribed to them as part of the aforementioned sections. Terms not defined as part of the sections "**Our Business**", "**Risk Factors**", "**Industry Overview**" and "**Regulations and Policies**", on pages 132, 19, 91 and 307, respectively, shall have the meaning ascribed to them hereunder.*

General Terms

Term	Description
"Company" or "Issuer"	SMC Global Securities Limited, a public limited company incorporated under the Companies Act, 1956 with its registered office at 11/6B, Shanti Chamber, Pusa Road, New Delhi – 110 005, India.
"We" or "us" or "our"	Unless the context otherwise indicates or implies, refers to our Company.

Company related terms

Term	Description
"Articles" or "Articles of Association" or "AoA"	Articles of Association of our Company, as amended.
Audit Committee	Audit committee of Board of Directors of our Company, constituted in accordance with applicable laws.
Audited Consolidated Financial Statements	The audited consolidated statement of assets and liabilities as at the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 and the schedules forming part thereof; audited consolidated statement of profits and losses for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 and the schedules forming part thereof, the audited consolidated statement of cash flows for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 and the audited consolidated statement of changes in equity for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022, the statement of material/ significant accounting policies, and other explanatory statements prepared in accordance with Ind AS.
Audited Standalone Financial Statements	The audited standalone statement of assets and liabilities as at the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 and the schedules forming part thereof; audited standalone statement of profits and losses for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 and the schedules forming part thereof, the audited standalone statement of cash flows for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 and the audited standalone statement of changes in equity for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 the statement of material/ significant accounting policies, and other explanatory statements prepared in accordance with Ind AS.

Term	Description
Audited Financial Statements	Annual Consolidated Financial Statements and Annual Standalone Financial Statement.
Auditor/ Statutory Auditor/ Current Statutory Auditor/ Current Auditor	M/s. P.C. Bindal & Co., Chartered Accountants
Board/ Board of Directors	Board of directors of our Company and includes any committee constituted thereof
Borrowings	Includes debt securities and borrowings other than debt securities
CEO	Chief Executive Officer of our Company, namely, Ajay Garg.
CFO	Chief Financial Officer of our Company, namely, Vinod Kumar Jamar.
Corporate Office	The Corporate offices of our Company are located at Mumbai, Kolkata, and Ahmedabad. For more details, please see "***General Information***" on page 53 of this Prospectus.
Compliance Officer for the Issue and Company Secretary	Company Secretary and Compliance Officer of our Company, namely, Suman Kumar.
Director(s)	Director(s) of our Company, unless otherwise specified
Equity Shares	Equity shares of face value ₹2 each of our Company.
Erstwhile Auditor/ Erstwhile Statutory Auditor	M/s. R. Gopal & Associates, Chartered Accountants
Group Companies	Group Companies as identified for the Issue in accordance with regulation 2(1)(r) of the SEBI NCS Regulations, being: (i) Pulin Investments Private Limited; (ii) ASM Pipes Private Limited; (iii) Jai Ambey Shares Broking Limited; (iv) Dee Faces Herbal Private Limited; and (v) Excellent Agencies Private Limited.
Independent Directors(s)	Independent director(s) of our Company. For more details, please see "***Our Management***" on page 157 of this Prospectus.
"Key Managerial Personnels" or "KMPs"	Key managerial personnel(s) of our Company as disclosed under "***Our Management***", on page 157 of this Prospectus and appointed in accordance with regulation 2(1)(sa) of the SEBI NCS Regulations and the provisions of the Companies Act, 2013.
"Memorandum" or "Memorandum of Association" or "MoA"	Memorandum of association of our Company, as amended from time to time.
Non-Executive Director(s)	Non-executive director(s) of our Company, as disclosed under "***Our Management***", on page 157 of this Prospectus.
Non-Convertible Debenture Committee	The committee of the Board of Directors of the Company constituted on March 30, 2024, for the purposes of, inter alia, issuance of debentures of the Company and incidental matters thereof, consisting of Anurag Bansal, Whole-time Director and Chairman of the Committee; Subhash Chand Aggarwal, Chairman and Managing Director; Mahesh C Gupta, Vice Chairman and Managing Director; Shruti Aggarwal, Whole-Time Director; Himanshu Gupta, Non-Executive Director.
Promoters	Our Promoters being Subhash Chand Aggarwal, Mahesh C Gupta, Sushma Gupta and Damodar Krishan Aggarwal.
Promoter Group	Includes such persons and entities constituting the promoter group of our Company pursuant to the provisions of Regulation 2(1)(pp) of the SEBI ICDR Regulations, 2018, as amended.
Registered Office	The registered office of our Company situated at, 11/6B, Shanti Chamber, Pusa Road, New Delhi – 110 005, India.
"Registrar of Companies" "RoC"	Registrar of Companies, National Capital Territory of Delhi and Haryana.
Risk Management Committee	Risk management committee of Board of Directors of our Company constituted in accordance with applicable laws.
Senior Management Personnel	Senior Management Personnel of our Company as disclosed under "***Our Management***", on page 157 of this Prospectus and in accordance with Regulation 2(1) (iia) of the SEBI NCS Regulations.
Shareholders	Equity Shareholders of our Company from time to time.

Term	Description
Stakeholders' Relationship Committee	Stakeholders' relationship committee of Board of Directors of our Company constituted in accordance with applicable laws.
SMC Group	Refers to the Subsidiaries and Joint Venture of our Company, including, (i) Moneywise Financial Services Private Limited; (ii) SMC Insurance Brokers Private Limited; (iii) SMC Capitals Limited; (iv) SMC Global IFSC Private Limited; (v) Moneywise Finvest Limited; (vi) Pulin Comtrade Limited (Formerly known as SMC Comtrade Limited); (vii) SMC Investments and Advisors Limited; (viii) SMC Real Estate Advisors Private Limited; (ix) SMC Comex International DMCC (UAE); and (x) SMC & IM Capitals Investments Manager LLP.

Issue related terms

Term	Description
Abridged Prospectus	A memorandum containing the salient features of this Prospectus.
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form.
"Allot" or "Allotment" or "Allotted"	Unless the context otherwise requires, the issue and allotment of the NCDs pursuant to this Issue to the Allottees.
Allotment Advice	The communication sent to the Allottees conveying details of NCDs allotted to the Allottees in accordance with the Basis of Allotment.
Allottee(s)	The successful Applicant to whom the NCDs are Allotted, either in full or in part in terms of this Issue.
"Applicant" or "Investor" or "ASBA Applicant"	The person who applies for issuance and Allotment of NCDs through ASBA process or through UPI Mechanism pursuant to the terms of this Prospectus, Abridged Prospectus, and Application Form.
"Application" or "ASBA Application"	An application (whether physical or electronic) to subscribe to the NCDs offered pursuant to the Issue by submission of a valid Application Form and authorized an SCSB to block the Application Amount in the ASBA Account or to block the Application Amount using the UPI Mechanism, where the Bid Amount or an Application Amount of up to UPI Application Limit will be blocked upon acceptance of UPI Mandate Request by retail investors which will be considered as the application for Allotment in terms of this Prospectus.
Application Amount	The aggregate value of the NCDs applied for, as indicated in the Application Form for the Issue.
ASBA Account	A bank account maintained by an ASBA Bidder with an SCSB, as specified in the ASBA Form submitted by ASBA Applicants for blocking the Bid Amount mentioned in the ASBA Form and will include a bank account of a retail individual investor linked with UPI, for retail individual investors submitting application value up to UPI Application Limit.
ASBA Applicant	Any Applicant who applies for NCDs through the ASBA process.
Banker to the Issue	Collectively Public Issue Account Bank(s), Refund Bank and Sponsor Bank.
"Base Issue Size" or "Base Issue"	₹7,500 Lakhs.
Basis of Allotment	The basis on which NCDs will be allotted to applicants as described in "***Issue Procedure – Basis of Allotment for NCDs***" on page 257 of this Prospectus.
Bidding Centers	Centres at which the Designated Intermediaries shall accept the Application Forms, i.e., Designated Branches of SCSB, Specified Locations for Consortium, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Broker Centers	Broker Centers notified by the Stock Exchanges where Applicants can submit the ASBA Forms (including ASBA Forms under UPI in case of UPI Investors) to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the website of the Stock Exchanges at www.bseindia.com and www.nseindia.com.
Business Days	All days excluding Saturdays, Sundays or a public holiday in India or at any other payment center notified in terms of the Negotiable Instruments Act, 1881.

Term	Description
Category I Investor - Institutional Investors	• Public financial institutions, scheduled commercial banks, and Indian multilateral and bilateral development financial institutions which are authorized to invest in the NCDs; • Provident funds and pension funds each with a minimum corpus of ₹25 crores, superannuation funds and gratuity funds, which are authorized to invest in the NCDs; • Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012; • Resident Venture Capital Funds registered with SEBI; • Insurance companies registered with the IRDAI; • State industrial development corporations; • Insurance funds set up and managed by the army, navy, or air force of the Union of India; • Insurance funds set up and managed by the Department of Posts, the Union of India; • Systemically Important Non-Banking Financial Company registered with the RBI and having a net-worth of more than ₹500 crores as per the last audited financial statements; • National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and • Mutual funds registered with SEBI.
Category II Investor - Non-Institutional Investors	• Companies within the meaning of Section 2(20) of the Companies Act, 2013; • Statutory bodies/ corporations and societies registered under the applicable laws in India and authorized to invest in the NCDs; • Co-operative banks and regional rural banks; • Trusts including public/private charitable/religious trusts which are authorized to invest in the NCDs; • Scientific and/or industrial research organisations, which are authorized to invest in the NCDs; • Partnership firms in the name of the partners; • Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); • Association of Persons; and • Any other incorporated and/ or unincorporated body of persons
Category III Investor – High Net-Worth Individual Investors	Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹10 Lakh across all options of NCDs in this Issue
Category IV Investor – Retail Individual Investors	Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹10 Lakh across all options of NCDs in this Issue and shall include retail individual investors, who have submitted bid for an amount not more than UPI Application Limit in any of the bidding options in the Issue (including Hindu Undivided Families applying through their Karta and does not include NRIs) through UPI Mechanism
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account.
Collection Centers	Centers at which the Designated Intermediaries shall accept the Application Forms, being the Designated Branch for SCSBs, Specified Locations for the Syndicate, Broker Centers for registered brokers, Designated RTA Locations for CRTAs and Designated CDP Locations for CDPs.
"Collecting Depository Participants" or "CDPs"	A depository participant, as defined under the Depositories Act, 1996 and registered with the SEBI Act and who is eligible to procure Applications at the Designated CDP Locations in terms of the SEBI Master Circular.
Collecting Registrar and	Registrar and share transfer agents registered with SEBI and eligible to procure

Term	Description
Share Transfer Agents or CRTAs	Applications, at the Designated RTA Locations.
Consortium Agreement	Consortium Agreement dated July 10, 2024 entered into between the Company, Lead Manager and Consortium Members to the Issue.
Consortium Members	Corporate Professionals Capital Private Limited, Globe Capital Market Limited and Moneywise Finvest Limited.
"Coupon" or "Interest Rate"	The aggregate rate of interest payable in connection with the NCDs as specified in this Prospectus. For further details, see "***Issue Structure***" on page 219 of this Prospectus.
Credit Rating Agency(ies)	For the present Issue, the credit rating agencies being, ICRA Limited and CRISIL Ratings Limited.
"Debenture Holder(s)" or "NCD Holder(s)"	The holders of the Secured NCDs whose names appear in the database of the relevant Depository and/or the register of NCD Holders (if any) maintained by our Company as required under applicable law.
Debenture Trust Deed	The trust deed to be executed by our Company and the Debenture Trustee for creating the security over the NCDs issued under the Issue.
Debenture Trustee Agreement	Agreement dated June 14, 2024, entered between our Company and the Debenture Trustee.
"Debenture Trustee" or "Trustee"	Trustee for the NCD holders in this case being, IDBI Trusteeship Services Limited.
Deemed Date of Allotment	The date on which the Board of Directors or the Non-Convertible Debentures Committee authorised by the Board approves the Allotment of the NCDs for the Issue or such date as may be determined by the Board of Directors/ or the Non-Convertible Debentures Committee authorised by the Board thereof and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs shall be available to the Debenture Holders from the Deemed Date of Allotment.
Demographic Details	The demographic details of an Applicant such as his address, email, bank account details, MICR Code, UPI ID (as applicable), category, PAN etc. for printing on refund or used for refunding through electronic mode as applicable.
Depository(ies)	National Securities Depository Limited [and /or] Central Depository Services (India) Limited.
Designated Branches	Such branches of the SCSBs which shall collect the Application Forms used by the ASBA Applicants and a list of which is available at http://www.sebi.gov.in/sebi_data/attachdocs/1365051213899.html or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or at such other weblink as may be prescribed by SEBI from time to time.
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the ASBA Forms, a list of which, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the website of the Stock Exchange at www.bseindia.com. and www.nseindia.com.
Designated Date	The date on which the Registrar to the Issue issues instruction to SCSBs for transfer of funds from the ASBA Account to the Public Issue Account(s) or to the Refund Account, as appropriate, in terms of this Prospectus, and the Public Issue Account and Sponsor Bank Agreement.
Designated Intermediaries	The Members of the Consortium, Sub-Consortium/agents, Trading Members, agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect Application Forms from the Applicants, in relation to the Issue.
Designated RTA Locations	Such centres of the RTAs where Applicants can submit the Application Forms. The details of such Designated RTA Locations, along with the names and contact details of the RTAs eligible to accept ASBA Forms and Application Forms submitted using the UPI Mechanism as a payment option (for a maximum amount of UPI Application Limit) are available on the website of the Stock Exchange at www.bseindia.com and www.nseindia.com updated from time to time.
Designated Stock	The designated stock exchange for the Issue, being BSE Limited.

Term	Description
Exchange	
Direct Online Application Mechanism	An online interface enabling direct applications through UPI by an app based/web interface, by investors to a public issue of debt securities with an online payment facility.
"DP" or "Depository Participant"	A depository participant as defined under the Depositories Act.
Draft Prospectus	The Draft Prospectus dated June 19, 2024, filed with the Stock Exchange for receiving public comments and with SEBI in accordance with the provisions of the Companies Act, 2013 and the SEBI NCS Regulations.
Final Settlement Date/ Maturity Date	The date on which all secured obligations (including all present and future obligations (whether actual or contingent and whether owed jointly or severally or in any capacity whatsoever) of the Company to the holders of the debentures or the debenture trustee under the Transaction Documents in respect of the debentures, including without limitation, the making of payment of any coupon, interest, redemption of principal amounts, the default interest, additional interest, liquidated damages, indemnity payments and all costs, charges, expenses and other amounts payable by the company in respect of the debentures) have been irrevocably and unconditionally paid and discharged in full to the satisfaction of the holders of the debentures.
Issue	Public issue by our Company of secured, rated, listed, redeemable, non-convertible debentures of face value of ₹1,000 each ("**NCDs**") for an amount up to ₹7,500 Lakhs ("**Base Issue Size**") with an option to retain oversubscription up to ₹7,500 Lakhs ("**Green Shoe Option**"), aggregating up to 15,00,000 NCDs for an aggregate amount of up to ₹15,000 Lakhs ("**Issue Size**" or "**Issue Limit**") pursuant to this Prospectus. The Issue is being made pursuant to the provisions of SEBI NCS Regulations, the Companies Act, 2013 and rules made thereunder as amended to the extent notified and the SEBI Master Circular.
Issue Agreement	Agreement dated June 18, 2024, entered into by and among our Company and the Lead Manager.
Issue Closing Date	Thursday, August 01, 2024
Issue Documents	This Prospectus, the Draft Prospectus, the Abridged Prospectus, the Application Form and supplemental information, if any, read with any notices, corrigenda and addenda thereto.
Issue Opening Date	Friday, July 19, 2024
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days, during which prospective Applicants can submit their Application Forms.
Lead Manager	Corporate Professionals Capital Private Limited.
Listing Agreement	The uniform listing agreement entered into between our Company and the Stock Exchange in connection with the listing of debt securities of our Company.
Market Lot	1 (one) NCD.
Minimum Security Cover	Minimum security cover of at least 110% of the outstanding principal amounts of the NCDs.
"NCDs" or "Debentures"	Secured, rated, listed, redeemable, non-convertible debentures of face value of ₹1,000 each for an amount up to ₹15,000 lakhs offered through this Prospectus and Prospectus.
NCD Holder/ Debenture Holder	Any debenture holder who holds the NCDs issued pursuant to this Issue and whose name appears on the beneficial owners list provided by the Depositories
Non-Institutional Portion	Category II of persons eligible to apply for the Issue which includes companies falling within the meaning of Section 2(20) of the Companies Act 2013; bodies corporate and societies registered under the applicable laws in India and authorised to invest in the NCDs, educational institutions and associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment; which are authorised to invest in the NCDs, trust including public/private charitable/religious trusts which are authorised to invest in the NCDs, association of persons, scientific and/or industrial research organisations, which are authorised to invest in the NCDs, partnership firms in the name of the partners,

Term	Description
	limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009).
"OCB" or "Overseas Corporate Body"	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% (sixty percent) by NRIs including overseas trusts, in which not less than 60% (sixty percent) of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003, and immediately before such date had taken benefits under the general permission granted to OCBs under the FEMA. OCBs are not permitted to invest in the Issue
Prospectus	The Prospectus to be filed with the RoC and submitted with SEBI, and BSE in accordance with the SEBI NCS Regulations, containing inter alia the Coupon Rate for the NCDs and certain other information.
Public Issue Account	Account(s) to be opened with the Public Issue Account Bank to receive monies from the ASBA Accounts maintained with the SCSBs (including under the UPI Mechanism) on the Designated Date.
Public Issue Account Bank	Banks which are clearing members and registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, with whom the Public Issue Account will be opened.
Public Issue Account and Sponsor Bank Agreement	The agreement to be entered into amongst our Company, the Registrar to the Issue, the Lead Manager, the Public Issue Account Bank, the Sponsor Bank for collection of the Application Amounts from ASBA Accounts under the UPI Mechanism and the Refund Bank for collection of the Application Amounts from ASBA Accounts and where applicable remitting refunds, if any, to such Applicants, on the terms and conditions thereof.
Record Date	The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 days prior to the date on which interest is due and payable, and/or the date of redemption. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchange, as the case may be. In case Record Date falls on a day when Stock Exchange is having a trading holiday, the immediate subsequent trading day will be deemed as the Record Date.
Recovery Expense Fund	A Fund created by our Company with the Designated Stock Exchange in the manner as specified by SEBI Debenture Trustee Master Circular as amended from time to time and Regulation 11 of SEBI NCS Regulations, as amended, which is equal to 0.01% of the issue size, subject to a deposit of ₹25,00,000 at the time of making the application for listing of NCDs.
Refund Account	Account to be opened with the Refund Bank from which refunds, if any, of the whole or any part of the Application Amount shall be made.
Registrar Agreement	Agreement dated June 14, 2024, entered into between the Issuer and the Registrar under the terms of which the Registrar has agreed to act as the Registrar to the Issue.
Registrar to the Issue/ Registrar	Link Intime India Private Limited
Register of NCD Holders	The statutory register in connection with any NCDs which are held in physical form on account of rematerialisation, containing name and prescribed details of the relevant NCD Holders, which will be prepared and maintained by our Company/Registrar in terms of the applicable provisions of the Companies Act.
Retail Investor Portion	Portion of Applications received from Category IV persons eligible to apply for the Issue which includes subscription by resident Indian individuals and Hindu undivided families through the Karta, aggregating to a value including but not exceeding ₹10 Lakhs.
RTAs/ Registrar and Share Transfer Agents	The registrar and share transfer agents registered with SEBI and eligible to procure Application in the Issue at the Designated RTA Locations.
RTA Master Circular	Securities and Exchange Board of India Master Circular for Registrars to an Issue and Share Transfer Agents' dated May 17, 2023, bearing reference number SEBI/HO/MIRSD/POD-1/P/CIR/2023/70, as amended from time to time.
SCSBs or Self Certified	The banks registered with SEBI under the Securities and Exchange Board of India

Term	Description
Syndicate Banks	(Bankers to an Issue) Regulations, 1994 offering services in relation to ASBA, including blocking of an ASBA Account, and a list of which is available on www.sebi.gov.in or at such other web-link as may be prescribed by SEBI from time to time. Additionally, the banks registered with SEBI, enabled for UPI Mechanism, list of which is available on www.sebi.gov.in or at such other web-link as may be prescribed by SEBI from time to time. A list of the branches of the SCSBs where ASBA Applications submitted to the Lead Manager, Members of the Syndicate or the Trading Member(s) of the Stock Exchange, will be forwarded by such Lead Manager, Members of the Syndicate or the Trading Members of the Stock Exchange is available at www.sebi.gov.in or at such other web link as may be prescribed by SEBI from time to time.
Security	The principal amount of the NCDs to be issued in terms of this Prospectus together with all interest due on the NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of pari passu charge with Existing Secured Creditors, on Trade Receivables and MTF (excluding reserves created in accordance with law and exclusive charge created in favour of secured charge holders in terms of their respective loan agreements/documents), both present and future of the Company.
Specified Locations	Collection centres where the Members of the Syndicate shall accept Application Forms, a list of which is included in the Application Form.
Sponsor Bank	The Banker to the Issue registered with SEBI which is appointed by our Company to act as a conduit between the Stock Exchange and NPCI in order to push the UPI Mandate Requests and/or payment instructions of the UPI Investors into the UPI and carry out any other responsibilities, in terms of the SEBI Master Circular.
Stock Exchange	BSE Limited ("BSE")
Syndicate ASBA	Applications through the Designated Intermediaries.
Syndicate ASBA Application Locations	Collection centres where the Designated Intermediaries shall accept Application Forms from Applicants, a list of which is available on the website of the SEBI at www.sebi.gov.in and at such other websites as may be prescribed by SEBI from time to time.
Syndicate SCSB Branches	In relation to ASBA Applications submitted to a Member of the Syndicate, such branches of the SCSBs at the Syndicate ASBA Application Locations named by the SCSBs to receive deposits of the Application Forms from the members of the Syndicate, and a list of which is available on www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.
Tenor	The tenor shall mean the tenor of the NCDs as specified in this Prospectus.
Trading Member(s)	Individuals or companies registered with SEBI as "trading member(s)" under the SEBI (Stockbrokers and Sub-Brokers) Regulations, 1992, and who hold the right to trade in stocks listed on stock exchanges, through which Investors can buy or sell securities listed on stock exchanges whose list is available on stock exchanges.
Transaction Registration Slip/TRS	The acknowledgement slips or document issued by any of the Members of the Syndicate, the SCSBs, or the Trading Members as the case may be, to an Applicant upon demand as proof of upload of the Application on the application platform of the Stock Exchange.
Tripartite Agreement(s)	Agreements as entered between the Issuer, Registrar and each of the Depositories under the terms of which the Depositories shall act as depositories for the securities issued by our Company.
Trustee/Debenture Trustee	Trustee for the holders of the NCDs, in this case being IDBI Trusteeship Services Limited.
UPI ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the NPCI.
UPI Investor	An Applicant who applies with a UPI number whose Application Amount for NCDs in the Issue is up to ₹5,00,000.
UPI Mandate Request	A request (intimating the UPI Investors, by way of a notification on the UPI application and by way of an SMS directing the UPI Investors to such UPI application) to the UPI Investors using the UPI Mechanism initiated by the Sponsor

Term	Description
	Bank to authorise blocking of funds equivalent to the Application Amount in the relevant ASBA Account through the UPI, and the subsequent debit of funds in case of Allotment.
UPI Mechanism	The optional bidding mechanism that may be used by UPI Investors to make Applications in the Issue, in accordance with SEBI Master Circular, as amended or any other governmental authority in relation thereto from time to time.
UPI PIN	Password to authenticate UPI transaction.
Wilful Defaulter	A person who is categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI and includes an issuer whose director or promoter is categorised as such.
Working Days	All days excluding Sundays or a holiday of commercial banks in Mumbai and/or Thrissur, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in Mumbai. Furthermore, for the purpose of post issue period, i.e., period beginning from the Issue Closing Date to listing of the NCDs on the Stock Exchange, Working Day shall mean all trading days of the Stock Exchange, excluding Saturdays, Sundays and bank holidays in Mumbai, as per SEBI NCS Regulations, however, with reference to payment of interest/redemption amount of NCDs, Working Days shall mean those days wherein the money market is functioning in Mumbai.

Business/Industry Related Terms:

Term	Description
AMFI	Association of Mutual Funds in India
API	Application programming interface
AUM	Assets under management
CAMS	Computer Age Management Services
CIRL	Central Insurance Repository Limited
CM-TM	Clearing Member-Trading Member
CRM	Customer relationship management
CTCL	Computer to Computer Link
DGCX	Dubai Gold & Commodities Exchange
DMCC	Dubai Multi Commodities Centre
DRAs	Debt Recovery Agents
EKYC	Electronic Know Your Customer
EUR	The Euro
FOCUS	An ERP software
FPO	Follow-on Public Offering
GBP	Great Britain Pound
HFT	High-Frequency Trading
HO	Head Office
ICCL	Indian Clearing Corporation Limited
ICEX	Indian Commodity Exchange Limited
IFSC	Indian Financial System Code
IFSCA	International Financial Services Centres Authority
IIBX IFSC	India International Bullion Exchange (IFSC) Limited
INX	India International Exchange
IPO	Initial Public Offer
IRDAI	Insurance Regulatory and Development Authority of India
JPY	The Japanese Yen
M&A	Mergers & Acquisitions
MCX	Multi Commodity Exchange of India Limited
MISP	Motor Insurance Service Provider
MSME	Micro, Small & Medium Enterprises
MWFS	Moneywise Financial Services Private Limited

Term	Description
NBFC	Non-Banking Financial Company
NCCL-NCDEX	National Commodity Clearing Limited is a wholly owned subsidiary of the National Commodity & Derivatives Exchange Ltd.
NCDEX	National Commodity & Derivatives Exchange Limited
NCL	National Securities Clearing Corporation Limited
NMCE	National Multi Commodity Exchange
NMS	Network monitoring tools
NSEL	National Spot Exchange Limited
ODIN	Open Dealer Integrated Network
PMS	Portfolio Management Services
POSP	Point of Salesperson
PSU	Public Sector Undertaking
RERA	Real Estate Regulatory Authority
UAE	United Arab Emirates
UCX	Universal Commodity Exchange
USD	United States Dollar
VAPT	Vulnerability Assessment & Penetration Testing
WCTL	Working Capital Term Loan

Conventional and General Terms or Abbreviations:

Term	Description
AGM	Annual General Meeting
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CGST Act	Central Goods and Services Tax Act, 2017
Cr.P.C	Code of Criminal Procedure, 1973
Companies Act, 1956	The erstwhile Companies Act, 1956
Companies Act/ Companies Act 2013	The Companies Act, 2013 read with rules framed by the Government of India from time to time.
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India earlier known as Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
DRR	Debenture Redemption Reserve
EGM	Extraordinary General Meeting
EPS	Earnings per share
FDI Policy	The Government policy, rules and the regulations (including the applicable provisions of the FEMA Non-Debt Rules) issued by the Government of India prevailing on that date in relation to foreign investments in our Company's sector of business as amended from time to time.
FEMA Non-Debt Regulations	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
FEMA Debt Regulations	Foreign Exchange Management (Debt Instrument) Regulations, 2019
FIs	Financial Institutions
FPI	FPI Foreign Portfolio Investors defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
Financial Year/FY/Fiscal	Financial Year/FY/Fiscal Financial year ending March 31
GDP	Gross Domestic Product
GoI	Government of India
G-Sec	Government Securities
GST	Goods and Services Tax

Term	Description
HNI	High Net Worth Individual
HUF	Hindu Undivided Family
IRDAI	Insurance Regulatory and Development Authority of India
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
IGST Act	Integrated Goods and Services Tax Act, 2017
Ind AS	Ind AS The Indian Accounting Standards referred to in the Companies (Indian Accounting Standard) Rules, 2015
Indian GAAP	Generally Accepted Accounting Principles in India
Insurance Act	The Insurance Act, 1938
IT Act	The Income Tax Act, 1961
IT	Information Technology
ISD	International Subscriber Dialling
MCA	Ministry of Corporate Affairs, Government of India
MICR	Magnetic ink character recognition
MIS	Management Information System
MoU	Memorandum of Understanding
NA	Not Applicable
NACH	National Automated Clearing House
NEFT	National Electronic Funds Transfer
NII(s)	Non-Institutional Investor(s)
NIM	Net Interest Margin
NPCI	National Payments Corporation of India
NRI	Non-resident Indian
NSDL	National Securities Depository Limited
OCI	Overseas Citizenship of India
PAN	Permanent Account Number
PMLA	Prevention of Money Laundering Act, 2002
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI Certification of Associated Persons Regulations	Securities and Exchange Board of India (Certification of Associated Persons) Regulations, 2007
SEBI Delisting Regulations	Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, as amended from time to time
SEBI Depositories Regulations	Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, as amended from time to time
SEBI IA Regulations	Securities and Exchange Board of India (Investment Advisers) Regulations, 2014, as amended from time to time
SEBI Intermediaries Regulations	Securities and Exchange Board of India (Intermediaries) Regulations, 2008, as amended from time to time
SEBI Listing Regulations/ Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Merchant Banker Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
SEBI NCS Regulations	Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended from time to time.
SEBI Master Circular	SEBI circular bearing no. SEBI/HO/DDHS/PoD1/P/CIR/2024/54 dated May 22,

Term	Description
	2024, as amended, which consolidates and has replaced multiple circulars issued by SEBI in relation of issue and listing of debt securities, as amended from time to time.
SEBI Master Circular for Debenture Trustees	SEBI circular with reference number SEBI/HO/DDHS-PoD1/P/CIR/2023/109 dated March 31, 2023, as may be amended from time to time.
SEBI Stockbrokers Regulations	Securities and Exchange Board of India (Stockbrokers and Sub-Brokers) Regulations, 1992
SGST Act	State Goods and Services Tax Act, 2017, as enacted by various state governments
SME	Small and medium enterprises
TDS	Tax Deducted at Source
The Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time
UPI	Unified Payments Interface, a payment mechanism that allows instant transfer of money.
VOIP	Voice Over Internet Protocol
WDM	Wholesale Debt Market

FORWARD-LOOKING STATEMENTS

Certain statements in this Prospectus that are not statements of historical fact constitute "forward-looking statements". Investors can generally identify forward-looking statements by terminology such as *"aim", "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "may", "objective", "plan", "potential", "project", "pursue", "shall", "seek", "should", "will", "would",* or other words or phrases of similar import. Similarly, statements that describe strategies, objectives, plans or goals are also forward-looking statements.

All statements regarding expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to business strategy, revenue and profitability, new business and other matters discussed in this Prospectus that are not historical facts. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results and valuations to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results, including financial conditions and results of operations to differ from expectations include, but are not limited to, the following:

- Performance of financial and capital markets, both domestically and globally, could impact on our financial results and prospects.
- We heavily depend on our broking and related services business for a significant portion of our revenue and profitability. Therefore, any downturn in the stock markets could profoundly impact our business, financial condition, cash flows, and overall prospects, potentially leading to adverse effects on our operations. Risks inherent in the financial services industry could adversely affect our business operations and financial performance.
- We are subject to extensive statutory and regulatory requirements, compliances and supervision, and operate in a highly regulated environment, which is subject to change, and exiting and new laws, regulations and government policies affecting the sectors in which we operate could adversely affect our business operations, financial condition and result of our operations.
- Our Company and our Subsidiaries are subject to periodic inspections by various statutory and regulatory authorities. Non-compliance with the observations made during any such inspections could lead to penalties, adverse actions or issue of warning letters which may adversely impact our reputation, financial condition and results of operations.
- Our ability to successfully implement our strategy, growth and expansion plans.
- We operate in a highly regulated environment, and changes in laws, regulations, and government policies could adversely affect our business Competition from our existing as well as new competitors.
- Our operations heavily rely on IT systems, and any failures or inadequacies in these systems could disrupt our businessThe outcome of any legal or regulatory proceedings we are or may become a party to;
- Factor affecting the business and reputation of SMC group may have a concurrent adverse effect on our business and results of operations.
- Occurrence of natural calamities or natural disasters affecting the areas in which our Company has operations

For further discussion of factors that could cause our actual results to differ, see "***Risk Factors"*** on page 19 of this Prospectus. Certain other additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under the "***Industry Overview***", "***Our Business***" and "***Outstanding Litigations and Defaults***" on pages 91, 132 and 266 of this Prospectus respectively.

The forward-looking statements contained in this Prospectus are based on the beliefs of our management, as well as the assumptions made by and information currently available to our management. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct or will hold good at all times. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialize, or if any of our Company's underlying assumptions prove to be incorrect, our actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

By their nature, certain market risk disclosures are only estimate(s) and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company, its Directors, its KMPs and officers, nor any of their respective affiliates or associates or the Lead Manager, have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI NCS Regulations, as amended, our Company and the Lead Manager will ensure that investors are informed of material developments between the date of filing this Prospectus with the RoC and the date of receipt of listing and trading permission being obtained from the Stock Exchange for the NCDs.

CERTAIN CONVENTIONS, USE OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY PRESENTATION

General

In this Prospectus, unless the context otherwise indicates or implies, references to *"you", "offeree", "purchaser", "subscriber", "recipient", "investors"* and *"potential investor"* are to the prospective investors in this Issue, references to *"SMC Global Securities Limited", "SMC"*, our *"Company"*, the *"Company", "we", "us", "our"* or the *"Issuer"* are to SMC Global Securities Limited. Unless stated otherwise, all references to page numbers herein are to the page numbers of this Prospectus.

All references herein to the *"U.S."* or the *"United States"* are to the United States of America and its territories and possessions and all references to *"India"* are to the Republic of India and its territories and possessions, and the *"Government"*, the *"Central Government"* or the *"State Government"* are to the Government of India, central or state, as applicable.

Certain figures contained in this Prospectus, including financial information, have been subject to rounding adjustments. Unless set out otherwise, all figures in decimals, including percentage figures, have been rounded off to two decimal points. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Further, any figures sourced from third party industry sources may be rounded off to other than one decimal point to conform to their respective sources. India has decided to adopt the "Convergence of its existing standards with IFRS with some difference" referred to as the "Indian Accounting Standards" or "Ind AS". In terms of a notification released by the MCA, our Company is required to prepare its financial statements in accordance with Ind AS for accounting periods beginning on April 1, 2019.

Unless stated otherwise all references to time in this Prospectus are to Indian standard time.

Presentation of Financial Information

Our Company's financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year, so all references to a particular financial year or fiscal are to the 12-month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year. Unless the context requires otherwise, all references to a "financial year", "fiscal year", "fiscal" or "FY" in this Prospectus are to a calendar year and references to a Fiscal/Fiscal Year are to the fiscal year ended on March 31 of that calendar year.

The financial statements in this Prospectus consist of (a) the Audited Financial Statements which have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 (the 'Act') read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and other relevant provisions of the Act and the guidelines and directives issued by the Reserve Bank of India (RBI), to the extent applicable; and (b) the Limited Review Financial Results which have been prepared in accordance with the SEBI Listing Regulations, as applicable, applicable accounting standards prescribed by the ICAI and Companies Act, as applicable, and are included in this Prospectus in "***Financial Statements***" on page 184 of this Prospectus. Our Company's audited financial statements for the Fiscal Year ended March 31, 2024, March 31, 2023, and March 31, 2022, have been prepared in accordance with Ind AS and have been audited by our Erstwhile Auditors i.e., R. Gopal & Associates, Chartered Accountants.

Unless stated otherwise and unless the context requires otherwise, the financial data used in this Prospectus is derived from the respective Audited Financial Statements and the Limited Review Financial Results, as included in this Prospectus.

Our Company prepares its financial statements in lakhs or 1,00,000 and for the purposes of this Prospectus, our Company has presented all numerical and financial information in "lakh" units, "million" units, "billion" units or in whole numbers where the numbers have been too small to represent in lakhs, millions or billions. One lakh represents 1,00,000, one million represents 1,000,000 and one billion represents 1,000,000,000, except as set out in the chapter titled "Industry Overview". Accordingly, any amount below ₹5,000 has been rounded off to ₹0.0

lakhs in this Prospectus.

Currency and Units of Presentation

All references to:

- "Rupees" or "₹" or "INR" or "Rs." are to Indian Rupee, the official currency of the Republic of India;
- "USD" or "US$" or "$" are to United States Dollar, the official currency of the United States of America.

Exchange Rates

This Prospectus contains conversion of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI NCS Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and USD (in Rupees per USD):

Currency	As at		
	March 31, 2024	March 31, 2023	March 31, 2022
1 USD	83.37	82.22	75.81

Source: RBI reference rate and www.fbil.org.in

Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Prospectus has been obtained from various industry publications and sources, including the report titled 'Research Report on Financial Services Industry' dated June 12, 2024, by CARE Analytics and Advisory Private Limited (CareEdge Research), which has been paid for and commissioned by our Company for an agreed fee. CareEdge Research has been commissioned by our Company for the purposes of confirming our understanding of the industry in which the Company operates, in connection with the Issue.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but accuracy, completeness and underlying assumptions of such third-party sources are not guaranteed. Although the industry and market data used in this Prospectus is reliable, the data used in these sources may have been re-classified by us for the purposes of presentation however, no material data in connection with the Issue has been omitted. Data from these sources may also not be comparable.

The extent to which the market and industry data used in this Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in *"**Risk Factors**"*, on page 19 of this Prospectus. Accordingly, investment decisions should not be based solely on such information.

Disclaimer of Industry Report Provider

This Prospectus contains data and statistics from the CareEdge Research report which is subject to the following disclaimer:

The report is prepared by CARE Analytics and Advisory Private Limited (CareEdge Research). CareEdge Research has taken utmost care to ensure veracity and adequacy of the information while developing this report based on information available in CareEdge Research's proprietary database, and other sources including the information in public domain, considered by CareEdge Research as reliable after exercise of reasonable care

and diligence. The views and opinions expressed herein do not constitute the opinion of CareEdge Research to buy or invest in this industry, sector or companies operating in this sector or industry and is also not a recommendation to enter into any transaction in this industry or sector in any manner whatsoever.

This report has to be seen in its entirety; the selective review of portions of the report may lead to inaccurate assessments. All forecasts in this report are based on assumptions considered to be reasonable by CareEdge Research at the time of issuance of this report; however, the actual outcome may be materially affected by changes in the industry and economic circumstances, which could be different from the projections.

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General Risk

Investment in NCDs involve a degree of risk and investors should not invest any funds in NCDs unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it.

Specific attention of investors is invited to statement of risk factors contained under section "***Risk Factors***" on page 19 of this Prospectus. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the NCDs or Investor's decision to purchase such securities.

SECTION II: RISK FACTORS

An investment in this type of security involves a certain degree of risk. The investor should carefully consider all the information contained in this Prospectus, including the risks and uncertainties described below, before making an investment decision. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risks that may arise in connection with our business or any decision to purchase, own or dispose of the Debentures. Additional risks, which are currently unknown, if materialises, may in the future have a material adverse effect on our business, financial condition, cash flows and results of operations. The market prices of the NCDs could decline due to such risks and you may lose all or part of your investment.

The financial and other related implications of the risks described in this section, have been disclosed to the extent quantifiable as on the date of this Prospectus. This Prospectus also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including events described below and elsewhere in this Prospectus.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section. This Prospectus also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including events described below and elsewhere in this Prospectus. Unless otherwise stated, or unless context requires otherwise, the financial information used in this section is derived from and should be read in conjunction with Financial Information as included in this Prospectus.

INTERNAL RISKS

1. We are subject to extensive statutory and regulatory requirements and supervision and operate in a highly regulated environment, which is subject to change, and existing and new laws, regulations and government policies affecting the sectors in which we operate could adversely affect our business, financial condition and results of operations.

Our Company is registered with SEBI under the Stock Brokers and Sub Brokers Regulations, 1992 and is a member of BSE, NSE, MCX and NCDEX. Our Company is also registered with CDSL and NSDL in the capacity of depository participant. Further, we are also registered with other regulatory agencies including, *inter alia* RBI, IRDAI, Association of Mutual Funds in India, RERA, CERSAI, KYC Registration Agencies and NSDL Database Management Limited, etc. For details of our business activities and registrations with various regulatory authorities, see "***Our Business***" and "***History and Certain Corporate Matters***" on pages 132 and 154, respectively. To undertake some of our business activities, including for the launch of new products, we may need to obtain registrations and approvals under, and comply with, regulations issued by various regulatory authorities, including, SEBI, IRDAI, NSDL, CDSL, BSE, NSE, MCX and NCDEX from time to time. Such regulations include the SEBI Depositories and Participants Regulations, SEBI Stockbrokers Regulations, SEBI Mutual Funds Regulations, AMFI Guidelines, IRDAI Registrations of Corporate Agents Regulations, 2015 and Real Estate (Regulation and Development) Act, 2016. Additionally, we need to ensure compliance with various statutes, such as the SCRA read with the SCRR, the SEBI Act, and various rules, regulations, notifications and circulars issued under such statutes. In addition, our business operations are subject to regulatory limits on brokerage fee rates and net worth requirements imposed by the Stock Exchanges.

We believe that significant regulatory changes in our industry are likely to continue, which is likely to subject industry participants to additional and generally more stringent regulations. The requirements imposed by our regulators are designed to ensure the integrity of the financial markets and to protect investors and other third parties who deal with us and may not always coincide with the interests of our shareholders. Consequently, these regulations may serve to limit our activities and/or increase our costs, including through investor protection, compliance management and market conduct requirements. We may also be adversely affected by changes in the interpretation or enforcement of existing laws and rules by various governmental authorities and self-regulatory organizations.

Though we ensure compliance with applicable law including various acts, rules, regulations and circulars

issued by SEBI and other applicable regulatory authorities relating to our activities including margin trading, we cannot assure you that the Government or the regulatory authorities will not take different interpretations regarding applicability of, or compliance with, the laws and regulatory framework governing our business. We may be unable to obtain, maintain or renew, or comply with the terms of, the regulatory approvals and registrations applicable to our business activities, and this may have adverse consequences for our business operations. In such an event, we may also be subject to regulatory action, including fines, suspension or termination of approvals or registrations, or restrictions on undertaking all or some of our business activities.

Additionally, the laws applicable to our business continue to evolve and may be amended, revised, or replaced in the future by the Government or regulatory authorities, or due to judicial decisions. Due to the nature of business activities undertaken by us, our employees are also required to comply with various regulations, such as SEBI Insider Trading Regulations, SEBI Stock Brokers Regulations, etc. Even though we have established an internal framework to monitor the conduct of our employees, we cannot assure you that none of our employees will violate the provisions of applicable law in the course of their employment with us or that all such violations would be detected by us in a timely manner, or at all. Any violation of applicable laws by our employees related to their employment with us may affect our business operations.

2. ***Our Company, Directors, Promoters and Subsidiaries are involved in certain legal and other proceedings. Any adverse outcome in such proceedings may have an adverse effect on our business, results of operations, financial condition and cash flows.***

Certain legal proceedings involving our Company, Directors, Promoters, Group Companies, and Subsidiaries are outstanding at various levels of adjudication before various courts. For details of material legal proceedings that we, our Promoters, our Directors, Group Companies and our Subsidiaries are involved in, see "***Outstanding Litigations and Defaults***" on page 266 of this Prospectus. We cannot assure you that the outcome of these legal proceedings will be favourable, and any adverse decision in any of these proceedings may impact our business and financial condition. The disputed amount involved in certain matters may be large, and an adverse order against us on such matters may impact our financial resources. Litigations against our Company could also consume our financial resources in their defence or prosecution. Further, should any new developments arise, such as changes in Indian law or rulings against us by the regulators, appellate courts or tribunals, we may need to make provisions in our financial statements, which could increase our provisions, expenses and current liabilities. Further, our Company, Subsidiaries and Group Companies are also involved in actions taken by regulatory authorities which are currently pending, including ongoing investigations by the SEBI and Economic Offence Wing. For details, see "***Outstanding Litigations and Defaults***" on page 266 of this Prospectus. A summary of the number of outstanding litigations is set our below:

(₹ in lakhs)

Category of Individuals/ entities	Criminal Proceedings	Material Civil Litigation	Statutory or Regulatory Proceedings	Disciplinary actions by SEBI or Stock Exchanges against our Promoters	Material Tax Proceedings	Aggregate amount involved*
Company						
By the Company	25	-	-	-	-	1050.60
Against the Company	10	-	4	-	1	unascertainable
Directors (excluding Promoters)						
By the Directors	-	-	-	-	-	-
Against the Directors	1	-	-	-	-	00.75
Promoters						
By the	-	-	-	-	-	-

Category of Individuals/ entities	Criminal Proceedings	Material Civil Litigation	Statutory or Regulatory Proceedings	Disciplinary actions by SEBI or Stock Exchanges against our Promoters	Material Tax Proceedings	Aggregate amount involved*
Promoters						
Against the Promoters	5	-	-	-	-	20.25
Subsidiaries						
By the Subsidiaries	1760	5	-	-	-	46584.52
Against the Subsidiaries	11	1	2	-	-	2221.51
Group Companies						
By the Group Companies	-	1	-	-	-	-
Against the Group Companies	-	-	-	-	-	-

**To the extent ascertainable and quantifiable*

3. The operation of our businesses is highly dependent on information technology, and we are subject to risks arising from any failure of, or inadequacies in, our IT systems.

Our operations rely heavily on the effectiveness of our IT systems and their ability to record and process accurately a large number of transactions on a daily basis and in a timely manner to provide a seamless digital experience to our clients. While we are compliant with the circulars on 'Cyber Security & Cyber Resilience framework for Stock Brokers/ Depository Participants' dated December 3, 2018, October 15, 2019 and June 7, 2022 issued by SEBI, we have recognised and continue to address the need to have sophisticated technology systems in place to meet our clients' requirements. A prolonged disruption of, or failure of, our information processing or communications systems would limit our ability to process transactions. In the last three financial years, there have been few technical disruptions, however, these did not materially impact the operations of our Company. We cannot assure you that a similar or material disruption may not occur in the future, thereby materially affecting our competitiveness, financial condition, cash flows and results of operations.

Our Company recognizes the criticality and need of its business and understands the importance of the availability of its information, information systems and processing facilities. In case of man-made or natural disaster, it is essential that our Company is prepared to re-establish business or services as swiftly and smoothly as possible, thus ensuring minimal loss or disruption. Our system for processing securities transactions is automated and we rely heavily on the ability of our trading system to handle a large number of transactions. While we regularly monitor and upgrade the capacity of our trading system and conduct mock tests in anticipation of high volumes of transactions, we cannot assure you that we will be able to process all trading orders at a time of increased demand, including due to increased market volatility. If we are unable to efficiently process all trading orders received, we may lose clients, become subject to client complaints, litigation or regulatory action, face financial losses and may adversely affect our reputation. Although we back up our business data regularly and have a business continuity and disaster management policy, we cannot assure you that there will not be an unforeseen circumstance or that our disaster recovery planning is adequate for all eventualities.

The securities industry is characterized by rapidly changing technology and the future success of our business will depend in part on our ability to effectively adapt to technological advances and to emerging industry standards and practices on a cost-effective basis. Web platforms and mobile applications are popular among clients due to their convenience and user-friendliness. We rely heavily on technology and rely on our electronic brokerage platform and mobile apps to provide a wide range of brokerage and distribution services. If we are unable to effectively compete on IT-enabled offerings, it could have a

material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

System failures or inadequacy and security breaches in computer systems may adversely affect our business. We face the threat of fraud and cyber-attacks, such as hacking, phishing, trojans and other threats, attempting to exploit our network to disrupt services to customers and/or theft of sensitive internal company data or customer information. This may cause damage to our reputation and adversely impact our business and financial results. Our technology operations are also vulnerable to disruptions from human error, catastrophic events including natural disasters, lack of capacity during peak trading times or times of unusual market volatility, power failure, computer viruses, spam attacks, ransom ware, distributed denial of services attacks, unauthorized access, data leakage and other similar events, and we may not be able to adapt to the evolving technology in the industry. Disruptions such as hacker attacks, frauds, virus or worm infestation of our IT systems, or an internal problem with information protection, such as failure to control access to sensitive systems, could materially interrupt our business operations or cause disclosure or modification of sensitive or confidential information and could harm our business, reputation and prospects.

The proper functioning of our internet-based trading system, order routing system, back-office systems, settlement system, risk management system, financial controls, accounting, client database, client service and other data processing systems, together with the communications networks linking our IT systems with relevant exchanges, banks, depositories, registrar and transfer agents and client interfaces, is critical to our business and our ability to compete effectively. Our business activities would be materially disrupted in the event of a partial or complete failure of any of these IT systems, communication networks or their backup systems and procedures. Please see "***Risk Factors- We face various risks due to our reliance on third-party intermediaries, business associates, vendors and service providers***" on page 33 of this Prospectus.

4. Any violations or mistakes by our Authorised Persons can lead to severe regulatory penalties, financial losses, and reputational damage, potentially disrupting our operations and eroding client trust.

Our operations are reliant on the performance and compliance of our branches and authorized persons. Any violations or mistakes committed by our branches and authorized persons can have significant adverse effects on our company. The key risks associated with branches and authorized persons activities include:

Regulatory Non-Compliance: Our branches and authorized persons are required to adhere to stringent regulatory requirements. Any failure to comply with these regulations can result in severe penalties, sanctions, or legal actions against our firm. Regulatory bodies may impose fines, suspend operations, or revoke licenses, severely impacting our business operations and financial stability.

Reputational Damage: Our goodwill and market reputation are critical to maintaining client trust and attracting new business. Any unethical behavior, fraudulent activities, or significant errors by our Authorised Persons can lead to negative publicity, damaging our brand image. Loss of trust can result in client attrition and difficulty in acquiring new clients, thereby affecting our revenue and growth prospects.

Financial Liability: Mistakes or violations by our branches or authorized persons can lead to substantial financial losses. This includes potential compensation claims from affected clients, legal fees, and costs associated with regulatory fines. Additionally, we may face increased insurance premiums or the need to reserve funds to cover potential liabilities, which could strain our financial resources.

Operational Disruptions: Compliance breaches or fraudulent activities can necessitate immediate and extensive internal investigations and audits. This diversion of resources can disrupt our regular business operations, causing delays, increased operational costs, and loss of productivity. Furthermore, the need to implement corrective measures may require significant investments in training, systems, and process enhancements.

Client Trust and Retention: Any breach of compliance or misconduct by our branches and authorized persons can erode client trust. Clients may withdraw their investments, leading to a decrease in assets under management. The loss of high-net-worth individuals or institutional clients can have a pronounced negative impact on our financial performance and market position.

While branches and authorized persons play a crucial role in expanding our reach and servicing clients, their actions can have far-reaching implications on our regulatory standing, reputation, financial health, and operational efficiency. Effective risk management strategies, stringent compliance protocols, and oversight mechanisms are essential to mitigate these risks and safeguard our interests. However, there can be no assurance that such measures will be fully effective in preventing all potential adverse outcomes associated with Authorised Persons' activities.

5. Risk Factors Related to Technological Competitiveness and Mobile App Performance

Our business heavily relies on the robustness, efficiency, and competitiveness of our technological applications and platform, including our mobile app based and web based services and solutions. The financial technology landscape is rapidly evolving, with continuous advancements and innovations. Our ability to remain competitive and attract clients depends significantly on the quality and functionality of our technological offerings. However, several risks are associated with this dependency: The fast-paced nature of technological advancements means that our current mobile apps and platform features may become outdated quickly. If we fail to continuously innovate and upgrade our technology to meet evolving market standards and client expectations, we risk losing our competitive edge.

Competitors with more advanced and user-friendly platforms may attract our clients, leading to a potential loss of market share. Our clients expect seamless, reliable, and efficient mobile applications for their trading activities. Any issues related to the performance, speed, user interface, or security of our apps can significantly impact user satisfaction. Negative user experiences can lead to client attrition, adverse reviews, and a damaged reputation, making it challenging to attract and retain clients. The financial services sector is a prime target for cyberattacks.

Any security breaches, data leaks, or vulnerabilities in our mobile apps and technical platform can result in substantial financial losses, legal liabilities, and regulatory penalties. Ensuring robust security measures requires continuous investment and monitoring, which can strain our resources. As technology evolves, ensuring compatibility and seamless integration with other financial systems and third-party applications becomes increasingly complex. Any failures in integration can disrupt client operations, leading to dissatisfaction and potential loss of business. Staying competitive in the technology space requires significant ongoing investments in research and development, platform enhancements, and regular maintenance. These costs can impact our profitability and financial stability, especially if the investments do not yield the expected returns in terms of client acquisition and retention. The perception of our technological capabilities influences our market position. Competitors continuously improving their platforms can create pressure to match or exceed their offerings. Failure to do so can result in a perception of inferiority, affecting our ability to compete effectively.

6. We had negative cash flow from operating, investing and financing activities, details of which are given below. Sustained negative cash flow could adversely impact our business, financial condition and results of operations.

Our Company had negative cash flows from our operating, investing and financing activities in the previous years including for Financial Year 2024. Summary of our Cash Flows from Operating activities, Investing Activities and Financing Activities for financial years ended on March 31, 2024, 2023 and 2022 on Standalone and Consolidated basis is as following, respectively:

(Rs in Lakhs)

Particulars	Financial Year ended on March 31, 2024	Financial Year ended on March 31, 2023	Financial Year ended on March 31, 2022
Operating activities	(9,239.08)	(7,706.94)	24,029.93
Investing Activities	53.54	(861.34)	(5,683.38)
Financing Activities	12,443.79	4,929.69	(15,364.30)

Note: *Details for the financial years 2022-23 has been extracted from the comparative figure included in the standalone audited*

financial statements 2023-24;
Details for the financial years 2021-22 has been extracted from the comparative figure included in the standalone audited financial statements 2022-23

(Rs in Lakhs)

Particulars	Financial Year ended on March 31, 2024	Financial Year ended on March 31, 2023	Financial Year ended on March 31, 2022
Operating activities	(19,265.91)	(26,008.43)	20,885.99
Investing Activities	(2,866.47)	(3,100.67)	(6,250.08)
Financing Activities	31,700.12	23,128.50	(9,985.46)

Note: *Details for the financial years 2022-23 has been extracted from the comparative figure included in the consolidated audited financial statements 2023-24;*
Details for the financial years 2021-22 has been extracted from the comparative figure included in the consolidated audited financial statements 2022-23

The Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and to make new investments without raising finance from external resources. Any operating losses or negative cash flows could adversely affect our results of operations and financial conditions. If we are not able to generate sufficient cash flows, it may adversely affect our business and financial operations.

7. Impact of losses by wholly owned subsidiary on our Company and its Financial Health.

Our wholly owned subsidiary, SMC Real Estate Advisors Private Limited, has been experiencing financial difficulties, impacting our overall financial health. In the fiscal year 2024, SMC Real Estate Advisors Private Limited, incurred losses amounting to Rs.598.07 Lakhs and its net worth as on March 31, 2024 is negative by Rs. 1,583.53 Lakhs. These losses may have implications for our Company as we seek to raise funds.

Firstly, the continued financial underperformance of SMC Real Estate Advisors Private Limited directly affects our consolidated financial statements. The losses from this subsidiary reduce our overall profitability and can result in lower net earnings for our company. This deterioration in profitability may make our stock less attractive to potential investors and can adversely affect our stock price.

Secondly, the persistent losses from SMC Real Estate Advisors Private Limited have a negative impact on our company's net worth. The reduction in net worth diminishes our financial stability and could lead to a downgrade in our credit ratings. Lower credit ratings can increase our cost of borrowing and limit our access to favorable financing options, thereby affecting our liquidity and ability to fund future growth initiatives.

Moreover, the financial strain from our subsidiary may necessitate additional capital injections to support its operations and cover its losses. This diversion of resources can strain our financial reserves and limit our ability to invest in other profitable areas of our business. The need to allocate funds to cover the subsidiary's losses may also reduce the dividends payable to our shareholders, potentially leading to dissatisfaction among our investor bases.

Furthermore, the losses incurred by SMC Real Estate Advisors Private Limited could raise concerns about our overall management effectiveness and strategic decision-making. Investors may perceive the ongoing losses as a sign of broader operational inefficiencies, which could undermine their confidence in our ability to manage and turn around underperforming assets.

8. There may be inadvertent discrepancies in our secretarial filings and/ or corporate records. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to any such discrepancies and we will not be subject to any penalty imposed by the competent authority in this regard.

We manage our internal compliance by monitoring and evaluating internal controls and ensuring all relevant statutory and regulatory compliances. However, there can be no assurance that deficiencies in

our internal controls will not arise, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all. Accordingly, we cannot assure you that our Company will not be subject to any legal proceedings or regulatory actions, including monetary penalties by statutory authorities on account of any inadvertent discrepancies in our secretarial filings and/or corporate records in the future, which may adversely affect our business, financial condition and reputation.

9. Our Company and our Subsidiaries are subject to periodic inspections by various statutory and regulatory authorities. Non-compliance with the observations made during any such inspection could lead to penalties, adverse actions or issue of warning letters, which may adversely impact our reputation, financial condition and results of operations.

Our business and activities are subject to periodic inspection by various authorities, such as SEBI, CDSL, NSDL, BSE, NSE, MCX, NCDEX, MCCIL, MSEI, ICCL and MCXCCL (collectively "**authorities**"). In addition, our Subsidiaries, Moneywise Finvest Limited, being a registered NBFC and SMC Insurance Brokers Private Limited, being an insurance broking company, are subject to periodic inspections by their respective regulators RBI and IRDAI. Though, we endeavor to remain compliant with all applicable regulations, there have been instances in the past of certain lapses and non-compliance. For instance, in the past, SEBI, NSE, BSE, NCDEX have (a) identified certain deficiencies in our operations, (b) made certain observations in relation to our operations during their periodic inspections, and (c) sought certain clarifications on our operations, including as follows:

- Non-maintenance of reconciliation statements;
- reporting incorrect data towards segregation and monitoring of collateral at client level to clearing member/ clearing corporation;
- delayed/ non-settlement of client funds;
- delayed retention statements;
- mapping of multiple clients to single email ids/mobile numbers;
- incorrect daily margin statements;
- KYC details discrepancies.

On the basis findings pursuant to inspections conducted by various authorities, our Company has paid penalties of (i) ₹2500 to MCXCCL because our compliance officer did not have the NISM certificate III-A on continuous basis; (ii) ₹88,000 to NSE for non-reconciliation of securities back-office holdings of clients securities; (iii) ₹3,40,000 to NSE for mapping single email ids/mobile numbers to multiple clients; (iv) ₹9,26,000 to NSE for engaging as principal in a business other than securities, incorrect data in weekly holdings, mapping single email ids/mobile numbers to multiple clients and incorrect data submitted towards weekly monitoring of funds; and (v) ₹1,71,326 to NCL for incorrect reporting under MG 12 for trading member's proprietary margins obligations. For further details, see "***Outstanding Litigations and Defaults - Details of inquiries, inspections or investigations initiated or conducted under the Securities laws, Companies Act, 1956 or the Companies Act, 2013 against our Company and Subsidiaries in the last three years along with Section wise details of prosecutions filed (whether pending or not), fines imposed or compounding of offences against our Company and Material Subsidiaries in the last three years***" on page 285. Additionally, there are certain ongoing inspections being undertaken by the SEBI, NSDL and NSE (alert-based inspections) on our Company. While we attempt to comply with all regulatory provisions, directions or observations applicable to us, including in connection with the inspection reports described above, we could be subject to penalties and restrictions, which may be imposed by various statutory authorities. If we are not able to resolve such deficiencies to the satisfaction of the regulators, our ability to conduct our business may be adversely affected.

Further, as a 'Reporting Entity' under the Prevention of Money Laundering Act, 2022 ("**PMLA**"), our Company must comply with the obligations set out under Chapter IV of the PMLA and the Prevention of Money Laundering (Maintenance of Records) Rules, 2005. Currently, a proceeding has been initiated by the Directorate of Enforcement ("**DOE**") under Sections 3 and 4 of the PMLA, numbered PMLA Special Case No. 1389 of 2021, against Mr. Kapil Wadhawan and others, including allegations related to financial irregularities in investments, particularly ₹41,22,70,00,000 made by Uttar Pradesh Power Corporation Limited (UPPCL) in DHFL fixed deposits. Our Company acted as UPPCL's corporate

broker for ₹7,60,00,00,000 of these investments from March 2017 to June 2017. Though our Company had no involvement in the matter as is alleged in the proceedings, and there is no basis for its continued inclusion in the proceedings we cannot assure you that we will obtain a favourable order in this proceeding. If an adverse order is passed against our Company, we will file an appeal against such adverse order and this exercise may divert the attention of our management to defend such appeal.

For further details please refer "***Outstanding Litigations and Defaults –Litigation filed against our Company – Criminal Proceedings***" on page 267 of this Prospectus

10. We rely on our broking business for a substantial share of our revenue and profitability. Any reduction in our brokerage fee could have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

We rely substantially on our broking, distribution, and trading business for our revenue and profitability.

Details of our revenue from broking, distribution, and trading business, both on consolidated and standalone basis:

(data in %)

Particulars	Financial year March 31, 2024	Financial year March 31, 2023	Financial year March 31, 2022
Consolidated	55.78	60.75*	66.85
Standalone	100.00	100.00	100.00

**Restated figures*

Our brokerage business depends on number of orders executed and trading volume, which is significantly affected by external factors, such as general economic conditions, macroeconomic and monetary policies, market conditions and fluctuations in interest rates, all of which are beyond our control. Our operating revenue is also affected by the size of our client base, and the frequency at which they do business through us. We earn brokerage income based on, among other things, the number of orders executed, the volume of trades our clients undertake through us. If we fail to maintain and increase our client base or fail to provide better services and products to retain and attract client activity, our brokerage income may be adversely affected.

Our brokerage income levels are heavily influenced by the competitive landscape, characterized by the absence of exclusivity arrangements with clients, the prevalence of clients using multiple brokerages, and standardized online products. In response to increased competition, we may need to lower fees and offer additional services to attract clients. However, any reduction in order volume could adversely affect our revenue, as our fees are based on the number of orders executed. Furthermore, there's no guarantee that we can attract new clients without brokerage reductions, potentially impacting our business, financial stability, and overall performance. Thus, it's crucial to carefully evaluate our strategies to maintain competitiveness while ensuring long-term sustainability and profitability.

In addition, our brokerage business faces various additional risks, including, among others, significant changes in the technological environment, changes in client preference, restrictions or limitations on offering internet-based trading services, operational risks and regulatory changes, any of which could have a material adverse effect on our business, financial condition and results of operations.

11. Our Company is subject to certain restrictive covenants in our loan documents, which may restrict our operations and ability to grow and may adversely affect our business.

Our Company is subject to certain restrictive covenants under our credit facilities and the documents executed in relation to NCDs issued by us that limit our flexibility in managing our business. There are restrictive covenants in the agreements we have entered into with certain banks and financial institutions for our borrowings. These restrictive covenants require us to maintain certain financial ratios and our existing credit rating and seek the prior permission of these banks and financial institutions/ NCD holders/ Debenture Trustees for various activities, including, among others, (a) any scheme of merger, amalgamation or a buyback, and (b) permit any change in the general nature of business of the Company. Such restrictive covenants may restrict our operations or ability to expand and may adversely affect our business. Although we have received necessary approvals from our lenders for this Issue, these restrictive

covenants may also affect some of the rights of our NCD holders, including the payment of the dividends in case of any default in debt to such lenders. For details of these restrictive covenants, see the section titled "***Financial Indebtedness***" on page 184 of this Prospectus.

12. Our Promoters, certain of our Directors and Key Management Personnel may be interested in us other than in terms of remuneration and reimbursement of expenses, and this may result in a conflict of interest with us.

Our promoter, certain of our directors and key management personnel are interested in us, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding, direct and indirect, and our stock options and benefits arising therefrom. We cannot assure you that our promoters, certain of our directors and key management personnel will exercise their rights as shareholders to our benefit and best interest. Further, since our promoters and promoter group hold equity shares in our company and are therefore interested in our company's performance in addition to their remuneration and reimbursement of expenses, it allows them to exercise significant influence over us.

13. There are operational risks associated with the financial services industry which, if realised, may have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

We face various operational risks related to our business operations in the financial services industry, such as:

- human and systems errors, including in the confirmation, entry or settlement of transactions, due to the complexity and high volume of transactions;
- inadvertent deviations from defined processes and inadvertent errors due to the manual nature of processes;
- delay or failure to timely transfer, pledge or un-pledge securities to and from depository participants;
- failure to establish and maintain an effective controls and compliance oversight by our authorised persons' network;
- failure of technology in our processes, including risk management and settlement processes, causing errors or disrupting our operations;
- inadequate technology infrastructure or inappropriate systems architecture;
- failure to adequately monitor and control authorised persons and personnel at our dealer helpdesks;
- failure to implement sufficient information security, including cyber-security and controls;
- failure to maintain appropriate deposits with exchanges;
- fraud by employees, associates, authorised persons or through our digital and online platforms;
- fraud by authorised persons or personnel at our dealer helpdesks or our employees;
- delay or disruption in timely completion of obligations by market and other intermediaries including banks, exchanges, depositories and other participants;
- an interruption in services by our critical service providers;
- failure to timely report transactions to concerned intermediaries;
- damage to physical assets;
- failure of our complex automated risk management systems due to incorrect or inadequate algorithms;
- authorisation of direct market access system for non-institutional investors by SEBI; and
- inadequate due diligence, including client verification, non-adherence to anti-money laundering guidelines, KYC processes and client needs analysis, in the sales process.

If any of the foregoing were to occur, it could have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

We also face the risk of regulatory penalties in our brokerage business from the exchanges or regulators for failures of routine operational processes. In the past, we have been, and in the future may be, penalised by the regulators and exchanges for non-compliance with regulatory rules and bye-laws relating to

operational failure, including in connection with cases of operation failure beyond our control. For details, see "***Risk Factors- Our Company, and our Subsidiaries are subject to periodic inspections by various statutory and regulatory authorities. Non-compliance with the observations made during any such inspections could lead to penalties, adverse actions or issue of warning letters which may adversely impact our reputation, financial condition and results of operations***" on page 24 of this Prospectus.

We may also offer a broader and more diversified range of products, services or solutions. We may not be able to fully appreciate or identify operational risks related to the new products, services or solutions introduced by us from time to time. Accordingly, any risk management measures or controls implemented by us for such new products, services or solutions may not be adequate and we may be subject to liabilities arising therefrom. Further, any failure to change our risk management measures and controls to our developing business in a timely manner could have a material adverse effect on our business, financial condition, cash flow, results of operations and prospects.

14. We may fail to detect money laundering and other illegal or improper activities in our business operations on a timely basis, which may have an adverse effect on our reputation, business operations, financial condition and results of operation.

We are required to comply with applicable anti-money laundering laws and regulations. These laws and regulations require financial institutions to establish sound internal control policies and procedures with respect to anti -money laundering monitoring and reporting activities. Such policies and procedures require us to, among other things, establish or designate an anti-money laundering framework, conduct client identification in accordance with relevant rules, duly preserve client identity information and transaction records and report suspicious transactions to relevant authorities. Since, we handle large volumes of monetary transactions for a large number of clients, the policies and procedures implemented by us for detecting and preventing the use of our brokerage platforms to facilitate money laundering activities may not comprehensively detect or eliminate instances of money laundering.

We are required to implement effective surveillance controls and measures for ensuring that our electronic brokerage platform is not misused by our clients, authorised persons, personnel at our dealer helpdesks or market participants to carry out manipulative trading activities. Failure of the surveillance control and measures implemented by us to detect illegal or improper activities undertaken through our platforms in a timely manner, or at all, could lead to regulatory actions against us and adversely affect our reputation.

If the controls and measures implemented for detecting or eliminating money laundering or other improper or illegal trading activities are considered inadequate under applicable laws and regulations by any regulatory, governmental or judicial authority, we may be subject to penal action, freezing or attachment of our assets, imposition of fines, or both. We cannot assure you that the controls and measures implemented by us are adequate to detect or eliminate every instance of money laundering or illegal trading activities in a timely manner or at all. Any such lapse may adversely affect our reputation, business operations, financial condition and results of operations.

15. We face competition in our businesses, which may limit our growth and prospects.

The Indian securities industry is fragmented and typified by low barriers to entry. Accordingly, we face competition from companies seeking to attract our clients' financial assets. We compete with, amongst others, Indian and foreign brokerage houses. We compete on the basis of a number of factors, including execution, depth of product and service offerings, innovation, reputation, price and convenience. In addition, with technology advancement and advent of many of the new age discount stock brokers, younger generation investors are losing interest in traditional and conventional stock brokers. If we are not able to upscale our technology and our products, we may stand to lose to these new age players, thus impacting our number of clients base and thus the margins.

Our competitors may have, amongst others, the following advantages over us:

- substantially greater financial resources;
- ability to charge lower commissions/ brokerages;
- lower cost of capital;
- more diversified operations which allow utilisation of funds from profitable business activities to support business activities with lower, or no profitability;
- longer operating history than us in certain of our businesses;
- well-established network of business associates;
- better technology and advanced infrastructure/applications;
- greater brand recognition among consumers;
- larger retail client base in India; and
- partnerships with various service providers and distribution platforms;

Further, many of our product and service offerings in the brokerage and distribution businesses are easy to replicate. This increases the risk of competition from commercial banks, service providers and distribution platforms to enter the market. Further, any consolidation in the Indian securities industry would also expose us to competitive pressures. These competitive pressures may affect our business, and our growth will largely depend on our ability to respond in an effective and timely manner to these competitive pressures. Our business, financial condition, cash flows, results of operations and prospects may be materially and adversely affected if we are not able to maintain our market position, sustain our growth, develop new products or target new markets. In addition, competitive pressures and regulatory changes may also lead to downward pressures on our brokerage commission rates, which could also affect our financial condition and results or operations.

Further, we use technology in almost every aspect of our business, including sales, risk management, fraud detection, compliance, client service and settlement. The Indian financial services industry (including securities industry) is undergoing technological and other changes. Our competitors could utilise technology, big data and innovation to simplify and improve the client experience, increase efficiencies, redesign products, improve client targeting, alter business models more effectively than or to effect disruptive changes in the Indian financial services industry. If we do not anticipate, innovate, keep pace with, and adapt to, technological and other changes impacting the Indian financial services industry, it could harm our ability to compete in the market, decrease the attractiveness of our products to clients and materially and adversely affect our business, financial condition and results of operations.

16. We have contingent liabilities, and our profitability could be adversely affected if any of these contingent liabilities crystallizes.

Except as set out below, there were no claims against our Company not acknowledged as debt as on March 31, 2024, 2023 and 2022:

On Standalone Basis:

(₹ in Lakhs)

Particulars	**FY 24**	**FY 23**	**FY22**
ESI demand	31.06	31.06	31.06
Service Tax Demand	1,283.56	615.98	615.98
Income Tax demand	-	141.56	52.89
Provident Fund*	-	-	-
Stamp Duty*	-	-	-

*For more information, please see "**Annexure A**" on page 337 of this Prospectus.*
**Amount not ascertainable*

On Consolidated Basis:

(₹ in Lakhs)

Particulars	**FY 24**	**FY 23**	**FY22**
ESI demand	31.06	31.06	31.06
Service Tax Demand	1,283.56	615.98	615.98
Provident Fund*	-	-	-
Stamp Duty*	-	-	-

Particulars	FY 24	FY 23	FY22
Insurance Regulatory and Development Authority of India	300.00	300.00	300.00
VAT Demand	15.64	15.64	15.64
GST Demand	28.24	-	-
Income Tax Demand	-	141.56	52.89

*For more information, please see "**Annexure A**" on page 337 of this Prospectus.*
**Amount not ascertainable*

For further details on our contingent liabilities, see "***Financial Information***" on page 184 of this Prospectus. If any of these contingent liabilities materialises, our results of operations and financial condition may be adversely affected.

17. We may extend credit to customers of our brokerage business for dealing in securities and any default by a customer coupled with a downturn in the market could result in substantial losses.

Our revenues are derived from our brokerage business. Our revenues, level of operations and, consequently, our profitability are dependent on favourable capital market conditions, a conducive regulatory and political environment, investor sentiment, price levels of securities and other factors that affect the volume of stock trading in India.

We may allow our customers to trade in excess of the value of the cash and/ or securities deposited with us. Consequently, when there are insufficient funds in a client account on the settlement date, our Company may extend credit to such customer for securities and the customer is charged interest rates on the amount of credit extended. As such, our Company may be exposed to liquidity risks and require short-term funding to meet trade commitments of our customers. In the event of a volatile market or adverse movements in securities or commodities prices, it is possible that customers may not be able to honour their commitments, which may result in losses that they may not be able to support. We also follow internal risk management guidelines on procedures but no assurance can be given that if the financial markets witnessed a significant single-day or general downturn, our business, financial condition and results of operations would not be materially adversely affected.

18. We may not be able to sustain our growth or expand our client and business associates' base.

We have experienced growth over the last few years, Between Fiscal 2023 and Fiscal 2024, the number of our active clients increased from 1.85 Lakh clients to 2.04 Lakh clients Our ability to sustain our growth depends on various factors, including our ability to manage our growth and expand our client and business associate's base. We acquire small regional brokers and turn them into business associates which have resulted in expansion of our client base and enabled penetration into new geographies. While our client base has expanded over the years, there can be no assurance that we will be able to maintain our base of business associates and sustain this growth in the future.

We may not be able to sustain our growth in light of competitive pressure or other factors, such as not being able to implement business strategies and development plans effectively and efficiently. Sustained growth may place significant demands on our administrative, operational and financial resources, which we may be unable to handle. Any slowdown in our growth, whether in absolute terms or relative to industry trends could adversely affect our market position and a loss of our market position could adversely affect our ability to sustain our growth.

Our business is highly competitive, and we need to maintain and attract new clients and business associates in order to maintain or grow our market share. We cannot assure you that we will succeed in further expanding our network due to changes in regulatory policies, difficulties in managing a large number of staff and other unforeseeable reasons. In addition, as a result of competition, we may face increased pressures on declining fee and commission rates and will need to provide better and customized services and products to differentiate ourselves and to retain and attract clients and business associates.

If we are unable to address the needs of our clients and business associates by offering competitive rates, maintaining high quality client service, continuing product innovation and providing value added

services, or if we otherwise fail to meet our clients' and business associates demands or expectations, we may not be able to sustain our historic growth or lose our existing base to our competitors, which may in turn have a material and adverse effect on our business, financial condition, cash flows, results of operations and prospects.

19. A significant decrease in our liquidity could negatively affect our business and reduce client confidence in us.

Our liquidity and profitability are dependent upon our timely access to, and costs associated with, raising capital. Our funding requirements historically have been met from a combination of term loans, commercial papers and working capital facilities as well as equity contributions. As a financial services company, we face certain additional regulatory restrictions on our ability to obtain financing from banks, and financial institutions. For further information, see *"**Regulations and Policies**"* on page 307 of this Prospectus.

Maintaining adequate liquidity is crucial to our brokerage operations, including key functions such as transaction settlement and margin funding and other business activities with substantial cash requirements. We place margins with clearing houses of respective exchanges, which may fluctuate significantly from time to time based on the nature and volume of our clients' trading activity. Although we meet our liquidity needs primarily through cash generated from operating activities, internal accruals and debt financing, we are not permitted to raise debt beyond a specific limit, specifically to fund our margin funding requirements. A reduction in our liquidity could affect our ability to trade on the exchanges, stunt the growth of our business and reduce the confidence of our clients in us, which may result in the loss of client accounts.

We provide broking services across the equity (cash-delivery, intra-day, futures and options), commodity and currency derivatives, for which we offer margin-based products on our brokerage platform, wherein clients are required to deposit the prescribed initial margin for the transaction executed by us on their behalf and thereafter pay the balance amount. Accordingly, if a client fails to pay the balance amount on or before the due date, then it may affect our liquidity. In case of high market volatility or adverse movements in share prices, it is possible that clients may not honour their commitment, and consequently, any inability on our part to pay the margins or honour the pay-in obligation to the exchanges, or both, may be detrimental to our business, reputation and profitability.

We use cash generated from our operating activities and external financing to meet our liquidity or regulatory capital requirements. During periods of disruption in the credit and capital markets or changes in the regulatory environment, potential sources of external financing could be limited and our borrowing costs could increase. External financing may not be available to us on commercially acceptable terms, or at all, due to disruptions in the credit and capital markets, changes in regulations relating to capital raising activities, general market conditions for capital raising activities, and other economic and political conditions outside our control.

Any of the risks highlighted above in relation to a decrease in our liquidity, could have a material adverse effect on our business, results of operation and prospects.

20. Our ability to assess, monitor and manage risks inherent in our business suffers from the standards of some of our counterparts. Inability to effectively manage our risk management systems can adversely affect our business, financial conditions, and results of operations.

We are exposed to a variety of risks, including credit risk, market risk, default risk, liquidity risk, operational risk and legal risk. The effectiveness of our risk management is limited by the quality and timeliness of available data. We are required to comply with the growing risk management requirements which are likely to be brought forth by SEBI on account of exponential growth in the derivatives segment. Management of operational, legal or regulatory risk requires, among other things, policies and procedures to properly record and verify the extent and the nature of risks.

We have established a system of risk management and internal controls consisting of a risk management enterprise framework, policies, risk management system tools and procedures that we consider to be

appropriate for our business operations. Our risk assessment methods depend upon the extant regulatory requirements, historical market behaviour and statistics, the evaluation of information regarding financial markets, clients or other relevant matters that are publicly available or otherwise accessible to us. Such information may not be accurate, complete, or properly evaluated. Moreover, the information and experience data that we rely on may quickly become obsolete as a result of market and regulatory developments, and our historical data may not be able to adequately reflect risks that may emerge from time to time. Inaccuracy in estimates of the level of margin to be maintained by our clients with us for the transactions undertaken by them could result in a shortfall in margins deposited by our clients with us. However, due to the inherent limitations in the design and implementation of risk management systems, including internal controls, risk identification and evaluation, effectiveness of risk control and information communication, our risk management systems and mitigation strategies may not be adequate or effective in identifying or mitigating our risk exposure in all market environments or against all types of risks in a timely manner, or at all. Further, we may not be able to completely avoid the occurrence of or timely detect any operational failure.

Regulatory risk is the most prominent in the broking industry. Risk management systems employed at our broking platform will need to ensure, safeguarding of investors and constant upgradation in view of regulations by SEBI, Stock Exchanges, and market movement. Our risk management techniques may not be fully effective in mitigating our risks in all market environments or against all types of risk, including risks that are unidentified or unanticipated. Other risk management methods depend upon an evaluation of information regarding markets, customers, or other matters. This information may not in all cases be accurate, complete, current, or properly evaluated. There can be no assurance that we will successfully implement risk management systems in a timely manner or adapt our risk management systems to customer requirements or evolving market standards and any failure to do so can adversely affect our business, financial conditions and results of operations.

21. Our financial performance is subject to interest rate risk, and an inability to manage our interest rate risk may have a material adverse effect on our business prospects, financial condition and results of operation.

Interest rates in India have been volatile in the past. They are highly sensitive and fluctuations thereof are dependent upon many factors which are beyond our control, including the monetary policies of the RBI, de-regulation of the financial services sector in India, domestic as well as international economic and political conditions, inflation and other factors.

Our results of operations, including our interest income from margin funding, are dependent on our ability to manage our interest rate risk. Our finance costs (on a consolidated basis) were ₹15,456.22 lakhs, ₹8,923.73 lakhs, ₹5,752. 38 lakhs for the financial years ended March 31, 2024, March 31, 2023, and March 31, 2022, respectively. However, we charge interest at a fixed rate on our financing products, such as margin trade funding. Any volatility in interest rates may adversely affect our business due to, amongst others, reducing the profitability margin of our financing products, or our financing products becoming commercially unattractive. Our net interest income from financing activities and net interest margin would be adversely impacted in case of any increase in interest rates, if the yield on our interest-earning assets does not increase simultaneously with or to the same extent as our cost of funds. In the event of a declining interest rate environment, if our cost of funds does not decline simultaneously or to the same extent as the yield on our interest-earning assets, it could adversely impact our interest income from financing activities and net interest margin. Additional risks arising from increasing interest rates, among others, include:

- increase in the rates of interest charged on certain financing products in our product portfolio, which may require us to extend repayment period for our clients or result in higher rates of default by our clients;
- increase in defaults resulting from extension of loan maturities and higher instalments due from borrowers;
- reduction in the volume of loan disbursements as a result of a client's inability to service high interest rate payments; and
- inability to raise low-cost funds as compared to some of our competitors.

Further, interest rates may also affect our clients' investment profile and high interest rates may reduce the attractiveness of equity or equity-linked investments of our clients.

There can be no assurance that we will be able to adequately manage our interest rate risk. If we are unable to effectively manage our interest rate risks, it could have an adverse effect on our business prospects, financial condition and results of operations.

22. General economic and market conditions in India and globally could have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

Our business is highly dependent on economic and market conditions in India. General economic and political conditions in India, such as macroeconomic and monetary policies, industry-specific trends, mergers and acquisitions activity, legislation and regulations relating to the financial and securities industries, household savings rate, investment in alternative financial instruments, upward and downward trends in the market, business and financial sectors, volatility in security prices, perceived lack of attractiveness of the Indian capital markets, inflation, consumer confidence, currency and interest rate fluctuations, availability of short-term and long-term market funding sources and cost of funding, could affect our business. Global economic and political conditions may also adversely affect the Indian economic conditions.

The total Revenue from Operations of our Company in the recent past, has increased from ₹1,11,693.61 Lakhs in Financial Year 2022 to ₹1,63,849.69 Lakhs in Financial Year 2024. This growth has been largely influenced by general macroeconomic conditions and rising capital markets in India. Any adverse change in the general macroeconomic conditions or in the Indian capital markets may adversely affect our future growth.

23. We face various risks due to our reliance on third-party intermediaries, business associates and vendors.

We rely on third parties, such as stock exchanges, clearing houses and other financial intermediaries to facilitate our financial transactions. In addition, we rely on our network of business associates, vendors, personnel at dealer helpdesks and DRAs, as may be applicable, to help distribute our products. We are exposed to various risks related to the business of such third parties, including the following:

- fraud or misconduct, including mis-selling, by such third parties, including authorised persons;
- operational failure of such third parties systems;
- adverse change or termination in our relationship with such third parties;
- failures in legal or regulatory compliance, inadequate due diligence in sales process, or inadequate controls, including KYC checks, by such third parties;
- regulatory changes relating to the operations of such third parties;
- violation of laws and regulations, including those relating to licensing or registration of sales intermediaries, by such third parties; and
- regulatory actions due to improper business practices of such third parties.

Any of the above risks may result in litigation or regulatory action against us, which could have a material adverse effect on our business, reputation, financial condition and results of operations.

In addition, we compete with other financial institutions to attract and retain our network of business associates and personnel at our dealer helpdesks and our DRAs, to help distribute our products and our success depends upon factors such as the amount of sales commissions and fee we pay (including due to regulatory restrictions), the range of our product offerings, our reputation, our perceived stability, our financial strength, the marketing and services we provide to such intermediaries and the strength of our relationships with them. If we are unable to attract or retain our network of business associates and personnel at our dealer helpdesks and our DRAs, it could have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

We also outsource certain of our operations to third-party service providers, including certain tasks relating to e-waste management, security vigilance and IT services. We cannot assure you that our third-party service providers will comply with regulatory requirements or meet their contractual obligations to us in a timely manner, or at all. Third party service providers or service providers may breach agreements they have with us because of factors beyond our control. They may also terminate or refuse to renew their agreements because of their own financial difficulties or business priorities, potentially at a time that is costly or otherwise inconvenient for us. In addition, if our third-party service providers or providers fail to operate in compliance with regulations or corporate and societal standards, we could suffer reputational harm by association, which would likely cause a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

We also rely on third parties to provide certain critical trading infrastructure and software. If the third parties upon which we rely cannot expand system capacity to handle increased demand, or if any of their systems otherwise fail to perform or experience interruptions, malfunctions, disruptions in service, slower response times or delays, then we could incur reputational damage, regulatory sanctions, litigation and loss of trading, any of which could materially adversely affect our business, financial condition and results of operations.

In addition, we license certain software and technology from third parties. Any premature termination of our license agreements or the loss of the ability to use such software or technology for any reason would have an adverse impact on our business and operations. Rapid changes in our industry or technology may also result in our licensed technologies being recalled or discontinuation of support for outdated products or services. Any deficiencies in the infrastructure used, or processes adopted, by such third parties could have a material adverse effect on our business, results of operations and prospects.

24. Our Company's business requires substantial capital and any disruption in the sources of its funding or an increase in its average cost of borrowings could have a material adverse effect on its liquidity and financial condition.

Our Company's liquidity and ongoing profitability are, to a large extent, dependent upon its timely access to, and the costs associated with, raising capital. Our Company's funding requirements have historically been met through a combination of borrowings such as working capital limits from banks, issuance of commercial papers and non- convertible debentures. Thus, our Company's business growth, liquidity and profitability depends and will continue to depend on its ability to access diversified, relatively stable and low-cost funding sources as well as our Company's financial performance, credit ratings and relationships with lenders. Any adverse developments or changes in applicable laws and regulations which limit our Company's ability to raise funds through term loans, working capital limits from banks, issuance of commercial papers and non-convertible debentures can disrupt its sources of funding, and as a consequence, could have a material adverse effect on our Company's liquidity and financial condition. Our Company's total outstanding borrowing on a consolidated basis, was ₹1,42,079.78, ₹90,764.50 (restated), and ₹46,413.68 as of March 31, 2024, March 31, 2023 and March 31, 2022. There can be no assurance that our Company's business will generate sufficient cash to enable it to service its existing debt or to fund its other liquidity needs. Our Company's ability to borrow funds may also be affected by a variety of factors, including liquidity in the credit markets, the strength of the lenders from which our Company borrows, the amount of eligible collateral and accounting changes that may impact calculations of covenants in our Company's financing agreements. An event of default, a significant negative ratings action by a rating agency, an adverse action by a regulatory authority or a general deterioration in prevailing economic conditions that constricts the availability of credit may increase our Company's cost of funds and make it difficult for our Company to access financing in a cost- effective manner. A disruption in sources of funds or increase in cost of funds as a result of any of these factors may have a material adverse effect on our Company's liquidity and financial condition.

25. We face certain risks related to our distribution business.

We distribute financial products issued by third-party institutions, through our electronic brokerage platform and mobile apps, physical distribution network, business associates and personnel at our dealer

helpdesks and our DRAs. The structure of some third-party products that we distribute and services that we refer clients to may be complex and involve various risks, including credit risks, interest risks, liquidity risks and other risks.

Although as a third-party distributor, we are not directly liable for any investment loss from, or default of, the products we distribute to our clients, we may be subject to client complaints, litigation and regulatory investigation, which could have an adverse effect on our reputation and business. For example, we may not be able to identify and quantify the risks of these products, fail to identify fraudulent, inaccurate or misleading information from the third -party provider, and our sales employees may fail to disclose such risks to our clients, in which case, our clients may invest in financial products that are too risky for their risk tolerance and investment preference, and may suffer a significant loss. This may also subject us to client complaints and litigation and negatively affect our reputation, client relationships, results of operations and business prospects. Although there have been no client complaints and litigation filed against our Company, we cannot assure that such client complaints or litigations will not be filed in the future.

We face certain other risks in relation to our distribution business, including:

- Decrease in distribution commissions which are generally set by the third-party providers whose products and services we distribute;
- Our distribution arrangement with AMCs can be terminated without notice, or due to failure on our part to comply/ perform;
- Regulatory changes affecting distribution arrangements, including commission levels;
- The clawback of payments from the third-party providers, which is permitted in a majority of our distribution agreements under certain situations, including returns or redemption of certain products by the clients;
- Credit risk related to the third-party providers;
- Changing client preferences with respect to products that we distribute;
- Any adverse change in the relationship with a third-party provider; and
- Transition of clients to purchase products directly from such third-party providers.

Any of the above risks could have a material adverse effect on our business, financial condition and results of operations.

26. Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.

The amount of future dividend payments by our Company, if any, will depend upon a number of factors, including but not limited to our future earnings, financial condition, cash flows, working capital requirements, contractual obligations, applicable Indian legal restrictions and capital expenditures. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing agreements our Company may enter into to finance our fund requirements for our business activities. There can be no assurance that we will be able to pay dividends in the future. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. Additionally, in the future, we may be restricted by the terms of our financing agreements in making dividend payments unless otherwise agreed with our lenders.

27. Our business is dependent on relationships with our clients established through, amongst other our branches and through franchisee network. Closure of our branches or loss of our key branch personnel may lead to damage to these relationships and decline in our revenue and profits.

Our business is dependent on relationships with our clients established through, amongst others, our branches. Closure of branches or loss of our key branch personnel may lead to damage to these relationships and a decline in our revenue and profits. Our business is dependent on the key branch personnel who directly manage client relationships. We encourage dedicated branch personnel to service specific clients since we believe that this leads to long-term client relationships, a trust-based business environment and, over time, better cross-selling opportunities. While no branch manager or operating

group of managers contributes a meaningful percentage of our business, our business may suffer materially if a substantial number of branch managers either become ineffective or leave our Company.

28. We may be subject to claims with respect to our intellectual property and our efforts to protect our intellectual property may not be sufficient.

We have registered various trademarks associated with our business, which we regard as important to our success. As on the date of this Prospectus, Our Company has 29 trademarks and 2 copyrights to its name. Out of these 29, we have been assigned 25 trademarks, vide a deed for assignment of trademarks pursuant to which our Company has obtained ownership rights to the extent of 60%. Also, post merger of SAM Global Securities Limited with our Company, our Company's ownership in the intellectual property rights has increased to 80%. The remaining interest is owned by two of our Promoters, Subhash Chand Aggarwal and Mahesh C Gupta.

While our trademarks are registered, third parties may copy or otherwise infringe on our rights, or we may also be susceptible to claims from third parties asserting infringement and other related claims. Any of the foregoing could have an adverse effect on our branding, business, results of operations and financial condition.

29. We face additional risks as we expand our product and service offerings and grow our business.

We will continue to expand our product offerings and business as permitted by relevant regulatory authorities and market opportunities. New product offerings in our business are required to be compliant with the complex regulatory requirements and trading validation requirements of the exchanges. Failure to consider, identify and provide for all additional risks may result in adverse financial impact on our company. In the last few years, we have introduced various new products and services. For further details, see "***Our Business***" on page 132 of this Prospectus.

These activities may expose us to new and increasingly challenging risks, including, but not limited to:

- We may not be successful in enhancing our risk management capabilities and it systems to identify and mitigate the risks associated with these new products, services and businesses;
- We may be subject to stricter regulatory scrutiny, and increased credit, market, compliance and operational risks;
- We may be unable to obtain regulatory approvals for certain new products in a timely manner, or at all;
- We may have insufficient experience or expertise in offering new products and services and dealing with new counterparties and client;
- We may be unable to hire additional qualified personnel to support the offering of a broader range of products and services;
- Our new products and services may not be accepted by clients or meet our profitability expectations; or
- We may be unable to obtain sufficient financing from internal and external sources to support our business expansion.

If we are unable to achieve the intended results with respect to our offering of new products and services, or manage the growth of our business, our business, financial condition, cash flows, results of operations and prospects could be materially adversely affected.

30. Our Promoters and Promoter Group have significant control over us and have the ability to direct our business and affairs; their interests may conflict with the interests of the shareholders.

As of March 31, 2024, our promoters and promoter group held 67.28% of our issued and outstanding equity shares. The promoters have the ability to control our business, including matters relating to any sale of all or substantially all of our assets, timing and distribution of dividends, election of our officers and directors and change of control transactions. The promoters' control could delay, defer or prevent a change in control of the company, impede a merger, consolidation, takeover or other business combination involving our company, or discourage a potential acquirer from making a tender offer or

otherwise attempting to obtain control of our company even if it is in the company's best interest. The promoters and members of the promoter group may influence the material policies of our company in a manner that could conflict with the interests of our other shareholders.

31. We do not own all our branch offices. Any termination or failure by us to renew the lease agreements in a favorable and timely manner, or at all, could adversely affect our business and results of operations. Moreover, many of the lease, and leave and license agreements entered into by us may not be duly registered or adequately stamped.

As on March 31, 2024, we have 188 branch offices located PAN India. Majority of our branches are located on leased or licensed premises. The lease agreements can be terminated, and any such termination could result in any of our branches being shifted or shut down. While we have not faced any termination of lease except in the ordinary course by our lessors, if these lease and license agreements are not renewed or not renewed on terms favorable to us, we may suffer a disruption in our operations or increased costs, or both, which may affect our business and results of operations. Further, our lease and license agreements are required to be adequately stamped and duly registered. Unless such documents are adequately stamped or duly registered, such documents may be rendered inadmissible as evidence in a court in India or may not be authenticated by any public officer and the same may attract penalty as prescribed under applicable law or may impact our ability to enforce these agreements legally, which may result in an adverse effect on the continuance of our operations and business. For information in relation to our premises, see "***Our Business –Property***" on page 152 of this Prospectus.

32. Statistical and Industry data included in this Prospectus has been derived from the CareEdge report commissioned by us for such purpose. The CareEdge report is not exhaustive and is based on certain assumptions, parameters and conditions.

Certain information regarding the industry and the market in which the company operates, included in this prospectus has been derived from the report titled "Research Report on Financial Services" dated June 12, 2024 ("**CareEdge**") prepared by Care Analytics And Advisory Private Limited appointed and exclusively commissioned by our company pursuant to letter dated December 05, 2024 at an agreed fees to be paid by our company. The report is a paid report and is subject to various limitations and based upon certain assumptions, parameters and conditions that are subjective in nature. It also uses certain methodologies for market sizing and forecasting.

Industry sources and publications are also prepared based on information as of specific dates. Further, there is no assurance that such information has been compiled or presented on the same basis as may be presented elsewhere. In addition, statements from third parties that involve estimates, projections, forecasts and assumptions are subject to change, and actual amounts may differ materially from those included in this Prospectus. We have not independently verified the industry report, and therefore, cannot confirm the statistics therein, which may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon.

You should consult your own advisors and undertake an independent assessment of information in this prospectus based on, or derived from, the care report before making any investment decision regarding the issue.

33. We have in the past entered into related party transactions and may continue to do so in the future, and there can be no assurance that we will achieve more favourable terms if such transactions are not entered into with related parties.

We have entered into various transactions with related parties, each of which have been undertaken on an arms' length basis. We may also, from time to time, enter into related party transactions in the future. To the extent we may extend loans or advances to related parties, or provide guarantees or security, we may face risks in relation to default by such related parties or potential non-recovery. We cannot assure you that we will be able to achieve more favourable terms for such transactions if they are entered into with parties that are not related parties. For more details on Related Party Transactions and the arithmetic

aggregated absolute total of transactions during the years ended March 31, 2024, March 31, 2023 and March 31, 2022, please see "***Related Party Transactions***" on page 177 of this Prospectus.

Such related party transactions in the future or any other future transactions may potentially involve conflicts of interest which may be detrimental to the interest of our company and we cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, financial condition, results of operations, cash flows and prospects.

34. We may introduce new financial products for our customers, and we cannot assure you that such products will be successful or profitable in the future.

We may introduce new or expand our existing range of financial products and services which would require us to incur substantial costs. We cannot guarantee that such new products and services will be successful once offered due to several factors including, *inter alia*, general economic conditions, a failure to understand customer demand and market requirements, failure to understand the regulatory and statutory requirements for such products or lack of management focus on these new products. If we fail to develop and launch new products and services successfully to meet demands or provide competition to our peers, we may lose a part or all of the costs incurred in development and promotion or discontinuation of such products and services or fail to gain/ retain customers which could in turn adversely affect our business and results of operations.

35. Our operations could be adversely affected by increased wage demands by our employees or any other kind of disputes with our employees.

We have not experienced any material employee unrest in the recent past, however we cannot assure you that we will not experience disruptions in work due to disputes or other problems with our work force, which may adversely affect our ability to continue our business operations. Any employee unrest directed against us, could directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations. Such employee actions are difficult or impossible for us to predict or control and any such event could adversely affect our business, results of operations and financial condition.

36. The objects of the Issue have not been appraised by any bank or financial institution. Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and may be subject to change based on various factors, some of which are beyond our control.

We intend to use the net proceeds of the issue for the purpose of working capital requirement and general corporate purposes, as described in "***Objects of the Issue***" on page 72 of this Prospectus. At this stage, we cannot determine with any certainty if we would require the net proceeds to fund any other expenditure or any exigencies arising out of changes in our competitive environment, business conditions, economic conditions or other factors beyond our control. Our funding requirements and deployment of the net proceeds are based on internal management estimates, calculation of projected working capital, and current market conditions and have not been appraised by any bank or financial institution or other independent agency. It is subject to amendment due to changes in external circumstances, costs, other financial condition or business strategies. We operate in a highly competitive and dynamic industry and may need to revise our estimates from time to time based on changes in external circumstances or costs, or changes in other financial conditions, business or strategy. This may entail rescheduling, revising or cancelling planned expenditure and funding requirements at our discretion. For details, see "***Objects of the Issue***" on page 72 of this prospectus. Additionally, various risks and uncertainties, including those set forth in this "***Risk Factors***" on page 19 of this prospectus., may limit or delay our efforts to use the net proceeds to achieve profitable growth.

37. We face substantial legal and operational risks in safeguarding personal information.

Our businesses are subject to complex and evolving laws and regulations, governing the privacy and protection of personal information of individuals. The protected parties include: (i) our business

associates; (ii) our clients; (iii) our employees; and (iv) employees of our intermediaries, counterparties, vendors and other third parties. Ensuring that our collection, use, transfer and storage of personal information complies with all applicable laws and regulations in india may result in (i) increasing our operating costs; (ii) affecting the development of new products or services; (iii) demanding significant oversight by our management; and (iv) requiring us to structure our businesses, operations and systems in less efficient ways. Furthermore, we cannot ensure that all of our clients, intermediaries, vendors, counterparties and other third parties have appropriate controls in place to protect the confidentiality of the information exchanged between them and us, particularly where information is transmitted by electronic means.

We could be exposed to litigation or regulatory fines, penalties or other sanctions if personal, confidential or proprietary information of clients, intermediaries, employees or other third parties were to be mishandled or misused, such as situations where such information is erroneously provided to parties who are not permitted to have the information; or intercepted or otherwise compromised by third parties. The acquisition and secure processing, transmission and storage of sensitive, personal, confidential and proprietary information are critical elements of our operations, including our trading, clearing and settlement, and research businesses. We are exposed to significant risks related to data protection and data security due to, among others, our electronic brokerage platform involving extensive data transmission and processing, our reliance on technologies and outsourced employees for some of the key components of our it systems and their maintenance, and our registration and integration with KYC-databases like Unique Identification Authority of India ("**UIDAI**") and KYC registration agencies like central registry of securitisation asset reconstruction and security interest. For more information, see "***Regulations and Policies***" on page 307 of this Prospectus.

Our information security, including the security of our IT systems, is managed by us. We rely on our in-house security systems and employees, and those of certain third-party vendors and service providers in conducting our operations. Those technologies, systems and networks may become the target of cyber-attacks or information security breaches that could result in the unauthorized release, gathering, monitoring, misuse, loss or destruction of our or our clients' confidential, proprietary and other information, identity theft or disruptions of and errors within our systems. Data security breaches may also result from fraud, other misconduct, or lack of adequate safeguards by our employees, third-party vendors, business associates, and clients, clerical and recordkeeping errors or other unintentional accidents caused by any of these parties, all of which could harm our reputation and subject us to regulatory action or claims for damage. We cannot assure you that our existing security measures will prevent all security breaches, intrusions or attacks. A party, whether internal or external, that is able to circumvent our security systems could have access to confidential information or cause significant disruptions to our systems. Security breaches or attacks could result in our competitors obtaining strategically important information about us and give them a competitive advantage over us, cause reputational harm or lead to regulatory sanctions, litigation or loss of business.

We may need to expend significant resources to protect against security breaches, intrusions, attacks or other threats or to address problems including reputational harm and litigation, caused by breaches. Hackers are increasingly using powerful new tactics including evasive applications, proxies, tunnelling, encryption techniques, vulnerability exploits, buffer overflows, denial of service attacks, or distributed denial of service attacks, botnets and port scans. If we are unable to avert an attack for any significant period, we could sustain substantial revenue loss from lost sales due to the downtime of critical systems. We may not have the resources or technical sophistication to anticipate or prevent rapidly evolving types of cyber-attacks. Moreover, we may not be able to immediately detect that such an attack has been launched, if, for example, unauthorized access to our systems was obtained without our knowledge in preparation for an attack contemplated to commence in the future. Cyber-attacks may target us, our clients, our distribution partners, banks, depositories, exchanges, clearing houses, delivery services, e-commerce in general or the communication infrastructure on which we depend.

38. We face risks attributable to derivatives trading by clients and possible inadequacy of risk management systems and policies which may affect our financial condition.

We offer our clients the facility to trade in derivative instruments in the securities, currency and commodities market as is currently permitted in India, GIFT City and Dubai. Since by their very nature,

these derivative instruments involve leveraged positions on the underlying assets, these are riskier to deal with, as compared to the other financial instruments and as such, investors and the market intermediaries are exposed to a greater risk in dealing with such instruments. We are exposed to a greater risk since we deal in such instruments on behalf of our clients and may face financial losses if we fail to manage prudently the risk of our clients' dealing in derivative instruments.

39. The financing industry is becoming increasingly competitive, which creates significant pricing pressures for us to retain existing customers and solicit new business. Our growth will depend on our ability to compete effectively in this environment.

Our business operates in a highly competitive market, and we face significant competition from other players in the financing industry. Many of our competitors are large institutions, which may have a larger customer base, funding sources, branch networks and capital base compared to us. Some of our competitors may be more flexible and better positioned to take advantage of market opportunities. This competition is likely to further intensify as a result of securitization and regulatory changes. Our future success will depend, to a large extent, on our ability to respond in a timely and effective manner to these competitive pressures.

Our credit business competes based on a number of factors, including cost effective sources of funding, successful implementation of new technologies and securitization branches to manage operational costs. Loans are becoming increasingly securitization and terms such as variable (or floating) rate interest options, lower processing fees and monthly reset periods are becoming increasingly common in the Indian financial sector, thereby increasing competition.

Our insurance broking business competes for business based on various factors, including product features, price, coverage offered, quality of customer service, distribution network, relationships with agents, bancassurance partners and other intermediaries, brand recognition, size of operations, financial strength and credit ratings. In addition, life insurance products also compete with certain other financial services products which may not be exactly comparable but provide slightly different alternatives to the customers. Some of our competitors may offer higher commissions or more attractive rewards to agents and other distribution intermediaries or offer similar insurance products at lower pricing.

If we are unable to effectively respond to these various competitive pressures, it could result in a decrease of market share, decrease in our margins and spreads, reduced customer base, increase in pricing of our products, increase in operating expenses, as well as higher attrition rates among management and sales staff, lower growth rates, or even losses, which could have material adverse effect on our business, results of operations, cash flows and financial condition.

40. High levels of customer defaults and the resultant non-performing assets could adversely affect our business, financial condition, results of operations and future financial performance.

Our credit business involves lending money and accordingly, we are subject to risks of customer default, which includes default or delays in repayment of principal and/or interest on the loans we provide to customers. Customers may default on their obligations as a result of various factors, including certain external factors, which may not be within our control such as developments in the Indian economy and the real estate market, movements in global markets, changes in interest rates, changes in regulations, government policies. Any negative trends or financial difficulties affecting our customers could increase the risk of their default. Our customers could also be adversely affected by factors such as, bankruptcy, lack of liquidity, lack of business and operational failure. If our customers fail to repay loans in a timely manner or at all, then our results of operations, cash flows and financial condition will be adversely impacted. If we are not able to successfully manage the risks associated with lending to these customers, then it may become difficult for us to make recoveries on these loans. We may also experience higher delinquency rates due to prolonged adverse economic conditions or a sharp increase in interest rates. Any increase in delinquency rates could result in a reduction in our total interest income (i.e., our accrued interest income from loans) and as a result, lower revenue from our operations, while increasing our costs due to increased expenses associated with the servicing and collection of delinquent loans. We may also be required to make loss provisions in respect of loans to such customers in accordance with applicable regulations and, in certain cases, may be required to write off such loans.

41. We may not be able to recover the full value of collateral or amounts sufficient to cover the outstanding amounts due under defaulted loans on a timely basis or at all, or the value of collateral may decrease, which could adversely affect our results of operations, cash flows and financial condition

The value of collateral that we take for loans given by us is dependent on various factors, including (i) prevailing market conditions, (ii) the general economic and political conditions in India, (iii) growth of the stock markets and real estate sector in India and the areas in which we operate, (iv) any change in statutory and/or regulatory requirements, and (v) the credit profile of our borrower.

Delays in recovery, bankruptcy and foreclosure proceedings, defects in the title and delays in obtaining regulatory approvals for the enforcement of such collaterals may affect the valuation of the collateral. As a result, we may not be able to recover the full value of the collateral for the loans provided by our customers within the expected timeframe or at all. Further, legal proceedings may have to be initiated by us in order to recover overdue payments on loans and as a consequence, the money and time spent on initiating legal proceedings may adversely affect our cash flow.

The value of the security provided by the borrowers to us may be subject to a reduction in value on account of various reasons. While our customers may provide alternative security to cover the shortfall, the realizable value of the security for the loans provided by us in the event of liquidation may continue to be lower than the combined amount of the outstanding principal amount, interest and other amounts recoverable from the customers.

Any default in the repayment of outstanding credit obligations by our customers may also expose us to losses. A failure or delay recovering the loan value from sale of collateral security could expose us to potential losses. Any such losses could adversely affect our results of operations, cash flows and financial condition. Furthermore, the process of litigation to enforce our legal rights against defaulting customers in India is generally a slow and potentially expensive process. Accordingly, it may be difficult for us to recover amounts owed by defaulting customers in a timely manner or at all.

42. We extend margin funding loans, or loans against shares, to our clients, and any default by a client coupled with a downturn in the stock markets could result in substantial losses for us

We extend "loans against shares", which are secured by liquid, marketable securities at appropriate or pre-determined margin levels. In the event of a volatile stock market or adverse movements in stock prices, the collateral securing the loans may have decreased significantly in value, resulting in losses which we may not be able to support. Customers may default on their obligations to us as a result of various factors including bankruptcy, lack of liquidity, lack of business and operational failure. There is little financial information available about the creditworthiness of our customers. It is therefore difficult to carry out precise credit risk analysis on our clients. Although we use a technology-based risk management system and follow strict internal risk management guidelines on portfolio monitoring, which include the quality of collateral provided by the client and pre-determined margin call thresholds, no assurance can be given that if the financial markets witnessed a significant single-day or general downturn, our financial condition and results of operations would not be adversely affected.

43. We operate in businesses which are subject to extensive regulatory requirements and any failure to comply with any of such regulations could subject us to penalties or sanctions.

Our businesses are subject to extensive regulation by the SEBI, the FMC, the RBI and the IRDA and other governmental regulatory authorities. We are also regulated by industry self-regulatory organisations, stock and commodities exchanges. The regulatory environment in which we operate is also subject to change and we may be adversely affected as a result of new or revised legislation, or regulations imposed by the SEBI, other governmental regulatory authorities or self-regulatory organizations. We are also subjected to periodic reviews, requests for submission of information, audit and inspections from various regulatory agencies. Non-compliance with any of these regulations and/or adverse findings may expose us to various actions by the respective authorities which may adversely affect our business operations and financial condition.

We are also subject to changes in Indian law, as well as to changes in regulations and accounting principles. There can be no assurance that the laws governing the Indian financial services sector will not change in the future or that such changes would not adversely affect our business and future financial performance. We face the risk of significant intervention by regulatory authorities in all jurisdictions in which we conduct our business. Among other things, we could be fined, prohibited from engaging in some of our business activities or subject to limitations or conditions on our business activities.

Furthermore, we are required to incur substantial costs to monitor compliance and comply with such regulations. If we are found to have violated an applicable regulation, administrative or judicial proceedings may be initiated against us that may result in censures, fines, trading bans, deregistration or suspension of our business licenses, the suspension or disqualification of our officers or employees, or other adverse consequences. We could also be subjected to constraints or conditions on operating our business activities and may incur fines, receive regulatory cautions or show cause notices and be barred from engaging in certain business activities. The imposition of any of these or other penalties or restrictions could have a material adverse effect on our business, reputation, financial condition and results of operations.

44. Our risk management policies and procedures may leave us exposed to unidentified or unanticipated risk which could adversely affect our business and results of operations.

We are exposed to a variety of risks, including liquidity risk, interest rate risk, credit risk, operational risk and legal risk. The effectiveness of our risk management is limited by the quality and timeliness of available data. Our risk management techniques may not be fully effective in mitigating our risks in all market environments or against all types of risk, including risks that are unidentified or unanticipated. Some methods of managing risks are based upon observed historical market behaviour. As a result, these methods may not predict future risk exposures, which could be greater than the historical measures indicated. Other risk management methods depend upon an evaluation of information regarding markets, customers or other matters. This information may not in all cases be accurate, complete, up-to-date or properly evaluated. Management of operational, legal or regulatory risk requires, among other things, policies and procedures properly to record and verify a number of transactions and events. Although we have established these policies and procedures, they may not be fully effective. Our future success will depend, in part, on our ability to respond to new technological advances and emerging finance sector standards and practices on a cost-effective and timely manner. The development and implementation of such technology entails significant technical and business risks. There can be no assurance that we will be able to successfully implement new technologies or adapt its transaction processing systems to customer requirements or emerging market standards.

Additionally, our risk management strategies and techniques may not be fully effective in mitigating our risk exposure in all market environments or against all types of risk. We are also exposed to the risk that third parties that owe us money, securities or other assets will not perform their obligations. These parties may default on their obligations to us due to bankruptcy, lack of liquidity, operational failure, breach of contract and other reasons. As a clearing and trading member, we settle our constituents' positions and could be held responsible for the defaults or misconduct of our constituents. Although we regularly review credit exposures to specific clients and counterparties that we believe may present credit concerns, default risk may arise from events or circumstances that are difficult to detect or foresee. In addition, concerns about, or a default by, one institution could lead to significant liquidity problems, losses or defaults by other institutions, which in turn could adversely affect us. Also, risk management policies and procedures that we utilize with respect to investing our own funds or committing our capital with respect to investment banking, trading activities and investment advisory services activities may not protect us or mitigate our risks from those activities. If any of the variety of instruments, processes and strategies we utilize to manage our exposure to various types of risk are not effective, our business and results of operations could be adversely affected.

45. Our business requires us to obtain and renew certain licenses and permits from government and regulatory authorities and the failure to obtain or renew them in a timely manner may adversely affect our business operations.

Our business require us to obtain and renew from time to time, certain approvals, licenses, registrations

and permits, some of which have expired and for which we have either made or are in the process of making an application for obtaining approval or its renewal. In addition, we require certain approvals, licenses, registrations and permissions under various regulations, guidelines, circulars and statutes regulated by authorities such as the SEBI, the RBI, the IRDA, the Stock Exchanges and certain other regulatory and government authorities, for operating our business. In particular, we are required to obtain a certificate of registration for carrying on certain of our business activities from SEBI and other such regulatory authorities that are subject to numerous conditions. If we fail to maintain such registrations and licenses or comply with applicable conditions, our certificate of registration for carrying on a particular activity may be suspended and/or cancelled, and we will not then be able to carry on such activity. This could materially and adversely affect our business, financial condition and results of operations.

46. Downturns or disruptions in the financial markets could reduce transaction volumes, which may adversely affect our results of operations.

Our businesses are materially affected by conditions in the domestic and global financial markets and economic conditions in India and throughout the world. For instance, revenue generated by our broking, investment banking and advisory business is directly related to the volume and value of the transactions in which we are involved. During periods of unfavourable market or economic conditions, the volume and value of primary and secondary market transactions may decrease, thereby reducing the demand for our broking, investment banking and advisory services and increasing price competition among financial services companies seeking such engagements. A market downturn would likely lead to a decline in the volume of transactions that we execute for our customers. Any such decline in transaction volumes would lead to a decline in our revenues received from brokerage and commissions. Our results of operations would be adversely affected by any reduction in the volume or value of broking and investment banking transactions.

Many factors or events could lead to a downturn in the financial markets including war, acts of terrorism, natural catastrophes and sudden changes in economic and financial policies. These types of events could affect confidence in the financial markets and impair our ability to function effectively. Substantial portion of our revenues in recent years have been derived from capital markets activities, and although we continue to diversify our revenue sources, we expect this business to continue to account for a large portion of our Revenue from Operations in the foreseeable future. Any downturn or disruption in the securities markets and the capital markets specifically would have a material adverse effect on our results of operations. Even in the absence of a market downturn, we are exposed to substantial risk of loss due to market volatility. Any such future volatility may have an adverse effect on market-sentiment, and hence could adversely impact our business, prospects, financial condition and results of operations.

47. We could be subject to claims by clients or actions by regulators or both for alleged mis-selling.

We sell third-party distribution products through employees as well as intermediaries including business associates, personnel at our dealer helpdesks and DRAs, as the case may be. Our employees and intermediaries aid our clients in choosing the correct product, explaining the benefits of such product, disclosing product features and advising clients on whether to continue with a particular product or change products.

Under certain circumstances, the above processes may be considered inadequate or there may be misconduct on part of our employees or intermediaries or both. Such misconduct could include activities such as making non-compliant or fraudulent promises of high returns on investments and recommending inappropriate products or fund management strategies. Any case of mis-selling, or recurring cases of mis-selling, could result in claims and fines against us and could have a material adverse effect on our business, financial condition, cash flows, results of operations and reputation.

It is also possible that a third party aggregates a number of individual complaints against us with the intention of obtaining increased negotiating power. Further, persons have in the past misrepresented, and in the future may misrepresent, themselves as our authorised intermediaries to defraud clients. Such aggrieved clients have filed and, in the future, may file complaints against us. This could result in

significant financial losses as well as loss of our reputation.

48. We face reputational risks in respect of the third-party products and any non-performance by these products could adversely affect our reputation and our business.

We distribute financial products and services of third parties including mutual fund schemes and primary market equities. Whilst we are not contractually liable for the performance of such third parties and their products, in the event of any deficiency in service by such third party and/or non-performance of some of their products, our customers who avail of such products may incur losses. We may be subject to reputational risks in such cases which could adversely affect our business and results of operations.

49. Direct investment in mutual funds by our existing as well as potential clients will have an adverse impact on our revenue from mutual fund distribution.

While we commenced the mutual fund distribution business with a business model based on upfront commission, given the larger proportion of equity mutual funds historically distributed by us, we moved to a trail commission model, which has provided us with a recurring commission based on the performance of such funds in the market. With growing technology and increase in the ease of investments in such funds, our existing, as well as potential clients may not see significance in choosing to make their investments through us, and may choose to invest in such funds directly, thereby reducing or eliminating our involvement in the process of investments. In the event that such existing or potential clients choose to invest in such funds directly, our growth may reduce, which would have an adverse impact on our business and results of operations.

50. We face risks associated with potential acquisitions, investments, strategic partnerships or other ventures that could adversely affect the results of operations.

We may acquire or make investments in complementary businesses, technology, services or products or enter into strategic partnerships with parties who can provide access to those assets, if appropriate opportunities arise. The general trend towards consolidation in the financial services industry increases the importance of our ability to successfully complete such acquisitions and investments. We may not identify suitable acquisition, investment or strategic partnerships, or if we do identify such opportunities, we may not complete those transactions on commercially acceptable terms, or at all. If we acquire another company, we could have difficulty in assimilating that company's personnel, operations, technology and software. In addition, the key personnel of the acquired company may decide not to work for us. If we make other types of acquisitions, we could have difficulty in integrating the acquired products, services or technologies into our operations. These difficulties could disrupt our ongoing business, distract our management and employees and increase our expenses.

51. We depend on the accuracy and completeness of information about clients and counterparties for our business. Any misrepresentation, errors in or incompleteness of such information could adversely affect our business and financial performance.

We significantly rely on information furnished to us by, or on behalf of, clients (including in relation to their financial transactions and past credit history) for various aspects of our business operations, such as new client enrolment, appointing new business associates and servicing our clients. We may also rely on certain representations from our clients as to the accuracy and completeness of the information provided by them. We may receive inaccurate or incomplete information as a result of negligence or fraudulent misrepresentation. Our risk management measures may not be adequate to prevent such activities or detect inaccuracies in such information in a timely manner, or at all, which may expose us to regulatory action or other risks, and may adversely affect our reputation, business prospects, financial condition and results of operations.

Difficulties in assessing credit risks associated with our day-to-day lending operations may lead to an increase in the level of our non-performing and restructured assets, which could materially and adversely affect our business prospects, financial condition and results of operations.

52. We may not be able to sustain effective implementation of our business and growth strategies and any such failure could adversely affect our business and results of operations.

The success of our business will depend greatly on our ability to effectively implement our business and growth strategies. We may not be able to execute our strategies in the future. Further, our growth strategies could place significant demand on our management team and other resources and would require us to continuously develop and improve our operational, financial and other controls, none of which can be assured. Any failure on our part to scale up our infrastructure and management could cause disruptions to our business and could be detrimental to our long-term business outlook.

53. We are highly dependent on our management team, key managerial personnel and Relationship Managers. Any loss of such team members or the inability to attract or retain management personnel may have material adverse effect on our business performance.

Our business and the implementation of our strategy are dependent upon our management team and key managerial personnel, who oversee our day-to-day operations, strategy and growth of our business and also on our Relationship Managers, who are integral for our Company to manage existing client relationships as well as establish new client relationships both on the broking and distribution business. If one or more members of our management team and key managerial personnel are unable or unwilling to continue in their present positions, such persons would be difficult to replace and our business, prospects and results of operations could have a material adverse effect.

Competition in our industry for skilled management and efficient employees is high, and we cannot assure that members of our management team, key managerial personnel or high performing Relationship Managers will not leave our Company and join our competitors, and that we will be able to find suitable replacements for them, in a timely manner or at all. This could result in an increase in our expenses, a decline in performance of our business, or damage to our reputation. In addition, we may need to increase employee compensation levels in order to retain our existing team and attract any additional personnel we may require.

Our success in expanding our business will also depend, in part, on our ability to attract, retain and motivate mid-to senior management personnel and trained and skilled employees, to maintain a high standard of client service. We may be unable to successfully manage our personnel needs which could adversely affect our business prospects and results of operations. These risks could be heightened to the extent we invest in businesses or geographical regions in which we have limited experience. If we are not able to address these risks, our business, results of operations and financial condition, cash flows could be materially adversely affected.

54. Any factor affecting the business and reputation of SMC group may have a concurrent adverse effect on our business and results of operations.

In the event SMC group's goodwill is impacted the same may have an indirect impact on our business and results of operations. We operate in a competitive environment, and we believe that our brand recognition is a competitive advantage to us. Any failure to retain our Company name may deprive us of the associated brand equity that we have developed which may have a material adverse effect on our business and operations.

Any disassociation of our Company from the SMC group and/or our inability to have access to the infrastructure provided by other companies in the SMC group could adversely affect our ability to attract customers and to expand our business, which in turn could adversely affect our goodwill, operations and profitability.

55. Credit risks in our day-to-day operations may expose us to significant losses.

We may suffer significant losses from credit exposure from our clients and counterparties. Our brokerage business is subject to the risk that a client or counterparty may fail to fulfil its obligations or that the value of any collateral held by us to secure the obligations might become inadequate.

We are exposed to limited credit risk arising out of receivables relating to sales of securities which the clients have traded but are not yet settled. However, in case of default in payments by clients, the securities traded will get transferred to the Client Unpaid Securities Pledgee Account as required under applicable law, and we square off and settle positions in client accounts through a trading system as per our risk management policies. We are dependent on a number of parties like brokers, exchanges, banks, registrars and clearing houses and other intermediaries for our transaction execution or for our day-to-day operations, or both.

If any of these counterparties do not perform their obligations due to bankruptcy, lack of liquidity, downturns in the economy, operational failure, fraud or other reasons, and any collateral or security they provide proves inadequate to cover their obligations at the time of the default, we could suffer significant losses and it would have an adverse effect on our financial condition, cash flows, results of operations and cash flows. We are also subject to the risk that our rights against these counterparties may not be enforceable in all circumstances. Further, we are also responsible for contracts entered into by us on behalf of our client.

56. Under performance of investment products in respect of which we provide asset management services and competition from existing and new markets participants, could lead to a loss of investors, reduction in AUM and adversely affect results of operations and reputation of our Company.

The investment products in respect of which we provide asset management services may not outperform either their relevant benchmarks, or similar investment products provided by our competitors. The investments held by the mutual funds for which we provide asset management services may be illiquid or volatile, which may result in losses. Many other investments, including in particular investments in equity, are subject to potential capital losses. Other than our investment strategies, the performance of such investment products will depend on a number of factors, the majority of which are outside our control and include market, economic and other conditions. Further, certain of our investment management contracts contain restrictions relating to our investment policies. Such restrictions may prevent us from implementing what maybe the best investment strategies, which could restrict the performance of the investments.

Further, we also face significant competition from companies seeking to attract investors' financial assets, including traditional and online brokerage firms, other mutual fund companies and financial institutions. Our competitors may offer a wide range of financial products and services, at lower investment management fee, with a wider distribution network. Our competitors may receive investor referrals from their affiliates and other departments that provide other financial services. In addition, we rely on our own branches or depend on our business associates, which may require higher investment and operating expenses as compared to our peers. This may adversely affect our market share and the ability to grow our business.

Increased competition and underperformance of investment products may result either in a decrease in AUM market share or force us to reduce our management fees so as to preserve such market share, either of which would decrease our revenue from operations.

57. We rely on the Indian exchanges for a major portion of our business.

Our brokerage business relies on the Indian exchanges, such as BSE, MCX, ICEX and NCDEX, and the clearing corporations to execute and settle all our clients' transactions. Our electronic brokerage platform and our systems for brokerage clients are connected to the exchanges and all orders placed by our clients are fulfilled through the exchanges. Any disruption in the functioning of the exchanges or a disruption to our connection with the exchanges could have a material adverse effect on our business and results of operations.

To use the services of the exchanges, we are required to be registered as their members. This registration subjects us to various stock exchange regulations and periodic inspections by such exchanges. We cannot assure you that we will be able to strictly comply with such regulations or that such inspections would not find any violations by us. Failure to comply with such regulations could lead to fines, penalties, suspension of our registrations, and in extreme circumstances, termination of our registration. If our

registration with the exchanges is terminated, we will be unable to provide brokerage services, which will have a material adverse effect on our business, financial condition and results of operations. In addition, our business operations are subject to regulatory limits on brokerage fee rates and net worth requirements imposed by exchanges.

58. Our insurance coverage may not adequately protect us against losses.

We maintain insurance coverage that we believe is adequate for our operations. We have insurance policies providing coverage for our property against losses from fire, burglary and certain other risks. We also maintain a separate stockbroker indemnity insurance. While we have obtained stockbroker indemnity insurance as required under the guidelines of the various stock exchanges, we cannot assure you that the terms of our insurance policies will be adequate to cover any damage or loss suffered by us or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim.

RISKS RELATING TO THE ISSUE AND THE NCDS

59. Changes in interest rate may affect the price of our NCDs. Any increase in rate of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the price of our NCDs.

All securities where a fixed rate of interest is offered, such as our NCDs, are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e., when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates.

Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the price of our NCDs.

60. There may be no active market for the NCDs on the retail debt market/capital market segment of the Stock Exchanges. As a result, the liquidity and market prices of the NCDs may fail to develop and may accordingly be adversely affected.

There can be no assurance that an active market for the NCDs will develop. If an active market for the NCDs fails to develop or be sustained, the liquidity and market prices of the NCDs may be adversely affected. The market price of the NCDs would depend on various factors, inter alia, including (i) the interest rate on similar securities available in the market and the general interest rate scenario in the country, (ii) the market for listed debt securities, (iii) general economic conditions, (iv) limited or sporadic trading; and (v) our financial performance, growth prospects and results of operations. The aforementioned factors may adversely affect the liquidity and market price of the NCDs, which may trade at a discount to the price at which you purchase the NCDs and/or be relatively illiquid.

61. Credit ratings may not reflect all risks. Any downgrading in credit rating of our NCDs may adversely affect the value of NCDs and thus our ability to raise further debts.

The NCDs proposed to be issued have been rated "CRISIL A/Stable" by CRISIL Ratings Limited vide their rating letter dated November 24, 2023, revalidated vide letter dated May 21, 2024 with rating rationale and "ICRA A/Stable" ICRA Limited vide their rating letters dated July 24, 2023, revalidated vide letter dated June 12, 2024. Instruments with this rating indicate adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk. Credit rating may not reflect the potential impact of all risks related to structure, market, additional factors discussed here, and other factors that may affect the value of the NCDs.

The rating provided by CRISIL may be suspended, withdrawn or revised at any time and should be evaluated independently of any other rating. Ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions. Please refer to "**Annexure B-1**" on page 660 for

rating letters and rationale for the above rating.

62. Security on our NCDs may rank pari passu with our Company's secured indebtedness in the future.

As of March 31, 2024, our Company's secured debt was ₹64,249.82 Lakhs. While the security on our NCDs is by way of a pari passu charge by way of hypothecation over the Trade Receivables and MTF of the Company as of the date of this Prospectus, the terms of the NCDs do not prevent our Company from incurring additional debt subject to maintenance of minimum security cover. In the event that we incur additional debt in the future, which is secured against our assets, the NCDs may rank pari passu to the future indebtedness and other secured liabilities and obligations of our Company.

63. You may not be able to recover, on a timely basis or at all, the full value of the outstanding amounts and the interest thereon in connection with the NCDs. Failure or delay to recover the expected value from a sale or disposition of the assets charged as security in connection with the NCDs could expose you to a potential loss.

Our ability to pay interest on the NCDs and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors inter-alia including our financial condition, profitability and the general economic conditions in India and in the global financial markets. We cannot assure you that we would be able to repay the principal amount outstanding from time to time on the NCDs and the interest thereon in a timely manner or at all.

Although our Company will create appropriate security in favour of the Debenture Trustee for the NCD holders on the assets adequate to ensure 110% security cover for the NCDs at the time of allotment of NCDs, which shall be free from any encumbrances, any decrease in assets provided as security in future might result in Company not meeting the security cover stipulated as per the respective term sheet. This can adversely affect ability of our Company to meet its payment obligations. Further, the realisable value of the assets charged as security, when liquidated, may be lower than the outstanding principal and interest thereon in connection with the NCDs.

While the debenture is secured against a charge at least 110% of the outstanding principal and interest thereon in favour of Debenture Trustee, and it is the duty of the Debenture Trustee to monitor that the security is maintained, however, the possibility of recovery of 100.00% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.

A failure or delay to recover the expected value from a sale or disposition of the assets charged as security in connection with the NCDs could expose you to a potential loss.

The rights over the security provided will not be granted directly to holders of the NCDs.

The rights over the security securing the obligations of our Company under the NCDs and the Trust Deed will not be granted directly to the NCD holders but will be granted only in favour of the Debenture Trustee. As a consequence, NCD holders will not have direct security and will not be entitled to take enforcement action in respect of the security for the NCDs, except through the Debenture Trustee.

You may be subject to taxes arising on the sale of the NCDs.

Sale of NCDs by any holder may give rise to tax liability, as disclosed in "***Statement of Possible Tax Benefits***" on page 79.

64. Payments to be made on the NCDs will be subordinated to certain tax and other liabilities preferred by law. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining to pay amounts due on the NCDs.

The NCDs will be subordinated to certain liabilities preferred by law such as the claims of the Government on account of taxes, and certain liabilities incurred in the ordinary course of our business. In particular, in the event of bankruptcy, liquidation or winding-up, our Company's assets will be available to pay obligations on the NCDs only after all of those liabilities that rank senior to these NCDs

have been paid as per section 327 of the Companies Act, 2013. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining to pay amounts due on the NCDs.

65. There may be a delay in making refund/ unblocking of funds to Applicants.

We cannot assure you that the monies refundable to you, on account of (i) withdrawal of your applications, (ii) our failure to receive minimum subscription in connection with the Base Issue Size, (iii) withdrawal of the Issue, or (iv) failure to obtain the final approval from the BSE for listing of the NCDs, will be refunded to you in a timely manner. We, however, shall refund / unblock such monies, with the interest due and payable thereon (in case of any delays) as prescribed under applicable statutory and/or regulatory provisions.

66. There may be delays in receipt of or refusal of request to list in any stock exchange in India or abroad.

While none of our securities or debt instruments have been denied permission to list in any stock exchange in India or abroad during last three financial years and current financial year, any such refusal in future might adversely affect tradability as well as price of then existing other listed securities or debt instruments.

67. Our Company, being a listed company is not required to maintain a debenture redemption reserve ("DRR").

Our NCDs are proposed to be listed on BSE Limited. Pursuant to a MCA notification dated August 16, 2019 amending Section 71 of the Companies Act, 2013 and Rule 18 (7) of the Companies (Share Capital and Debentures) Rules, 2014, a listed company is not required to maintain DRR for debentures issued through a public issue. Hence, investors shall not have the benefit of reserve funds to cover the re-payment of the principal and interest on the NCDs. However, in accordance with section 71 of the Companies Act, 2013, read with Rule 18 of Companies (Share Capital and Debentures) Rules, 2014, as amended, we shall on or before the 30th day of April of each year, deposit or invest, as the case may be, a sum which shall not be less than and which shall not any time fall below 15% of the amount of its debentures maturing during the year ending on the 31st day of March, of the next year, following any one or more of the following methods: (a) in deposits with any scheduled bank, free from charge or lien (b) in unencumbered securities of the Central Government or of any State Government; (c) in unencumbered securities mentioned in clauses (a) to (d) and (ee) of Section 20 of the Indian Trusts Act, 1882; (d) in unencumbered bonds issued by any other company which is notified under clause (f) of Section 20 of the Indian Trusts Act, 1882. The amount deposited or invested, as the case may be, shall not be utilized for any purpose other than for the debentures maturing during the year referred to above, provided that the amount remaining deposited or invested, as the case may be, shall not at any time fall below 15% of the amount of debentures maturing during the 31st day of March of that year. If we do not generate adequate profits, we may not be able to deposit or invest the prescribed percentage of the amount of the NCDs maturing the subsequent year.

RISKS RELATING TO INDIA

68. Changing laws, rules and regulations and legal uncertainties, including adverse application or interpretation of corporate and tax laws, may adversely affect our business, prospects and results of operations.

The regulatory and policy environment in which we operate is evolving and subject to change. Our business and financial performance could be adversely affected by unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations applicable to us and our business. Our business, results of operations and prospects may be adversely impacted, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. Any political instability in the regions in which we operate, such as corruption, scandals and protests against certain economic reforms, which have occurred in the past, could slow the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India

could change as well.

We cannot predict whether any amendments made pursuant to the Finance Act would have an adverse effect on our business, financial condition and results of operations. Unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals.
The GoI may implement new laws or other regulations and policies that could affect the financial services industry, which could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the GoI and other regulatory bodies, or impose onerous requirements. New compliance requirements could increase our costs or otherwise adversely affect our business, financial condition and results of operations. Furthermore, the manner in which new requirements will be enforced or interpreted can lead to uncertainty in our operations and could adversely affect our operations. Any changes to such laws, may adversely affect our future business, prospects, financial condition, cash flows and results of operations.

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future. For instance, the Supreme Court of India has, in a decision clarified the components of basic wages, which need to be considered by companies while making provident fund payments. Any such decisions in future or any further changes in interpretation of laws may have an impact on our results of operations and cash flows. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects.

69. Political, economic or any other factors beyond our control may have an adverse effect on our business and results of operations.

The Indian economy and capital markets are influenced by economic, political and market conditions in India and globally. Adverse economic developments, such as rising fiscal or trade deficit, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition, cash flows and results of operations. Any financial disruption could have an adverse effect on our business and future financial performance.

As a result, we are dependent on prevailing economic conditions in India and our results of operations and cash flows are affected by factors influencing the Indian economy. The following external risks may have an adverse impact on our business and results of operations, should any of them materialize:

- increase in interest rates may adversely affect our access to capital and increase our borrowing costs, which may constrain our ability to grow our business and operate profitably;
- political instability, resulting from a change in government or economic and fiscal policies, may adversely affect economic conditions in India. In recent years, India has implemented various economic and political reforms in relation to land acquisition policies and trade barriers have led to increased incidents of social unrest in India over which we have no control;
- instability in other countries and adverse changes in geopolitical situations;
- change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular;
- strikes, lock-outs, work stoppages or increased wage demands by employees, suppliers or other service providers;
- civil unrest, acts of violence, terrorist attacks, regional conflicts or war;

- India has experienced epidemics and natural calamities such as earthquakes, tsunamis, floods and drought in recent years, instability in the financial markets and volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- epidemics or any other public health emergency in India or in countries in the region or globally, including in India's various neighboring countries;
- decline in India's foreign exchange reserves which may affect liquidity in the Indian economy; macroeconomic factors and central bank regulation, including in relation to interest rates movements which may in turn adversely impact our access to capital and increase our borrowing costs;
- high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins;
- contagious diseases such as the COVID-19 pandemic, the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine. A worsening of the current COVID-19 pandemic or any similar future outbreaks of COVID-19, avian or swine influenza or a similar contagious disease could adversely affect the Indian economy and economic activity in the region;
- downgrading of India's sovereign debt rating by rating agencies; and
- international business practices that may conflict with other customs or legal requirements to which we are subject to, including anti-bribery and anti-corruption laws; being subject to the jurisdiction of foreign courts, including uncertainty of judicial processes and difficulty enforcing contractual agreements or judgments in foreign legal systems or incurring additional costs to do so.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely affect our business, results of operations, cash flows and financial conditions. Our performance and the growth of our business depend on the overall performance of the Indian economy as well as the economies of the regional markets in which we operate. Moreover, we are dependent on the various policies, initiatives and schemes proposed or implemented in India, however, there can be no assurance that such policies, initiatives and schemes will yield the desired results or benefits which we anticipate and rely upon for our growth.

70. It may not be possible for investors to enforce any judgment obtained outside India against us or our management, except by way of a lawsuit in India.

A majority of our directors and executive officers are residents of India and most of our assets are located in India. As a result, it may not be possible for investors to effect service of process on us or such persons in jurisdictions outside of India, or to enforce against them judgments obtained in courts outside of India predicated upon civil liabilities on us or such directors and executive officers under laws other than Indian Law.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the Code of Civil Procedure, 1908 (the "Civil Code") provides that where a foreign judgment has been rendered by a superior court, within the meaning of that Section, in any country or territory outside of India which the Central Government has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the CPC is applicable only to monetary decrees not being of the same nature as amounts payable in respect of taxes, other charges of a like nature or of a fine or other penalty. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, such as the United Kingdom, Singapore, UAE and Hong Kong, among others, have been declared by the Government to be reciprocating territories for the purposes of Section 44 A of the Civil Code; however, no reciprocity has been established with the United States. A judgment of a court of a country which is not a reciprocating territory may be enforced in India only by a suit on the judgment under Section 13 of the Civil Code, and not by proceedings in execution. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action was brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment

if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy or Indian practice. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law.

However, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI under the Indian Foreign Exchange Management Act, 1999, to execute such a judgment or to repatriate any amount recovered. Any judgment in a foreign currency would be converted into Indian Rupees on the date of the judgment and not on the date of the payment. We cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays. Any volatility in exchange rates may lead to a decline in India's foreign exchange reserves and may affect liquidity and interest rates in the Indian economy, which could adversely impact us.

Foreign inflows into India have remained extremely volatile responding to concerns about the domestic macroeconomic landscape and changes in the global risk environment. The widening current account deficit has been attributed largely to the surge in gold and oil imports. Further, increased volatility in foreign flows may also affect monetary policy decision making.

71. Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.

Inflation rates in India have been volatile in recent years, and such volatility may continue. In recent years, India has experienced consistently high inflation, which has increased interest rates and increased costs to our business, including finance costs as well as costs of salaries and other expenses relevant to our business. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Further, high inflation leading to higher interest rates may also lead to a slowdown in the economy and adversely impact credit demand and growth. Consequently, we may also be affected and fall short of business growth and profitability.

While the Government of India through the RBI has previously initiated economic measures to combat high inflation rates, it is unclear whether these measures will remain in effect, and there can be no assurance that Indian inflation levels will not rise in the future. As a result, high inflation in India could have a material adverse effect on our financial condition and results of operations.

72. Any downgrade of India's debt rating by an independent agency may have a negative impact on our business.

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our business, financial condition and our ability to obtain financing for capital expenditures.

73. Our ability to raise foreign debt capital may be constrained by Indian law.

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have an adverse effect on our business growth, financial condition and results of operations.

SECTION III: INTRODUCTION

GENERAL INFORMATION

Our Company was incorporated as a public limited company on December 19, 1994, as SMC Global Securities Limited with the Registrar of Companies, N.C.T of Delhi & Haryana. Our Company received a certificate of commencement of business on January 2, 1995.

Registration

Corporate Identity Number: L74899DL1994PLC063609

Permanent Account Number: AAACS0581R

Legal Entity Identifier: 335800HLTL4M1CE2VP40

Registered Office



SMC Global Securities Limited
11/6B, Shanti Chamber
Pusa Road
New Delhi 110 005
Telephone: +91-11-3011 1000, 4075 3333
Fax: +91-11-2575 4365
Email: smcncd@smcindiaonline.com
Website: www.smcindiaonline.com

Corporate Office

1. Mumbai

Lotus Corporate Park
A wing 401/402, 4th floor
Graham Firth, Compound
Off Western Express Highway
Goregaon East, Mumbai 400 063
Telephone: 022-6734 1600
Fax: 022-6734 1697
Email: smcncd@smcindiaonline.com
Website: www.smcindiaonline.com

2. Kolkata

18, Rabindra Sarani Poddar Court
Gate No. 4, Fifth Floor
Kolkata 700 001
Telephone: 033-4082 7000
Fax: 033-6612 7004
Email: smcncd@smcindiaonline.com
Website: www.smcindiaonline.com

3. Ahmedabad

10/A, Kalapurnam Building
Near Muncipal Market C.G. Road

Ahmedabad 380 009
Telephone: 079-2642 4801-05
Fax: 079-2642 4801-05
Email: smcncd@smcindiaonline.com
Website: www.smcindiaonline.com

For details regarding changes to our Registered Office, see "***History and Certain Matters***" on page 154 of this Prospectus.

Registrar of Companies

RoC, Delhi
4th Floor, IFCI Tower
61, Nehru Place
New Delhi 110 019

Board of Directors

The following table sets out the details regarding the Board of Directors as on the date of this Prospectus:

Name	Designation	DIN	Address
Subhash Chand Aggarwal	Chairman and Managing Director	00003267	House No.67, Road No. 41, Punjabi Bagh, West Delhi 110 026
Mahesh C Gupta	Vice Chairman and Managing Director	00003082	House No.C-40, UGF, Anand Vihar, Near MCD Park, Delhi- 110092
Ajay Garg	Director and Chief Executive Officer	00003166	House No. 67, Road No. 41, Punjabi Bagh, West Delhi 110 026
Anurag Bansal	Whole-Time Director	00003294	Flat No. 3601, B Wing, 36th Floor, DB Woods, Krishna Vatika Marg, Gokuldham, Goregaon East, Mumbai 400 063
Himanshu Gupta	Non-Executive Director	03187614	House No. C-40, Anand Vihar, Delhi 110 092
Shruti Aggarwal	Whole-Time Director	06886453	House no. 67, Road No. 41, Punjabi Bagh, West Delhi 110 026
Narendra Kumar	Non- Executive Independent Director	02307690	House No. 11860/1 Lane-8 Ganga Mandir Sat Nagar Karol Bagh, New Delhi 110 005
Naveed ND Gupta	Non-Executive Independent Director	00271748	B-4, Block B, Gulmohar Park, Delhi 110 049
Dinesh Kumar Sarraf	Non-Executive Independent Director	00147870	C1-804, Cleo Country, Sector 121, Noida, UP 201 301
Hemant Bhargava	Non-Executive Independent Director	01922717	C 1709 Satyen Nivaasa, Manglam Radiance, Near Fern Hotel, Jaipur, Rajasthan 302 018
Gobind Ram Choudhary	Non-Executive Independent Director	01104704	C-558, New Friends Colony, New Delhi 110 025
Neeru Abrol	Non-Executive Independent Director	01279485	K-3, Lajpat Nagar 3, New Delhi-110024

Chief Financial Officer

Vinod Kumar Jamar
11/6B, Shanti Chamber
Pusa Road
New Delhi 110 005
Tel: +91-11-3011 1000

Email: vinodjamar@smcindiaonline.com

Company Secretary and Compliance Officer for the Issue

Suman Kumar
11/6B, Shanti Chamber
Pusa Road
New Delhi 110 005
Tel: +91-11-30111000
Email: sumankumar@smcindiaonline.com

Lead Manager

Corporate Professionals Capital Private Limited
D-28, South Extension, Part I
New Delhi -110 049, India
Tel: +91 011 4062 2230/ 209/ 215
E-mail: mb@indiacp.com
Investor Grievance ID: smc.ncd@indiacp.com
Website: www.corporateprofessionals.com
Contact Person: Anjali Aggarwal
SEBI Registration No.: INM000011435

Debenture Trustee

IDBI Trusteeship Services Limited
Universal Building
Sir PM Road
Fort, Mumbai 400 001
Tel: 022 4080 7000
Fax: 022 6631 1776 022
Email: itsl@idbitrustee.com
Investor Grievance Email: response@idbitrustee.com
Website: www.idbitrustee.com
Contact Person: Chaittanya Godbole
SEBI Registration No.: IND000000460

IDBI Trusteeship Services Limited, pursuant to Regulation 8 of SEBI NCS Regulations, by its letter dated June 14, 2024, has given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in this Prospectus and in all the subsequent periodical communications sent to the holders of the NCDs issued pursuant to this Issue. Please see "**Annexure C**" of this Prospectus on page 706.

All the rights and remedies of the Debenture Holders under this Issue shall vest in and shall be exercised by the appointed Debenture Trustee for this Issue without having it referred to the NCD Holders. All investors under this Issue are deemed to have irrevocably given their authority and consent to the Debenture Trustee so appointed by our Company for this Issue to act as their trustee and for doing such acts, deeds, matters, and things in respect of or relating to the Debenture Holders as the Debenture Trustee may in his absolute direction deem necessary or require to be done in the interest of Debenture Holders and signing such documents to carry out their duty in such capacity. Any payment by our Company to the NCD Holders/Debenture Trustee, as the case may be, shall, from the time of making such payment, completely and irrevocably discharge our Company *pro tanto* from any liability to the NCD Holders. For details on the terms of the Debenture Trust Deed see, "***Issue Related Information***" on

page 200 of this Prospectus.

Registrar to the Issue



Link Intime India Private Limited
C 101, 247 Park
L. B. S Marg, Vikhroli West
Mumbai 400 083
Tel+91 81081 14949
Website: www.linkintime.co.in
E-mail: smcglobal.ncd2024@linkintime.co.in
Investor Grievance Email: smcglobal.ncd2024@linkintime.co.in
Contact Person: Shanti Gopalkrishnan
URL (SEBI): https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=10
SEBI Registration No.: INR000004058
CIN: U67190MH1999PTC118368

Link Intime India Private Limited has by its letter dated June 13, 2024, given its consent for its appointment as Registrar to the Issue and for its name to be included in this Prospectus, and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to this Issue.

Applicants or prospective investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer of our Company in case of any pre-Issue or post-Issue related problems, such as non-receipt of Allotment Advice, demat credit, transfers, etc.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, Application Form number, address of the Applicant, Permanent Account Number, number of NCDs applied for, amount paid on Application, Depository Participant ("**DP**") name and client identification number, and the collection centre of the Members of the Consortium where the Application was submitted and ASBA Account number (for Bidders other than retail individual investors bidding through the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or UPI ID in case of retail individual investors bidding through the UPI mechanism. Further, the Bidder shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to either (i) the relevant Designated Branch of the SCSB where the Application Form was submitted by the Applicant, or (ii) the concerned Member of the Consortium and the relevant Designated Branch of the SCSB in the event of an Application submitted by an Applicant at any of the Syndicate ASBA Centres, giving full details such as name, address of Applicant, Application Form number, number of NCDs applied for and amount blocked on Application.

All grievances related to the UPI process may be addressed to the Stock Exchange, which shall be responsible for addressing investor grievances arising from applications submitted online through the App based/ web interface platform of stock exchanges or through their Trading Members. The intermediaries shall be responsible for addressing any investor grievances arising from the applications uploaded by them in respect of quantity, price or any other data entry or other errors made by them.

All grievances arising out of Applications for the NCDs made through the Online Stock Exchange Mechanism (app based/wed interface platform) of the Stock Exchange, or through Trading Members, may be addressed directly to the Stock Exchange, with a copy to the Registrar to the Issue.

Statutory Auditor

M/s. P.C. Bindal & Co.
101, Sita Ram Mansion,

718/21, Joshi Road, Karol Bagh
New Delhi – 110005
Tel: 45073430 / 31
Firm registration no.: 003824N
Email: pcbindalco@gmail.com, kcgupta@pcbc.in
Peer review certificate no.: 013347
Contact Person: K C Gupta

Appointment of M/s. P.C. Bindal & Co. has been approved by the Board of Directors of the Issuer on May 13, 2024, and by the members of the Issuer at the Annual General Meeting held on June 22, 2024.

Change in Statutory Auditors for preceding three financial years and current financial year as on date of this Prospectus:

Except as disclosed below, there have been no change in the Statutory Auditors of our Company for preceding three financial years and current financial year as on date of this Prospectus:

Name of the Auditor	Address	Date of Appointment	Date of cessation, if applicable	Date of Resignation, if applicable
R. Gopal & Associates	G-1, Ground Floor, South Extension, Part – II, New Delhi – 110049, India	August 07, 2019	June 22, 2024	Not Applicable

Credit Rating Agencies

CRISIL Ratings Limited
CRISIL House, Central Avenue
Hiranandani Business Park
Powai, Mumbai 400 076
Tel: +91-22-3342 3000
Fax: 022-3342 3050
Contact Person: Ajit Velonie
Email ID: crisilratingdesk@crisil.com
Website: www.crisilratings.com
SEBI Registration No.: IN/CRA/001/1999

ICRA Limited
Electric Mansion, 3rd floor,
Appasaheb Marathe Marg,
Prabhadevi, Mumbai 400 025
Tel: +91-22- 6114 3406
Contact Person: L. Shivkumar
Email ID: shivakumar@icraindia.com
Website: www.icra.com
SEBI Registration No.: IN/CRA/008/15

Credit Rating, Rationale, Revalidated Letter and Press Release

The NCDs proposed to be issued pursuant to this Issue have been rated A/ Stable by CRISIL Ratings Limited for an amount of up to ₹17,500 Lakhs by way of its letter dated November 24, 2023, (and revalidation letter dated May 21, 2024), and rated A Stable by ICRA Limited for an amount of up to ₹40,000 lakhs by way of its letter dated July 24, 2023 (and revalidation letter dated June 12, 2024). Ratings issued by CRISIL Ratings Limited and ICRA Limited are valid as on the date of this Prospectus and will continue to be valid for the life of the instrument unless withdrawn or reviewed. Instruments with this rating are considered to have an adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk. The rating provided by CRISIL Ratings Limited and ICRA Limited may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating agency. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions. For the rationale, revalidated letters and press release for these ratings, see "**Annexure B-1**" and "**Annexure B-2**" of this Prospectus, on page 660 and 686 respectively of this Prospectus.

Disclaimer clause of CRISIL Ratings Limited

CRISIL Ratings Limited (CRISIL Ratings) has taken due care and caution in preparing the Material based on the information provided by its client and / or obtained by CRISIL Ratings from sources which it considers reliable (Information). A rating by CRISIL Ratings reflects its current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL Ratings. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by CRISIL Ratings is not a recommendation to buy, sell, or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. The Rating is not a recommendation to invest / disinvest in any entity covered in the Material and no part of the Material should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL Ratings especially states that it has no liability whatsoever to the subscribers/ users/ transmitters/ distributors of the Material. Without limiting the generality of the foregoing, nothing in the Material is to be construed as CRISIL Ratings providing or intending to provide any services in jurisdictions where CRISIL Ratings does not have the necessary permission and/or registration to carry out its business activities in this regard. SMC Global Securities Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Material or part thereof outside India. Current rating status and CRISIL Ratings' rating criteria are available without charge to the public on the website, www.crisilratings.com. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please contact Customer Service Helpdesk at 1800-267-1301.

Disclaimer clause of ICRA Ratings Limited

All information contained in the Press Release dated July 24, 2023, has been obtained by ICRA from sources believed by ICRA to be accurate and reliable. Although reasonable care has been taken to ensure that the information therein is true, such information is provided 'as is' without any warranty of any kind, and in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. All information contained therein must be construed solely as statements of opinion and not any recommendation for investment. ICRA shall not be liable for any losses incurred by users from any use of the Press Release or its contents. Also, ICRA may provide other permissible services to the Company on an arms-length basis.

Legal Counsel to the Issue

Rajani Associates, Advocates and Solicitors
Krishna Chambers
59 New Marine Lines
Mumbai 400 020
Telephone: 91-22- 4096 1000
Website: www.rajaniassociates.net
Contact Person: Sangeeta Lakhi

Consortium Members

Globe Capital Market Limited
609, Ansal Bhawan,
16, K G Marg, New Delhi – 110001
Telephone: +9810694899
Contact Person: Nanak Chandra Sanwal
Email: mf@globecapital.com
Website: www.globecapital.com
SEBI Registration No.: INZ000177137

Moneywise Finvest Limited
11/6B, Shanti Chamber
Pusa Road, New Delhi 110 005
Telephone: 011-66623300
Contact Person: Junaid Akhtar
Email: junaidakhtar@stoxkart.com
Website: www.stoxkart.com
SEBI Registration No.: INZ000196835

Banker(s) to our Company

HDFC Bank Limited
B-/36, first floor
Asaf Ali, New Delhi 110 002
Contact Person: Lalit Nagpal
Tel: 011 4680 6207
Email: lalit.nagpal@hdfcbank.com
Website: www.hdfcbank.com

Public Issue Account Bank/ Sponsor Bank/ Refund Bank

HDFC Bank Limited
B-/36, first floor
Asaf Ali, New Delhi 110 002
Contact Person: Lalit Nagpal
Tel: 011 46806207
Email: lalit.nagpal@hdfcbank.com
Website: www.hdfcbank.com

Impersonation

As a matter of abundant precaution, attention of the investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, relating to punishment for fictitious applications. Section 38(1) of the Companies Act, 2013 provides that:

"Any person who –

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act 2013 for fraud involving an amount of at least ₹10 Lakh or 1.00% of the turnover of our Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹10 Lakh or 1.00% of the turnover of our Company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹50 Lakh or with both.

Minimum subscription

In terms of the SEBI NCS Regulations for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size in this case being ₹5,625 Lakhs. If our Company does not receive the minimum subscription of 75% of the Base Issue Size being ₹5,625 Lakhs, prior to the Issue Closing Date, the entire Application Amount shall be unblocked in the relevant ASBA Accounts of the Applicants within eight Working Days from the Issue Closing Date. In the event there is delay in unblocking of funds, our Company shall be liable to pay interest at the rate of 15 % per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. Our Company and/or Registrar will follow the guidelines prescribed by SEBI in this

regard included in the SEBI Master Circular.

Underwriting

This Issue will not be underwritten.

Guarantor to the Issue

There are no guarantors to the Issue.

Designated Intermediaries

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA and UPI Mechanism process is provided on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 respectively as updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms and UPI Mechanism through app/web interface from the Designated Intermediaries, refer to the above-mentioned links.

In relation to Applications submitted to a member of the Consortium, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Application Forms from the members of the Syndicate is available on the website of the SEBI (http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes), or at such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Application Forms from the Member of the Consortium at Specified Locations, see the website of the SEBI (http://www.sebi.gov.in/ sebiweb/other/OtherAction.do?doRecognised =yes) or any such other website as may be prescribed by SEBI from time to time.

Syndicate SCSB Branches

In relation to ASBA Applications submitted to the Members of the Consortium or the Trading Members of the Stock Exchanges only in the Specified Cities (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat), the list of branches of the SCSBs at the Specified Cities named by the respective SCSBs to receive deposits of ASBA Applications from such Members of the Syndicate or the Trading Members of the Stock Exchanges is provided on (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=45) or at such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting ASBA Applications from Members of the Syndicate or the Trading Members of the Stock Exchanges only in the Specified Cities, see http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, as updated from time to time or any such other website as may be prescribed by SEBI from time to time.

Registered Brokers/ Designated RTAs/ Designated CDPs

In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 4, 2012 and Master Circular No. SEBI/HO/MIRSD/POD-1/CIR/2023/70 dated May 17, 2023 and the ASBA Circular, applicants can submit ASBA Forms in the Issue using the stock broker network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com.

In relation to Applications submitted to the Registered Brokers at the Broker Centres, the list of branches of the SCSBs at the Broker Centres named by the respective SCSBs to receive deposits of the ASBA Forms from the Registered Brokers is available on the website of the SEBI at www.sebi.gov.in and updated from time to time. For further details, see "***Issue Procedure***" on page 230 of this Prospectus.

Utilisation of Issue proceeds

For details on utilisation of Issue proceeds, see "***Objects of the Issue***" on page 72 of this Prospectus.

Issue Programme*

Issue opens on	Friday, July 19, 2024
Issue closes on	Thursday, August 01, 2024
Pay in date	Application Date. The entire Application Amount is payable on Application.
Deemed date of allotment	The date on which the Board of Directors or Non-Convertible Debenture Committee authorised by the Board approves the Allotment of the NCDs for the Issue or such date as may be determined by the Board of Directors/ Non-Convertible Debenture Committee authorised by the Board thereof and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs shall be available to the Debenture Holders from the Deemed Date of Allotment.

**Note:*

*(1) This Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) during the period indicated above, except that this Issue may close on such earlier date or extended date (subject to a minimum period of three Working Days and a maximum period of ten Working Days from the date of opening of the Issue and subject to not exceeding thirty days from filing the Prospectus with ROC) as may be decided by the Board of Directors of our Company or Non-Convertible Debentures Committee subject to compliance with Regulation 33A of the SEBI NCS Regulations. In the event of an early closure or extension of this Issue our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in all the newspapers in which pre-issue advertisement for opening of this Issue has been given on or before such earlier or initial date of Issue closure. Application Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchanges, on Working Days during the Issue Period. On the Issue Closing Date, the Application Forms will be accepted only between 10:00 a.m. and 3:00 p.m. (Indian Standard Time) and uploaded until 5:00 p.m. or such extended time as may be permitted by the Stock Exchanges. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5:00 p.m. (Indian Standard Time) on one Working Day after the Issue Closing Date. For further details please refer to the chapter titled "**Issue Related Information**" on page 200 of this Prospectus.*

(2) Application Forms for the Issue will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchanges, during the Issue Period as mentioned above on all days between Monday and Friday (both inclusive barring public holiday), (i) by the Consortium or the Trading Members of the Stock Exchanges, as the case maybe, at the centres mentioned in Application Form through the ASBA mode, (ii) directly by the Designated Branches of the SCSBs or (iii) by the centres of the Consortium, or the Trading Members of the Stock Exchanges, as the case maybe, only at the selected cities. Additionally, an Investor may also submit the Application Form through the app or web interface of the Stock Exchanges. It is clarified that the Applications not uploaded in the Stock Exchanges platform would be rejected.

(3) Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, no later than 3.00 p.m. (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Application Forms will only be accepted on Working Days during the Issue Period. Neither our Company, nor the Lead Manager or Trading Members of the Stock Exchanges are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that, within each category of investors the Basis of Allotment under the Issue will be on a date priority basis except from the day of oversubscription and thereafter, if any, where the Allotment will be proportionate.

CAPITAL STRUCTURE

1. Details of share capital

The following table lays down details of our authorised, issued, subscribed and paid-up share capital and securities premium account as at March 31, 2024:

(In ₹ Lakhs, except for share data)

Particulars	Amount in (₹)
AUTHORISED SHARE CAPITAL	
47,75,50,000 Equity Shares of face value of ₹2 each	9,551.00
TOTAL	**9,551.00**
ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL*	
10,47,00,000 Equity Shares of face value of ₹ 2 each	2,094.00
TOTAL	**2,094.00**
Securities Premium Account^	**25,202.44**

^*Note: There will be no change in the capital structure and securities premium account due to the issue and allotment of the NCDs*

2. Details of change in authorised share capital of our company as at last quarter end, for the preceding three financial years and current financial year as on the date of this Prospectus

There has been no change in authorised share capital of our Company for the preceding three financial years and current financial year as on the date of this Prospectus.

3. Issue of Equity Shares for consideration other than cash

There has been no issuance of Equity Shares for consideration other than cash for the preceding three financial years and current financial year as on the date of this Prospectus

4. Equity Share capital history of our Company for the preceding three financial years and current financial year as on the date of this Prospectus:

There has been no issue of Equity Shares of our Company for the preceding three financial years and current financial year as on the date of this Prospectus apart from buyback of the Equity Shares of our Company during the financial year 2022-23, details of which are as provided below:

Date of Allotment	Number of Equity Shares transacted	Face value (₹)	Issue price* (₹)	Nature of Consideration	Nature of Allotment	Cumulative#	Reason for/ Nature of Allotment
May 20, 2022, to August 16, 2022	84,34,450	2	115	Cash	NA	Rs. 20,94,00,000 (10,47,00,000 Equity Shares of Rs. 2/- each, fully paid)	Buy back through open market mechanism for all shareholders

**This is the Maximum Buyback Price approved by the Board of Directors in their meeting held on May 07, 2022.*
#This is the post buyback share capital of the Company.

5. List of top ten holders of Equity Shares as on quarter ended March 31, 2024

Sr. No	Name of the Shareholder	Total number of Equity Shares	Number of Equity Shares held in dematerialized form	Total shareholding as a % of total number of Equity Shares
1.	ASM Pipes Private Limited	1,86,67,140	1,86,67,140	17.83
2.	Mahesh C Gupta	82,48,500	82,48,500	7.88
3.	Subhash Chand Aggarwal	80,95,500	80,95,500	7.73
4.	Sushma Gupta	75,66,550	75,66,550	7.23
5.	Pulin Investments Private Limited	95,02,205	95,02,205	9.08
6.	Hemlata Aggarwal	50,00,000	50,00,000	4.78
7.	Pranay Aggarwal	47,20,550	47,20,550	4.51
8.	Bennett, Coleman and Company Limited	43,35,390	43,35,390	4.14
9.	Ginni Devi	31,84,000	31,84,000	3.04
10.	SGS Udyog Private Limited	24,17,782	24,17,782	2.31
	Total	**7,17,37,617**	**7,17,37,617**	**68.53**

6. List of top ten non-convertible securities holders as at the end of last quarter ended March 31, 2024

As at the end of last quarter ended March 31, 2024, our Company does not have any outstanding non-convertible securities.

7. List of top ten commercial paper holders as at the end of last quarter ended March 31, 2024

As at the end of last quarter ended March 31, 2024, our Company has not issued any commercial paper.

8. Shareholding pattern of our Company.

A. Shareholding pattern of our Company as on quarter ended March 31, 2024

Category of shareholder	No. of shareholders	No. of fully paid-up equity shares held	Total no. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of Shares pledged or otherwise encumbered		No. of equity shares held in dematerialized form	Sub-categorization of shares (XV)		
										Shareholding (No. of shares) under		
							No. (a)	As a % of total Shares held (b)		Sub Category I	Sub Category II	Sub Category III
(A) Promoter & Promoter Group	16	7,04,37,945	7,04,37,945	67.28	7,04,37,945	67.28	96,02,205	13.63	7,04,37,945	-	-	-
(B) Public	24,345	3,42,62,055	3,42,62,055	32.72	3,42,62,055	32.72	-	0.00	3,39,75,425	-	-	-
(C1) Shares underlying DRs	-	-	-	0.00	-	0.00	-	0.00	-	-	-	-
(C2) Shares held by Employee Trust	-	-	-	0.00	-	0.00	-	0.00	-	-	-	-
(C) Non-Promoter-Non Public	-	-	-	0.00	-	0.00	-	0.00	-	-	-	-
Grand Total	**24,361**	**10,47,00,000**	**10,47,00,000**	**100.00**	**10,47,00,000**	**100.00**	**96,02,205**	**9.17**	**10,44,13,370**	-	-	-

B. Shareholding pattern of our Promoters and Promoter Group, as on quarter ended March 31, 2024

Category of shareholder	Entity Type	Nos. of shareholders	No. of fully paid-up Equity Shares held	Total nos. Equity Shares held	Shareholding as a % of total no. of Equity Shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		Number of Equity Shares pledged or otherwise encumbered	Number of Equity Shares held in dematerialized form	
						No.(a)	As a % of total Equity Shares held(b)		Class eg: X	Total
A1) Indian					0.00		0.00		0.00	
Individuals/Hindu undivided Family		13	4,07,81,930	4,07,81,930	38.95	4,07,81,930	38.95	-	0.00	4,07,81,930
Subhash Chand Aggarwal	Promoter	1	80,95,500	80,95,500	7.73	80,95,500	7.73	-	0.00	80,95,500
Mahesh C Gupta	Promoter	1	82,48,500	82,48,500	7.88	82,48,500	7.88	-	0.00	82,48,500
Sushma Gupta	Promoter	1	75,66,550	75,66,550	7.23	75,66,550	7.23	-	0.00	75,66,550
Hemlata Aggarwal	Promoter Group	1	50,00,000	50,00,000	4.78	50,00,000	4.78	-	0.00	50,00,000
Pranay Aggarwal	Promoter Group	1	47,20,550	47,20,550	4.51	47,20,550	4.51	-	0.00	47,20,550
Ginni Devi	Promoter Group	1	31,84,000	31,84,000	3.04	31,84,000	3.04	-	0.00	31,84,000
Himanshu Gupta	Promoter Group	1	20,00,000	20,00,000	1.91	20,00,000	1.91	-	0.00	20,00,000
Ajay Garg	Promoter Group	1	8,41,600	8,41,600	0.80	8,41,600	0.80	-	0.00	8,41,600
Damodar Krishan Aggarwal	Promoter	1	7,81,970	7,81,970	0.75	7,81,970	0.75	-	0.00	7,81,970
Anurag Bansal	Promoter Group	1	2,50,000	2,50,000	0.24	2,50,000	0.24	-	0.00	2,50,000
Aditi Aggarwal	Promoter Group	1	43,085	43,085	0.04	43,085	0.04		0.00	43,085
Archana Aggarwal	Promoter Group	1	30,000	30,000	0.03	30,000	0.03	-	0.00	30,000
Shruti Aggarwal	Promoter Group	1	20,175	20,175	0.02	20,175	0.02	-	0.00	20,175

Category of shareholder	Entity Type	Nos. of shareholders	No. of fully paid-up Equity Shares held	Total nos. Equity Shares held	Shareholding as a % of total no. of Equity Shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		Number of Equity Shares pledged or otherwise encumbered	Number of Equity Shares held in dematerialized form	
						No.(a)	As a % of total Equity Shares held(b)		Class eg: X	Total
Any Other (Specify)		3	2,96,56,015	2,96,56,015	28.32	2,96,56,015	28.32	96,02,205	32.38	2,96,56,015
ASM Pipes Private Limited	Promoter Group	1	1,86,67,140	1,86,67,140	17.83	1,86,67,140	17.83	-	0.00	1,86,67,140
Pulin Investments Private Limited.	Promoter Group	1	95,02,205	95,02,205	9.08	95,02,205	9.08	92,77,205	97.63	95,02,205
Jai Ambey Share Broking Limited.	Promoter Group	1	14,86,670	14,86,670	1.42	14,86,670	1.42	3,25,000	21.86	14,86,670
Sub Total A1		16	7,04,37,945	7,04,37,945	67.28	7,04,37,945	67.28	96,02,205	13.63	7,04,37,945
A2) Foreign					0.00		0.00		0.00	
A=A1+A2		16	7,04,37,945	7,04,37,945	67.28	7,04,37,945	67.28	96,02,205	13.63	7,04,37,945

C. Shareholding pattern of public Shareholders, as on quarter ended March 31, 2024

Category & Name of the Shareholders	No. of shareholder	No. of fully paid up Equity Shares held	Total no. Equity Shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of Equity Shares held in dematerialized form (Not Applicable)	Sub-categorization of Equity Shares (XV) Shareholding (No. of Equity Shares) under		
								Subcategory I	Sub Category_II	Sub CategoryIII
B1) Institutions	0	0		0.00		0.00		-	-	-
B2) Institutions (Domestic)	0	0		0.00		0.00		-	-	-
Alternative Investment Funds	0	0	0	0.00	0	0.00	0			
Sub Total B1	0	0	0	0.00	0	0.00	0			
B3) Institutions (Foreign)	0	0		0.00		0.00		-	-	-
Foreign Portfolio Investors Category I	22	8,78,525	8,78,525	0.84	8,78,525	0.84	8,78,525	-	-	-
Foreign Portfolio Investors Category II	4	1,26,215	1,26,215	0.12	1,26,215	0.12	1,26,215	-	-	-
Sub Total B2	26	10,04,740	10,04,740	0.96	10,04,740	0.96	10,04,740			
B4) Central Government/ State Government(s)/ President of India	0	0		0.00		0.00		-	-	-
B5) Non-Institutions	0	0		0.00		0.00		-	-	-
Investor Education and Protection Fund (IEPF)	1	3,31,417	3,31,417	0.32	3,31,417	0.32	3,31,417	-	-	-
Resident Individuals holding nominal share capital up to Rs. 2 lakhs	23,537	1,15,25,120	1,15,25,120	11.01	1,15,25,120	11.01	1,12,38,490	-	-	-
Resident Individuals holding nominal share capital in excess of Rs. 2 lakhs	9	22,54,718	22,54,718	2.15	22,54,718	2.15	22,54,718	-	-	-
Non Resident Indians (NRIs)	211	4,75,505	4,75,505	0.45	4,75,505	0.45	4,75,505	-	-	-
Bodies Corporate	121	1,67,84,500	1,67,84,500	16.03	1,67,84,500	16.03	1,67,84,500	-	-	-
TV18 Broadcast Limited	1	11,35,670	11,35,670	1.08	11,35,670	1.08	11,35,670	-	-	-
Globe Capital Market Limited	1	11,84,960	11,84,960	1.13	11,84,960	1.13	11,84,960	-	-	-
Globe Derivatives and Securities Limited	1	12,30473	12,30473	1.18	12,30473	1.18	12,30473	-	-	-
Excel Stock Broking Private Limited	1	13,33,203	13,33,203	1.27	13,33,203	1.27	13,33,203	-	-	-
SGS Udyog Private Limited.	1	24,17,782	24,17,782	2.31	24,17,782	2.31	24,17,782	-	-	-
Bennett, Coleman and Company Limited	1	43,35,390	43,35,390	4.14	43,35,390	4.14	43,35,390	-	-	-
Any Other (specify)	440	18,86,055	18,86,055	1.80	18,86,055	1.80	18,86,055	-	-	-

Category & Name of the Shareholders	No. of shareholder	No. of fully paid up Equity Shares held	Total no. Equity Shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of Equity Shares held in dematerialized form (Not Applicable)	Sub-categorization of Equity Shares (XV)		
								Shareholding (No. of Equity Shares) under		
								Subcategory I	Sub Category_II	Sub CategoryIII
LLP	10	8,70,786	8,70,786	0.83	8,70,786	0.83	8,70,786	-	-	-
HUF	427	9,93,611	9,93,611	0.95	9,93,611	0.95	9,93,611	-	-	-
Trusts	1	180	180	0.00	180	0.00	180	-	-	-
Clearing Members	2	21,478	21,478	0.02	21,478	0.02	21,478	-	-	-
Sub Total B4	24,319	3,32,57,315	3,32,57,315	31.76	3,32,57,315	31.76	3,29,70,685	-	-	-
B=B1+B2+B3+B4	24,345	3,42,62,055	3,42,62,055	32.72	3,42,62,055	32.72	3,3,39,75,425	-	-	-

D. Shareholding pattern of non-Promoter non-public Shareholders, as on quarter ended March 31, 2024

Category & Name of the Shareholders(I)	No. of shareholder (III)	No. of fully paid-up Equity Shares held (IV)	Total no. Equity Shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Equity Shares held in dematerialized form (XIV) (Not Applicable)
C1) Custodian/DR Holder	0	0	0	0.00	-
C2) Employee Benefit Trust	0	0	0	0.00	-

9. Statement of the aggregate number of securities of our Company and our Subsidiaries purchased or sold by our Promoters, Promoter Group, our Directors and the directors of our Promoters and/or their relatives within six months immediately preceding the date of filing of this Prospectus.

Except as disclosed below, our Promoters, Promoter Group, Directors and/ or their relatives have not purchased or sold securities of our Company within six months immediately preceding the date of filing of this Prospectus:

Name of Promoter/ Promoter Group	Category	Number of shares	Remarks
SMC Share Brokers Limited	Promoter Group	2,25,000	Transfer of shares of SMC Share Brokers Limited to Pulin Investments Private Limited*
Jai Ambey Share Broking Limited	Promoter Group	1,20,000	Sale of 1,20,000 shares by Jai Ambey Share Broking Limited

**Transfer of shares was subsequent to the merger of SMC Share Brokers Limited and Pulin Investments Limited vide the order dated September 14, 2023*

10. Details of shareholding of our Promoters in our Subsidiaries

Except as disclosed below, our Promoters do not have any shareholding in our Subsidiaries.

Sr. No	Name of the Promoter	Name of the Subsidiary	No. of shares Held	Percentage of Shareholding in the Subsidiaries
1.	Subhash Chand Aggarwal	Pulin Comtrade Limited*#	1	0.00
		SMC Capitals Limited	100	0.00
		SMC Investments and Advisors Limited	1	0.00
2.	Mahesh C Gupta	Pulin Comtrade Limited*#	1	0.00
		SMC Capitals Limited	100	0.00
		SMC Investments and Advisors Limited	1	0.00
3.	Damodar Krishan Aggarwal	Pulin Comtrade Limited*#	1	0.00
		SMC Real Estate Advisors Private Limited	1	0.00
4.	Sushma Gupta	Pulin Comtrade Limited*#	1	0.00
		SMC Capitals Limited	100	0.00
		SMC Investments and Advisors Limited	1	0.00

**Beneficial interest of the promoters in the shares in the above table has been transferred to SMC Global Securities Limited.*
#SMC Comtrade Limited was renamed as Pulin Comtrade Limited by a board resolution dated June 26, 2023 and shareholder resolution dated July 15, 2023.
** SEBI by its order dated September 6, 2023, cancelled the registration certificate for stock broker of Pulin Comtrade Limited. Pursuant to the appeal filed by Pulin Comtrade Limited, the Securities Appellate Tribunal, Mumbai has passed a stay order dated November 29, 2023, regarding the cancellation of registration certificate. For further details, please see "**Outstanding Litigations and Defaults**" on page 266 of this Prospectus.*

11. Details of the Directors' shareholding in our Company

As on March 31, 2024, except as stated below, none of the Directors hold any Equity Shares, qualification shares or any outstanding options in our Company:

S. No.	Name of Director	No. of Equity Shares held	% of Shareholding
1.	Subhash Chand Aggarwal	80,95,500	7.73
2.	Mahesh C Gupta	82,48,500	7.88
3.	Himanshu Gupta	20,00,000	1.91
4.	Ajay Garg	8,41,600	0.80

S. No.	Name of Director	No. of Equity Shares held	% of Shareholding
5.	Anurag Bansal	2,50,000	0.24
6.	Shruti Aggarwal	20,175	0.02

12. Statement of capitalization (Debt to Equity Ratio) of our Company as on quarter ended March 31, 2024:

A. **The debt-equity ratio of our Company, on standalone basis, as on quarter ended March 31, 2024:**

(*₹ in lakh, except Debt/Equity ratio*)

Particulars	Pre-Issue as on March 31, 2024	Post-Issue (as adjusted for the Issue, projected as on September 30, 2024)*
Debt		
Debt Securities	0	15,000.00
Borrowings (Other than Debt Securities)	64,249.82	75,178.00
Total Debt (A)	**64,249.82**	**90,178.00**
Equity		
Equity Share Capital	2,094.00	2,094.00
Other Equity	86,286.45	93,507.48
Total Equity (B)	**88,380.45**	**95,601.48**
Debt/ Equity (C= A/B)	**0.73**	**0.94**

**The debt-equity ratio post Issue in indicative on account of the assumed inflow of ₹15,000 Lakhs from the proposed Issue. The actual debt-equity ratio post the Issue would depend on the actual position of debt and equity on the Deemed Date of Allotment.*

B. The debt-equity ratio of our Company, on consolidated basis, as on quarter ended March 31, 2024:

(₹ in lakh, except Debt/Equity ratio)

Particulars	Pre-Issue as on March 31, 2024	Post-Issue (as adjusted for the Issue, projected as on September 30, 2024)*
Debt		
Debt Securities	3,966.65	19,093.44
Borrowings (Other than Debt Securities)	1,38,113.13	1,71,041.31
Total Debt (A)	**1,42,079.78**	**1,90,134.75**
Equity	2,094.00	2,094.00
Equity Share Capital	1,07,478.71	1,19,515.93
Other Equity	**1,09,572.71**	**1,21,609.93**
Total Equity (B)		
Debt/ Equity (C= A/B)	**1.30**	**1.56**

**The debt-equity ratio post Issue in indicative on account of the assumed inflow of ₹15,000 Lakhs from the proposed Issue. The actual debt-equity ratio post the Issue would depend on the actual position of debt and equity on the Deemed Date of Allotment.*

C. Total outstanding debt of our Company as on as on quarter ended March 31, 2024:

For details on the total outstanding debt of our Company, please refer to "***Disclosures on Existing Financial Indebtedness***" on page 184 of this Prospectus.

13. Details of any acquisition or amalgamation with any entity in the preceding one year

Our Company has not made any acquisition or amalgamation with any entity in the preceding one year prior to the date of this Prospectus.

14. Details of any reorganization or reconstruction in the preceding one year

Our Company has not made any reorganization or reconstruction in the preceding one year prior to the date of this Prospectus.

15. Debt securities issued at a premium or a discount

Except as set out in *"**Disclosures on Existing Financial Indebtedness***" on page 184 of this Prospectus, our Company has not issued debt securities at a premium or discount.

16. Preference Share capital

Our Company does not have any preference shares outstanding as on the date of this Prospectus.

17. Number of Equity Shares held in dematerialized form as on as on quarter ended March 31, 2024:

As on March 31, 2024, 10,44,13,370 Equity Shares of our Company are in dematerialized form.

18. Employee Stock Option Plans

As on the date of this Prospectus, our Company has no active employee stock option schemes.

19. Issue of Equity Shares for consideration other than cash

The Company has not issued any equity shares for consideration other than cash as of the date of this Prospectus.

20. Details of Equity Shares held by our Promoter & Promoter Group which are pledged or encumbered

Except for the details as set out below, none of the Equity Shares held by the Promoter and Promoter Group in our Company are pledged or encumbered otherwise by our Promoter and Promoter Group:

Sr. No.	Name of Promoter	No. of Equity Shares held	% Holding	Equity shares pledged	% of shares pledged
1.	Pulin Investments Private Limited	95,02,205	9.08	92,77,205	8.86
2.	Jai Ambey Share Broking Limited	14,86,670	1.42	3,25,000	0.31

OBJECTS OF THE ISSUE

Issue Proceeds

Our Company has filed this Prospectus for a public issue of secured, rated, listed, redeemable, non-convertible debentures of face value of ₹ 1,000 each, for an amount aggregating up to ₹ 7,500 Lakhs **("Base Issue Price")** with an option to retain oversubscription up to ₹ 7,500 Lakhs **("Green Shoe Option")** aggregating up to 15,00,000 NCDs for an amount up to ₹ 15,000 Lakhs **("Issue Size" or "Issue Limit")**.

The Issue is being made pursuant to the provisions of the SEBI NCS Regulations and the Companies Act and the rules made there under. Our Company proposes to utilize the proceeds raised through the Issue, after deducting the Issue related expenses to the extent payable by our Company **("Net Proceeds")** towards funding the objects listed under this section.

The details of the proceeds of the Issue are summarized below:

(in ₹ Lakhs)

Particulars	Amount
Gross Proceeds of the Issue	15,000.00
Less: Issue related expenses*	341.75
Net Proceeds	**14,658.25**

(*) The above Issue related expenses are indicative and are subject to change depending on the actual level of subscription to the Issue, the number of allottees, market conditions and other relevant factors.

Requirement of Funds and Utilization of Net Proceeds

The following table details the objects of the Issue (hereinafter collectively referred to as **"Objects"**) and the amount proposed to be financed from the Net Proceeds:

S. No.	Objects of the Issue	Percentage of amount proposed to be financed from Net Proceeds
1.	To meet the working capital requirements.	At least 75%
2.	General corporate purposes*	Maximum up to 25%
	TOTAL	**100%**

(*) The Net Proceeds will be first utilized towards the Objects mentioned above. The balance is proposed to be utilized for general corporate purposes, subject to such utilization not exceeding 25% of the amount raised and allotted in the Issue, in compliance with the SEBI NCS Regulations.

The main objects clause of the Memorandum of Association of our Company permits our Company to undertake its existing activities as well as the activities for which the funds are being raised through this Issue.

The fund requirements mentioned above are based on the internal management estimates of our Company, calculation of projected working capital, and current market conditions have not been verified by the Lead Manager or appraised by any bank, financial institution or any other independent agency. These fund requirements are based on the current circumstances of our business and our Company may have to revise its estimates, from time to time, on account of various factors beyond our control, such as market conditions, competition, costs of providing service and interest or exchange rate fluctuations and regulatory/legal environment governing our Company or changes in other financial conditions, business, or strategy. Consequently, the fund requirements of our Company are subject to revisions in the future at the discretion of the management. Further, subject to applicable laws, in the event of any increase in the actual utilization of funds earmarked for the Net Proceeds, such additional funds will be met by way of means available to us, including from internal accruals. For details on risks involved, see *"**Risk Factors – The objects of the Issue have not been appraised by any bank or financial institution. Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and may be subject to change based on various factors, some of which are beyond our control**"* on page 38.

Details of the utilization and deployment of Net Proceeds

1. To meet Working capital requirements

Our business is working capital intensive, and we avail a majority of our working capital needs in the ordinary course of our business from various banks and financial institutions.

The details of our Company's projected working capital requirements on a standalone basis for the quarter ending at September 30, 2024 and as certified by Erstwhile Statutory Auditors, M/s. R. Gopal & Associates, Chartered Accountants, vide their certificate dated June 18, 2024 are set out below:

(in Rs Lakhs, unless stated otherwise)

Sr. No.	Particulars	ACTUAL	ACTUAL	PROJECTED
		As at March 31, 2023	As at March 31, 2024	As at September 30, 2024
	Assets			
	Current Accounts	2,039.85	5,293.43	6,859.12
	Cash on hand	19.44	24.11	31.34
	Fixed Deposit	30,089.13	1,03,790.87	1,34,928.13
	Bank Balance other than cash and cash equivalent	1,04,630.02	1,13,400.38	1,47,420.49
	Trade Receivables	29,859.61	44,614.02	57,998.23
	Other Receivables	1,202.48	401.80	522.34
	Loans (Including MTF)	18,544.86	23,261.84	30,240.39
	Other financial assets	5,671.20	10,658.50	13,856.05
	Other non-financial assets	1,221.46	788.59	1,025.17
	Total Assets	**1,93,278.05**	**3,02,233.54**	**3,92,881.26**
	Liabilities			
	Trade Payables	37,662.54	71,522.03	92,978.64
	Other financial liabilities	57,530.00	1,28,091.34	1,66,518.74
	Current Tx Liabilities (Net)	157.87	229.28	252.21
	Provisions	126.10	149.48	164.43
	Other Non-financial liabilities	326.03	1,672.60	2,174.38
	Total Liabilities	**95,802.54**	**2,01,664.73**	**2,62,088.40**
	Total Working Capital Requirement (A-B)	**97,475.51**	**1,00,568.81**	**1,30,792.87**
	Means of Finance			
	Other Borrowings	38,457.15	63,955.40	74,795.37
	Net worth excluding Investments/PPE/DTA etc.	59,018.36	36,613.41	40,997.49
	Net proceeds from the proposed issue	-	-	15,000
V.	**Total Means of Finance**	**97,475.51**	**1,00,568.81**	**1,30,792.87**

Assumptions for working capital requirements

(in Rs Lakhs, unless stated otherwise)

Assumptions for Working Capital Requirement	As on March 31, 2023	As on March 31, 2024	As on September 30, 2024	Basis for Assumption
Trade Receivables	1.73	1.54	1.54	Times of cash delivery ADTO
Loans	1.08	0.80	0.80	Times of cash delivery ADTO
Current Accounts	0.01%	0.02%	0.02%	Percentage of ADTO
Fixed deposit with banks (Maturity within 3 months)	0.10%	0.37%	0.37%	Percentage of ADTO
Bank Balance other than cash and cash equivalent	0.36%	0.40%	0.40%	Percentage of ADTO
Trade Payables	0.13%	0.25%	0.25%	Percentage of ADTO
Other financial liabilities	0.20%	0.45%	0.45%	Percentage of ADTO

Trade Receivables and Loans Calculations

(in Rs Lakhs, unless stated otherwise)

Trade receivables and loans calculations	As on March 31, 2023	As on March 31, 2024	As on September 30, 2024
Trade Receivables	29,859.61	44,614.02	57,998.23
Loans	18,544.86	23,261.84	30,240.39
Cash delivery ADTO	17,240.60	28,959.95	37,647.94
Trade Receivables (times of cash delivery ADTO)	1.73	1.54	1.54
Loans (times of cash delivery ADTO)	1.08	0.80	0.80

Bank Balance other than cash and cash equivalent calculations

(in Rs Lakhs, unless stated otherwise)

Bank balance other than cash and cash equivalent calculation	As on March 31, 2023	As on March 31, 2024	As on September 30, 2024
ADTO	2,91,06,322.28	2,82,57,964.28	3,67,35,353.57
Current Accounts	2,039.85	5,293.43	6,859.15
Fixed deposits Maturity of less than 3 months	30,089.13	1,03,790.87	1,34,928.13
Bank Balance other than cash and cash equivalent	1,04,630.02	1,13,400.38	1,47,420.49
Current Accounts (Percentage of ADTO)	0.01%	0.02%	0.02%
Fixed deposit with Maturity of less than 3 months (Percentage of ADTO)	0.10%	0.37%	0.37%
Bank Balance other than cash and cash equivalent (Percentage of ADTO)	0.36%	0.40%	0.40%

Trade Payable Calculations

(in Rs Lakhs, unless stated otherwise)

Trade Payable Calculations	As on March 31, 2023	As on March 31, 2024	As on September 30, 2024
ADTO	2,91,06,322.28	2,82,57,964.28	3,67,35,353.57
Trade payables	37,662.54	71,522.03	92,978.64
Percentage of ADTO	0.13%	0.25%	0.25%

Other Financial Liabilities calculations

(in Rs Lakhs, unless stated otherwise)

Other Financial Liabilities calculations	As on March 31, 2023	As on March 31, 2024	As on quarter ending September 30, 2024
ADTO	2,91,06,322.28	2,82,57,964.28	3,67,35,353.57
Other financial liabilities	57,530.00	1,28,091.34	1,66,518.74
Percentage of ADTO	0.20%	0.45%	0.45%

2. General Corporate Purposes

Our Company proposes to deploy the balance Net Proceeds towards general corporate purposes, subject to such utilization not exceeding 25% of the gross proceeds of the proceeds from the Issue in compliance with the SEBI NCS Regulations, including but not limited to capital expenditure, renovations, meeting exigencies which our Company may face in the ordinary course of business, meeting expenses incurred in the ordinary course of business and any other purpose as may be approved by the Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act and SEBI NCS Regulations. Our Company's management, in accordance with the policies of the Board, will have flexibility in utilizing any surplus amounts from the Net Proceeds.

Issue related expenses

The expenses for this Issue include, inter alia, lead management fees and selling commission to the Lead Managers, Consortium Members and intermediaries as provided for in the SEBI Master Circular, fees payable to debenture trustees, the Registrar to the Issue, SCSBs' commission/ fees, printing and distribution expenses, legal fees, advertisement expenses, listing fees and any other expense directly related to the Issue. The Issue expenses and listing fees will be paid by our Company. The estimated breakdown of the total expenses for this Issue is as follows*:

Particulars	Amount (in ₹ Lakhs)	As a percentage of the Issue proceeds (in %)	As a percentage of the total expenses of the Issue (in%)
Fees payable to the Lead Manager to the Issue	18.00	0.12	5.27
Fees payable to the Registrar to the Issue	1.75	0.01	0.51
Fees payable to the Legal Advisors to the Issue	12.00	0.08	3.51
Fees payable to the regulators including Stock Exchanges	11.00	0.07	3.22
Underwriting commission	0	0.00	0.00
Brokerage, selling commission and upload fees	240.00	1.60	70.23
Expenses incurred on printing and distribution of issue stationary	1.00	0.01	0.29
Advertising and marketing expenses	25.00	0.17	7.32
Any other fees, commission	33.00	0.22	9.66

or payments under whatever nomenclature			
TOTAL	**341.75**	**2.28**	**100.00**

Note: The above expenses are subject to applicable taxes as per the agreed terms of engagement with respective agency.
(*) Assuming the Issue is fully subscribed and our Company retains oversubscription as per the Issue Documents.

The expenses are indicative and are subject to change depending on the actual level of subscription to the Issue and the number of Allottees, market conditions and other relevant factors. Our Company shall pay processing fees to the SCSBs for ASBA forms procured by Lead Manager/ Members of the Consortium/ Brokers / Trading Members and submitted to the SCSBs for blocking the Application Amount of the applicant, at the rate of ₹ 10/- per Application Form procured (plus other applicable taxes). However, it is clarified that in case of ASBA Application Forms procured directly by the SCSBs, the relevant SCSBs shall not be entitled to any ASBA Processing Fee.

Further, our Company shall pay the Sponsor Bank ₹ 0 for every valid Application that is blocked (plus applicable taxes). The payment will be made based on valid invoices within such timelines mutually agreed to/prescribed by the Company with the Designated Intermediaries/Sponsor Bank.

Funding plan

Our Company confirms that for the purpose of this Issue, funding plan will not be applicable.

Summary of the project appraisal report

Our Company confirms that for the purpose of this Issue, summary of the project appraisal report will not be applicable.

Schedule of implementation of the project

Our Company confirms that for the purpose of this Issue, schedule of implementation of the project will not be applicable.

Monitoring and reporting of utilisation of funds

There is no requirement for appointment of a monitoring agency in terms of the SEBI NCS Regulations. The Audit Committee of our Company shall monitor the utilisation of the proceeds of the Issue. Our Company will disclose in our Company's financial statements for the relevant Financial Year, the utilisation of the proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilised thereby also indicating investments, if any, of such unutilized proceeds of the Issue. Our Company shall utilize the proceeds of the Issue only upon the execution of the documents for creation of security and receipt of final listing and trading approval from the Stock Exchanges. Our Company shall within forty-five days from the end of every quarter submit to the stock exchanges, a statement indicating the utilization of issue proceeds of non-convertible securities, which shall be continued to be given till such time the issue proceeds have been fully utilised or the purpose for which these proceeds were raised has been achieved.

Interim use of proceeds

The management of our Company, in accordance with the policies formulated by it from time to time, will have the flexibility in deploying the proceeds received from the Issue. Pending utilisation of the proceeds out of the Issue for the purposes described above, our Company intends to temporarily invest funds as may be approved by our Board of Directors or a committee thereof, in accordance with applicable law. Such investment would be in accordance with the investment policy of our Company approved by our Board of Directors or any committee thereof from time to time and applicable law.

Variation in terms of contract or objects in this Prospectus

Our Company shall not, in terms of Section 27 of the Companies Act, at any time, vary the terms of the objects for which this Prospectus is issued, except as may be prescribed under the applicable laws and specifically under Section 27 of the Companies Act. Further, in accordance with the SEBI Listing Regulations, in case of any material deviation in the use of proceeds as compared to the objects of the issue, the same shall be indicated in the format as specified by SEBI from time to time.

Other confirmations

In accordance with the SEBI NCS Regulations, our Company will not utilize the proceeds of the Issue for providing loans to or acquisition of shares of any person or company who is a part of the same group as our Company or who is under the same management as our Company.

No part of the proceeds from the Issue will be paid by us as consideration to our Promoters, the Directors, Key Managerial Personnel, or companies promoted by our Promoters except in ordinary course of business.

No part of the proceeds from the Issue will be utilized for buying or trading equity shares of any listed company.

No part of the proceeds from the Issue will be utilized for buying, trading or otherwise dealing in equity shares of any listed company. Further our Company undertakes that Issue proceeds from NCDs allotted to banks shall not be used for any purpose, which may be in contravention of the RBI guidelines including those relating to classification as capital market exposure or any other sectors that are prohibited under the RBI Regulations.

Our Company confirms that it will not use the proceeds from the Issue, directly or indirectly, for the purchase of any business or in the purchase of any interest in any business whereby our Company shall become entitled to an interest in either the capital or profit or losses or both in such business exceeding 50% thereof, the purchase or acquisition of any immovable property (direct or indirect) or acquisition of securities of any other body corporate.

The fund requirement as above is based on our current business plan and is subject to change in light of variations in external circumstances or costs, or in our financial condition, business or strategy. Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirements and deployment of funds may also change.

There is no contribution being made or intended to be made by the Directors as part of the Issue or separately in furtherance of the Objects of the Issue.

Benefit / interest accruing to our Promoter/Directors out of the object of the Issue

Neither our Promoters nor our Directors are interested in the Objects of this Issue.

Utilisation of the proceeds of the Issue

a. All monies received out of the Issue shall be credited/transferred to a separate bank account maintained with Public Issue Account as referred to in Section 40 of the Companies Act.
b. Details of all monies utilised out of Issue referred to in sub-item (a) shall be disclosed and continued to be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies had been utilised.
c. Details of all unutilised monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our balance sheet indicating the form in which such unutilised monies have been invested.
d. The details of all utilized and unutilised monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating

the purpose for which such monies have been utilized, and the securities or other forms of financial assets in which such unutilized monies have been invested.

e. We shall utilize the Issue proceeds only upon execution of the Debenture Trust Deed(s) as stated in this Prospectus, creation of security, receipt of the listing and trading approval from the Stock Exchanges and on receipt of the minimum subscription of 75% of the Base Issue Size being ₹5,625 Lakhs.

f. The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any immovable property or in the purchase of any business or in the purchase of an interest in any business.

g. The Issue Proceeds shall be utilized in compliance with various guidelines, regulations and clarifications issued by SEBI or any other statutory authority from time to time.

STATEMENT OF POSSIBLE TAX BENEFITS

To,
The Board of Directors
SMC Global Securities Limited
11/6B, Shanti Chamber, Pusa Road,
New Delhi – 110005, India

Subject: Proposed Public Issue by SMC Global Securities Limited (the "Company" or "Issuer") of Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of face value of ₹ 1,000 each ("NCDs") for an amount aggregating up to ₹ 7,500 lakhs ("Base Issue Size") with an option to retain over subscription up to ₹ 7,500 Lakhs ("Green Shoe Option") aggregating to ₹ 15,000 Lakhs ("Issue Size" or "Issue Limit") (hereinafter referred to as "the Issue").

Dear Sir(s)/Madams(s)

1. We, R. Gopal & Associates, (FRN: 000846C), hereby confirm that the enclosed Annexure 1, prepared by the Company, provides the possible tax benefits available to the debenture holders of the Company under the Income-tax Act,1961 ('the Act') as amended by the Finance Act, 2023, i.e. applicable for the Financial Year 2023-24 relevant to the assessment year 2024-25 respectively, presently in force in India. Several of these benefits are dependent on its debenture holders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the debenture holders to derive the tax benefits is dependent upon their fulfilling such conditions which, the debenture holders may or may not choose to fulfil.

2. The benefits discussed in the enclosed statement are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

3. We do not express any opinion or provide any assurance as to whether:
   i. The debenture holders will continue to obtain these benefits in future.
   ii. The conditions prescribed for availing the benefits have been/would be met with; and
   iii. The revenue authorities/courts will concur with the views expressed herein.

4. The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.

5. This report has been issued at the request of the Company for the purpose of inclusion in the offer documents in connection with its proposed Issue and should not be used by anyone else or for any other purpose.

Yours Sincerely

For R. Gopal & Associates
Chartered Accountants
FRN: 000846C

Vikash Aggarwal
Partner
M.No -519574
UDIN: 24519574BKDIFF3271

Place: New Delhi
Date: 18.06.2024

Annexure A

STATEMENT OF POSSIBLE TAX BENEFITS UNDER THE INCOME TAX ACT, 1961 ("IT ACT") AVAILABLE TO THE DEBENTURE HOLDERS UNDER THE APPLICABLE INCOME-TAX LAWS IN INDIA.

The following tax benefits will be available to the debenture holders of the Company ("**Debenture Holder**") as per the existing provisions of law. The tax benefits are given as per the prevailing tax laws under the provisions of the IT Act, as on date, taking into account the amendments made by the Finance Act, 2023, and may vary from time to time in accordance with amendments to the law or enactments thereto. The Debenture Holder is advised to consider the tax implications in respect of subscription to the Debentures after consulting their tax advisor as alternate views are possible.

Taxability under the IT Act

Section 50AA of the IT Act

The Finance Act, 2023 has inserted section 50AA to the IT Act to provide for a special provision for computation of capital gains in case of Market Linked Debenture (MLD). For the purposes of the said section, MLD have been defined in the Explanation thereto to mean a security by whatever name called, which has an underlying principal component in the form of a debt security and where the returns are linked to the market returns on other underlying securities or indices, and includes any security classified or regulated as a MLD by the Securities and Exchange Board of India.

Based on the definition, MLD has the following essential features:

- It is a security in the nature of debt;
- It has an underlying principal component;
- Returns with respect to such security are linked to market returns on other underlying securities or indices;
- And, by way of extension, it is also provided that any security classified or regulated by SEBI as an MLD, shall for the purposes of section 50AA of the IT Act, be deemed to be an MLD.

The Non-Convertible Debentures (NCDs) issued/ proposed to be issued by the issuer creates a borrower-lender relationship between the issuer and subscriber and to that extent, such NCDs constitute a security in the nature of debt. Further, such NCDs, by their very nature, have a principal component (which is the price at which the subscriber subscribes to such NCDs).

However, the returns with respect to such NCDs (excess of redemption value over the principal component) is a fixed return and is not linked to any market return or underlying security or indices.

Given the same, the NCDs issued by the issuer do not satisfy the first limb of the definition of MLD as provided in the Explanation to section 50AA of the IT Act and thus, such NCDs should not constitute an MLD for the purposes of section 50AA of the IT Act.

The second limb of the definition of MLD which deems any security classified or regulated by SEBI as an MLD, to be an MLD for the purposes of section 50AA of the IT Act, is an independent limb and need to be construed as such. We have been given to understand that, at present, the NCD issued/ proposed to be issued by the issuer is neither classified nor regulated by the SEBI as an MLD and accordingly, the NCDs issued by the issuer should not constitute an MLD for the purposes of section 50AA of the IT Act. However, the said fact-pattern would have to be re-visited in light of any amendment in the law as may be notified by SEBI in future.

A. Common provision applicable to both Resident and Non-Resident debenture holders:

1. Determination of head of income for the purpose of assessability:

The returns received by the investors from the Non-Convertible Debentures ('NCD') in the form of 'interest' and gains on transfer of the NCD, may be characterized under the following broad heads of income for the purposes of taxation under the IT Act:

- Profits and gains of business or profession ('PGBP');
- Capital gains ('CG'); and
- Income from other sources ('IFOS').

For determining the appropriate head of income (as mentioned above) vis-à-vis the income or loss earned on/ from the NCD, it will be pertinent to analyse whether the NCD are held as 'Investments' i.e. capital asset or as 'Stock-in-trade'.

If the NCDs are held as 'Stock-in-trade', interest income as well as gain or loss on its transfer will be taxable under the head PGBP, whereas, if the NCD are held as 'Investments', then the interest income will be taxable under the head IFOS and any gain or loss on its transfer will be assessed to tax under the head CG.

As per Section 2(14)(b) of the IT Act, any securities held by FIIs which has invested in such securities in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992, shall be treated as capital assets. Accordingly, any gains arising from transfer of such securities shall be chargeable to tax in the hands of FIIs as capital gains and classification as "Stock in trade" shall not apply.

The investors may obtain specific advice from their tax advisors regarding the above classification and tax treatment.

2. Taxation of Interest and Gain/ loss on transfer of debentures:

Taxation of Interest

Income by way of interest received on NCD held as 'Investments' (i.e. capital asset) will be charged to tax under the head IFOS at the rates applicable to the investor after deduction of expenses, if any, allowable under section 57 of the IT Act. These are essentially expenses (not being in the nature of capital expenditure) laid out or expended wholly and exclusively for the purpose of earning the interest income. In case of NCD held as 'Stock-in-trade', interest received thereon will be charged to tax under the head PGBP. Further, any expenditure specifically laid out or expended wholly and exclusively for the purpose of earning such interest income shall be allowed as deduction.

Taxation of gain or loss on transfer

a) Taxable under the head Business Income

Depending on the particular facts of each case, the NCD may, in certain cases, be regarded to be in the nature of 'Stock-in-trade' and, accordingly, the gains from the transfer of such NCD should be considered to be in the nature of business income and hence chargeable to tax under the head PGBP.

In such a scenario, the gains from the business of investing in the NCD may be chargeable to tax on a 'net' basis (i.e. net of allowable deductions for expenses/allowances under Chapter IV – Part D of the IT Act).

Based on section 145 of the IT Act, the timing of charging any income to tax would depend on the method of accounting followed by the taxpayer consistently (i.e. cash or mercantile).

Investors should obtain specific advice from their tax advisors regarding the manner of computing business income, the deductions available therefrom and the tax to be paid thereon.

b) Taxable under the head Capital Gains

As discussed above, based on the particular facts of each case, the NCD may, in certain cases, be regarded to be held as 'Investments' in which case the gains or loss from the transfer of such NCD should be chargeable to tax under the head CG.

In such a scenario, the gains / loss from the transfer of such NCD may be chargeable to tax on a 'net' basis (i.e. net of acquisition cost of NCD, expenditure incurred in relation to transfer of NCD).

3. **Period of holding and Capital gain – long term & short term:**

Under Section 2(29AA) read with section 2(42A) of the IT Act, listed Debentures held as Capital Asset as defined under section 2(14) of the IT Act is treated as long term capital asset if it is held for more than 12 Months. Debentures held as capital asset for a period of 12 Months or less will be treated as short term capital asset.

4. Computation of capital gains and tax thereon

Capital gains is computed after reducing from the consideration received for the transfer of the capital asset ['full value of consideration (FVC)], the cost of acquisition (CoA) of such asset and the expenses incurred wholly and exclusively in connection with the transfer. The capital gains so computed will be chargeable to tax at the rates as detailed in the ensuing paragraphs.

5. Set off of capital losses

- As per section 70 of the IT Act, Short Term Capital Loss ("STCL") computed for the given year is allowed to be set off against STCG as well as LTCG computed for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years, for being set off against subsequent years' STCG as well as LTCG, in terms of section 74 of the IT Act.

- Long Term Capital Loss computed for a given year is allowed to be set off only against the LTCG, in terms of section 70 of the IT Act. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off only against subsequent years' LTCG, in terms of section 74 of the IT Act.

- As per section 70 of the IT Act, business loss from one source (other than loss on speculation business) for a given year is allowed to be set off against business income from another source. Further, as per section 71 of the IT Act, business loss (other than loss on speculation business) for a given year is allowed to be set-off against income from other heads (except Salaries).

- Balance business loss (other than loss on speculation business), which is not set-off is allowed to be carried forward for subsequent eight assessment years for being set off only against subsequent years' non-speculative business income, as per section 72.

B. Tax benefits available to Resident NCD holders:

- Interest on NCD received by resident NCD holders would form part of their total income and be subject to tax at the applicable rates of tax in accordance with and subject to the provisions of the IT Act.

- Capital gains on transfer of NCD shall be computed by deducting from the FVC, expenditure incurred wholly and exclusively in connection with the transfer and the CoA of the NCD.

- Long Term Capital Gain will be chargeable to tax under Section 112 of the IT Act at the rate of 20% (plus applicable surcharge and education cess). However, in the case of listed debentures, as per first proviso to section 112(1) of the IT Act, tax payable is only 10% (plus applicable surcharge and education cess). No indexation benefit is available for debentures. Hence, the tax payable on long term capital gains

on transfer of NCD will be 10% (plus applicable surcharge and education cess) and the capital gains have to be computed without indexation.

- In case of an individual or HUF, being a resident, where the total income as reduced by such long-term capital gains is below the maximum amount which is not chargeable to income-tax, then, such long-term capital gains shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income-tax and the tax on the balance of such long-term capital gains shall be computed at the rate mentioned above.

- Listed Debentures held as capital asset under Section 2(14) of the IT Act for a period of not more than 12 months would be treated as short term capital asset under Section 2(42A) of the IT Act. Short Term Capital Gains on transfer of NCD will be taxed at the normal rates of tax in accordance with the provisions of the IT Act. The provisions relating to maximum amount not chargeable to tax would apply to short term capital gains.

C. <u>Tax benefits available to Non-Resident NCD holders:</u>

A non-resident Indian has an option to be governed by Chapter XII-A of the IT Act, subject to the provisions contained therein which are given in brief as under:

- As per section 115C(e) of the IT Act, the term "non-resident Indian" means an individual, being a citizen of India or a person of Indian origin who is not a "resident". A person shall be deemed to be of Indian origin if he, or either of his parents or any of his grand-parents, was born in undivided India.

- As per Section 115E of the IT Act, interest income from debentures acquired or purchased with or subscribed to in convertible foreign exchange will be taxable at 20%, whereas long term capital gains on transfer of such Debentures will be taxable at 10% of such capital gains without indexation of cost of acquisition. Short-term capital gains will be taxable at the normal rates of tax in accordance with and subject to the provisions contained therein.

- Under section 115F of the IT Act, long term capital gains arising to a non-resident Indian from transfer of debentures acquired or purchased with or subscribed to in convertible foreign exchange will be exempt from capital gain tax if the whole of the net consideration is invested within six months after the date of transfer of the debentures in any specified asset or in any saving certificates referred to in section 10(4B) of the IT Act in accordance with and subject to the provisions contained therein.

- As per Section 115G of the IT Act, it shall not be necessary for a non-resident Indian to file a return of income under Section 139(1) of the IT Act, if his total income consists only of investment income as defined under Section 115C and/or long term capital gains earned on transfer of such investment acquired out of convertible foreign exchange, and the tax has been deducted at source from such income under the provisions of Chapter XVII- B of the IT Act in accordance with and subject to the provisions contained therein.

- Under Section 115H of the I.T. Act, where a non-resident Indian becomes a resident in India in any subsequent year, he may furnish to the Assessing Officer a declaration in writing along with return of income under Section 139 for the assessment year for which he is assessable as a resident, to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to the investment income (other than on shares in an Indian Company) derived from any foreign exchange assets in accordance with and subject to the provisions contained therein. On doing so, the provisions of Chapter XII-A shall continue to apply to him in relation to such income for that assessment year and for every subsequent assessment year until the transfer or conversion (otherwise than by transfer) into money of such assets.

- As per Section 115D (1) of the IT Act no deduction in respect of any expenditure or allowance shall be allowed under any provisions of the IT Act in the computation of income of a non-resident Indian under Chapter XII – A of the IT Act.

In accordance with and subject to the provisions of Section 115-I of the IT Act, a Non-Resident Indian may opt not to be governed by the provisions of Chapter XII – A of the IT Act.

- Long Term capital gains on transfer of listed debentures would be subject to tax at the rate of 10% computed without indexation.

- Interest income and Short – term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months preceding the date of transfer, would be taxed at the normal rates of tax in accordance with and subject to the provisions of the IT Act.

- Without prejudice to the fact that the NCDs to be issued by the issuer are not MLD (as has been concluded at the outset), where, for whatsoever reasons, the NCDs are treated as MLDs, then in such cases, as per the amendment by the FA, 2023, the capital gains arising on transfer or redemption or maturity of such NCDs shall be deemed to be capital gains arising from transfer of a short-term capital asset. Further, in computing the capital gains, no deduction shall be allowed for Securities Transaction Tax (STT) paid, if any.

- Where debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the IT Act.

- Under Section 195 of the IT Act, the applicable rate of tax deduction at source is 20% on investment income and 10% on any long-term capital gains as per Section 115E, and 30% for Short Term Capital Gains if the payee debenture Holder is a Non-Resident Indian.

- As per Section 90(2) of the IT Act read with the Circular No. 728 dated October 30, 1995 issued by the Central Board of Direct Taxes, in the case of a remittance to a country with which a Double Tax Avoidance Agreement (DTAA) is in force, the tax should be deducted at the rate provided in the Finance Act of the relevant year or at the rate provided in the DTAA, whichever is more beneficial to the assessee. However, submission of tax residency certificate (TRC), is a mandatory condition for availing benefits under any DTAA. If the tax residency certificate does not contain the prescribed particulars as per CBDT Notification 57/2013 dated August 1, 2013, a self-declaration in Form 10F would need to be provided by the assessee along with TRC.

D. Tax benefits available to Foreign Institutional Investors ('FII's) or Foreign Portfolio Investors ('FPI's):

- In accordance with and subject to the provisions of Section 115AD of the IT Act, long term capital gains on transfer of debentures by FIIs are taxable at 10% (plus applicable surcharge and cess) and short-term capital gains are taxable at 30% (plus applicable surcharge and cess). The benefit of cost indexation will not be available. Further, benefit of provisions of the first proviso of Section 48 of the IT Act will not apply.

- Interest on NCD may be eligible for concessional tax rate of 5% (plus applicable surcharge and health and education cess) for interest referred under Section 194LD.

- Further, in case where section 194LD is not applicable, the interest income earned by FIIs/FPIs should be chargeable to tax at the rate of 20% under section 115AD of the IT Act. Tax shall be deducted u/s. 196D of the IT Act on such income at 20%. Where DTAA is applicable to the payee, the rate of tax deduction shall be lower of rate as per DTAA or 20%, subject to the conditions prescribed therein.

- Section 194LD in the IT Act provides for lower rate of withholding tax at the rate of 5% on payment by way of interest paid by an Indian Company to FIIs and Qualified Foreign Investor in respect of rupee denominated bond of an Indian Company between June 1, 2013 and July 1, 2023 provided such rate does not exceed the rate as may be notified by the Government.

- In accordance with and subject to the provisions of Section 196D(2) of the IT Act, no deduction of tax at source is applicable in respect of capital gains arising on the transfer of debentures by FIIs referred to in section 115AD.

- The CBDT has issued a Notification No. 9 dated 22 January 2014 which provides that Foreign Portfolio Investors (FPI) registered under SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be treated as FII for the purpose of Section 115AD of the IT Act.

E. Tax benefits available to Mutual Fund

All mutual funds registered under Securities and Exchange Board of India or set up by public sector banks or public financial institutions or authorized by the Reserve Bank of India are exempt from tax on all their income, including income from investment in Debentures under the provisions of Section 10 (23D) of the IT Act in accordance with the provisions contained therein. Further, as per the provisions of section 196 of the IT Act, no deduction of tax shall be made by any person from any sums payable to mutual funds specified under Section 10(23D) of the IT Act, where such sum is payable to it by way of interest or dividend in respect of any securities or shares owned by it or in which it has full beneficial interest, or any other income accruing or arising to it.

F. Tax benefits available to Specified Fund ("Specified fund as defined under section 10 (4D) of the IT Act

The income of Specified Funds is taxable for the year beginning April 1, 2020, to the extent attributable to units held by non-resident (not being a permanent establishment of a non-resident in India), and in accordance with and subject to the provisions of Section 115AD of the IT Act, as under:

a. The interest income earned are chargeable to tax at the rate of 10%;
b. long term capital gains on transfer of debentures to the specified extent are taxable at 10% (benefit of provisions of the first proviso of section 48 of the IT Act will not apply); and
c. Short-term capital gains are taxable at 30%.

Further, where any income in respect of NCD is payable to Specified Funds, tax shall be deducted at the rate of 10% on the income other than exempt under section 10(4D) with effect from November 1, 2020 as per Section 196D of the IT Act.

The income tax deducted shall be increased by applicable surcharge and health and education cess.

G. <u>Withholding taxes on Purchase of Goods</u>

As per section 194Q of the IT Act, any sum payable by a buyer for purchase of goods of the value exceeding Rs. 50 Lakhs shall be liable to withhold tax at the rate of 0.1 percent.

Buyer means a person whose total sales, turnover or gross receipts from the business carried on by him exceeds Rs. 10 crores in the financial year immediately preceding the financial year in which the purchase is carried out. Further, TDS shall not be applicable where: -

- Tax is deductible under any of the provisions of the IT Act; or
- Tax is collectible under the provisions of section 206C of the IT Act other than a transaction to which section 206C(1H) of the IT Act applies.

The CBDT has issued Circular No 13 of 2021 dated June 30, 2021 laying down guidelines under section 194Q of the IT Act. It inter alia provides that TDS under section 194Q of the IT Act shall not apply to transaction in securities and commodities which are traded through recognized stock exchanges or cleared and settled by the recognized clearing corporation (including exchanges or corporation located in IFSC).

Given that the Circular does not provide clarity in respect of shares/ securities traded off-market, it is advisable that the subscribers obtain specific advice from their tax advisors regarding applicability of these provisions.

Further, the CBDT has also inter alia clarified that the section 194Q of the IT Act shall not apply to a non-resident buyer, whose purchase of goods from a seller, resident in India, is not effectively connected with the permanent establishment of such non-resident in India.

For this purpose, 'permanent establishment' shall mean to include a fixed place of business through which the business of the enterprise is wholly or partly carried on.

H. ***Documents required in cases of lower/ non-deduction of TDS due to exemption available***

a) When the Assessing Officer issues a certificate on an application by a Debenture Holder on satisfaction that the total income of the Debenture holder justifies no/lower deduction of tax at source as per the provisions of Section 197(1) of the IT Act; and that a valid certificate is filed with the Company before the prescribed date of closure of books for payment of debenture interest;

b) When the resident Debenture Holder with Permanent Account Number ('PAN') (not being a company or a firm) submits a declaration as per the provisions of section 197A(1A) of the IT Act in the prescribed Form 15G verified in the prescribed manner to the effect that the tax on his estimated total income of the financial year in which such income is to be included in computing his total income will be NIL. However, under section 197A(1B) of the IT Act, Form 15G cannot be submitted nor considered for exemption from tax deduction at source if the dividend income referred to in section 194, interest on securities, interest, withdrawal from NSS and income from units of mutual fund or of Unit Trust of India as the case may be or the aggregate of the amounts of such incomes credited or paid or likely to be credited or paid during the financial year in which such income is to be included exceeds the maximum amount which is not chargeable to income tax;

c) Senior citizens, who are 60 or more years of age at any time during the financial year, enjoy the special privilege to submit a self-declaration in the prescribed Form 15H for non-deduction of tax at source in accordance with the provisions of section 197A(1C) of the Act even if the aggregate income credited or paid or likely to be credited or paid exceeds the maximum amount not chargeable to tax, provided that the tax due on the estimated total income of the year concerned will be NIL; and

d) In all other situations, tax would be deducted at source as per prevailing provisions of the IT Act. Please find below the class of resident investors and respective documents that would be required for granting TDS exemption:

S.No	Class of Investors	Relevant Section which grants TDS exemption	Documents to be taken on record from Investors
1	Resident Individual or resident HUF	Claiming non-deduction or lower deduction of tax at source under section 193 of the IT Act,	Form No.15G with PAN / Form No.15H with PAN / Certificate issued u/s 197(1) has to be filed with the Company. However in case of NCD Holders claiming non-deduction or lower deduction of tax at source, as the case may be, the NCD Holder should furnish either (a) a declaration (in duplicate) in the prescribed form i.e. (i) Form 15H which can be given by individuals who are of the age of 60 years or more (ii) Form 15G which can be given by all applicants (other than companies, and firms), or (iii) a certificate, from the

S.No	Class of Investors	Relevant Section which grants TDS exemption	Documents to be taken on record from Investors
			Assessing Officer which can be obtained by all applicants (including companies and firms) by making an application in the prescribed form i.e. Form No.13.
2	Life insurance Corporation of India	Clause vi of Proviso to Section 193	Copy of Registration certificate
3	a. General Insurance Corporation of India, b. 4 companies formed under section 16(1) of General Insurance Business Act, 1972 and c. any company in which GIC and aforesaid 4 companies has full beneficial interest (100% shareholding)	Clause vii of Proviso to Section 193	a. Copy of Registration certificate b. Copy of Registration certificate c. Copy of shareholding pattern
4	Any Insurer (like SBI Life Insurance, Max Life Insurance etc.)	Clause viii of Proviso to Section 193	Copy of Registration certificate issued by IRDA
5	Mutual Funds	Section 196(iv) read with Section 10(23D)	Copy of Registration certificate issued by SEBI / RBI and notification issued by Central Government
6	Government, RBI and corporation established under Central / State Act whose income is exempt from tax	Section 196(i),(ii) and (iii)	In case of Corporation, Declaration that their income is exempt from tax with applicable provisions.
7	Recognized Provident Funds, Recognized Gratuity Funds, Approved Superannuation Funds, Employees' State Insurance Fund etc.	Section 10(25) and 10(25A) and CBDT Circular - 18/2017	Copy of Registration and Recognition certificate issued by relevant statutory authorities and income-tax authorities and Declaration from the funds that there income is exempt u/s 10(25) and 10(25A)
8	New Pension System Trust	Section 10(44) read with Section 196(iii) and CBDT Circular - 18/2017	Relevant Registration certificate issued to NPS Trust under section Indian Trusts Act, 1882.
9	Other entities like Local authority, Regimental Funds, IRDA etc.	Section 10(20) etc. read with CBDT Circular - 18/2017	Declaration that they fall within the relevant income-tax section and eligible for income-tax exemption on their income
10	Alternative Investment Funds (Category I and II)	Section 197A(1F)	Copy of Registration certificate issued by SEBI

I. ***Exemption under Sections 54EC and 54F of the I.T. Act***

- Under Section 54EC of the I.T .Act, long term capital gains arising to the debenture holders on transfer of their debentures in the company shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months after the date of transfer. If only part of the capital gain is so invested, the exemption shall be proportionately reduced. However, if the said notified bonds are transferred or converted into money within a period of three years from their date of acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money. However, the exemption is subject to a aggregate limit of investment of Rs 50 lacs during any financial year in the notified bonds. Where the benefit of Section 54EC of the I.T. Act has been availed of on investments in the notified bonds, a deduction from the income with reference to such cost shall not be allowed under Section 80 C of the I.T. Act.

- As per the provisions of Section 54F of the I.T. Act, any long-term capital gains on transfer of a long term capital asset (not being residential house) arising to a Debenture Holder who is an individual or Hindu Undivided Family, is exempt from tax if the entire net sales consideration is utilized, within a period of one year before, or two years after the date of transfer, in purchase of a new residential house, or for construction of residential house within three years from the date of transfer. If part of such net sales consideration is invested within the prescribed period in a residential house, then such gains would be chargeable to tax on a proportionate basis. This exemption is available, subject to the condition that the Debenture Holder does not own more than one residential house at the time of such transfer. If the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such residential house is transferred. Similarly, if the Debenture Holder purchases within a period of two years or constructs within a period of three years after the date of transfer of capital asset, another residential house (other than the new residential house referred above), then the original exemption will be taxed as capital gains in the year in which the additional residential house is acquired.

- As per provisions of Section 54 EE inserted by the Finance Act, 2016, long term capital gains arising to Debenture Holders on transfer of their debentures in the company shall not be chargeable to tax to the extent such capital gains are invested in certain notified units within six months after the date of transfer. If only part of the capital gain is so invested, the exemption shall be proportionately reduced. However, if the said notified units are transferred within three years from their date of acquisition, the amount of capital gain exempted earlier would become chargeable to tax as long term capital gains in the year in which units are transferred. Further, in case where loan or advance on the security of such notified units is availed, such notified units shall be deemed to have been transferred on the date on which such loan or advance is taken. However, the amount of exemption with respect to the investment made in the aforesaid notified units during the financial year in which such debentures are transferred and the subsequent financial year, should not exceed Rs 50 lacs.

J. **Debentures received as gift without consideration or inadequate consideration.**

As per section 56(2)(x) of the IT Act, except in cases which are specifically exempted under this clause (such as gift received from relative as defined under the section), where the debentures are received without consideration where the aggregate market value of all gifts received exceeds Rs. 50,000/- the aggregate market value of the debentures shall be taxable as income in the hands of the recipient. Similarly, if debentures are received for inadequate consideration, the shortfall in the consideration will be treated as income of the recipient subject to the provisions contained in section 56(2)(x) of the IT Act. There is no gift tax for the Donor of the Debentures.

Rule 11UA of the Income-tax Rules, 1962 provides for the method for determination of the FMV of various properties (including shares).

K. Requirement to furnish PAN under the IT Act

1. SEC. 139A (5A):

Section 139A (5A) requires every person from whom income tax has been deducted at source under chapter XVII – B of the IT Act to furnish his PAN to the person responsible for deduction of tax at source.

2. SEC. 206AA:

a) Section 206AA of the IT Act requires every person entitled to receive any sum, on which tax is deductible under Chapter XVIIB ('deductee') to furnish his PAN to the deductor, failing which tax shall be deducted at the higher of the following rates:
   (i) at the rate specified in the relevant provision of the IT Act; or
   (ii) at the rate or rates in force; or
   (iii) at the rate of twenty per cent.

b) Section 206AA of the IT Act provides that the provisions shall not apply to non-residents in respect of payment of interest on long-term bonds as referred to in section 194LC and any other payment subject to such conditions as may be prescribed.

c) Further, as per Rule 37BC of the Income-tax Rules, 1962 ('the Rules'), the provisions of section 206AA shall not apply to non-residents where the non-residents provide the following information to the payer of such income:
   - Name, email-id, contact number;
   - Address in the country or specified territory outside India of which the deductee is a resident;
   - A certificate of his being resident in any country or specified territory outside India from the government of the other country or specified territory if the law of that country or specified territory provides for issuance of such certificate;
   - Tax Identification Number of the deductee in the country or specified territory of his residence and in a case, no such number is available, then a unique number on the basis of which the deductee is identified by the Government of that country or the specified territory of which he claims to be a resident.

d) Where an incorrect PAN is provided, it will be regarded as non-furnishing of PAN and TDS shall be deducted as mentioned above, apart from any other penal consequences that may ensue.

3. SEC. 206AB

Further, as per section 206AB of the IT Act, with effect from 1 July 2021, payments made to specified persons will be subject to TDS at rate which is higher of the following:
- twice the rate specified in the relevant provision of the IT Act; or
- twice the rate or rates in force; or
- the rate of 5%

In cases, where both section 206AA and section 206AB of the IT Act are applicable, taxes shall be deducted at higher of the rate prescribed under both the sections.

For the purpose of section 206AB of the IT Act, specified person means any person-

- Who has not filed an income-tax return for the AY relevant to the previous year immediately preceding the previous year in which tax is required to be deducted, and the prescribed time limit to file the income-tax return has expired;

- The aggregate amount of TDS is INR 50,000 or more in each of the two previous years.

  But other than a non-resident who does not have a permanent establishment in India. Further, FA, 2023 has carved-out from the definition of 'specified person' under section 206AB of the IT Act, a person who is not required to file/ furnish a return of income and who, in that behalf, is notified by the Central Government vide the Official Gazette.

L. General Anti Avoidance Rules ("GAAR")

The General Anti Avoidance Rule ("GAAR") was introduced in the IT Act by the Finance Act, 2012. The Finance Act, 2015 made the provisions of GAAR applicable prospectively from 1 April 2017. Further, income accruing, arising, deemed to accrue or arise or received or deemed to be received by any person from transfer of investments made up to 31 March 2017 would be protected from the applicability of GAAR.

Notes forming part of statement of tax benefits

1. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of debenture/bonds.
2. The above statement covers only certain relevant benefits under the IT Act and does not cover benefits under any other law.
3. The above statement of possible tax benefits is as per the current direct tax laws (read along with the amendments made by the FA, 2023) relevant for the AY 2024-25 corresponding to the FY 2023-24.
4. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the NCD of the Company.
5. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile.
6. The stated benefits will be available only to the sole/ first named holder in case the debenture is held by joint holders.
7. In respect of non-residents, taxes paid in India could be claimed as a credit in accordance with the provisions of the relevant tax treaty and applicable domestic tax law.
8. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

SECTION IV: ABOUT THE ISSUER AND INDUSTRY OVERVIEW

INDUSTRY OVERVIEW

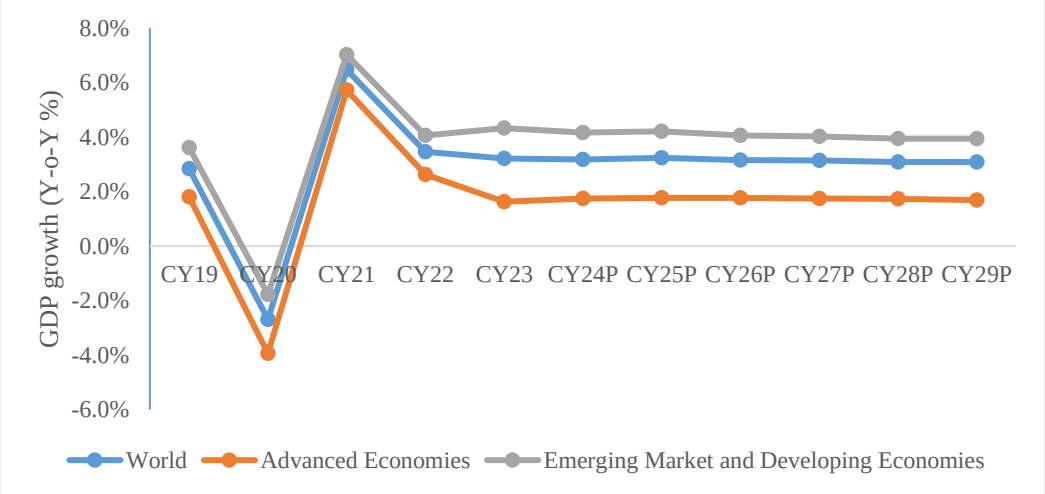
*The information contained in this section is derived from the industry report titled "Research Report on Financial Services" dated June 12, 2024 prepared by CARE Analytics and Advisory Private Limited (CareEdge Research) on an "as is where is basis" and the industry and third-party related information in this section has not been independently verified by the Company, the Lead Manager, our Legal Advisors or any of their respective affiliates or advisors. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources they believe to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect. Accordingly, investment decisions should not be based on such information. Figures used in this section are presented as in the original sources and have not been adjusted, restated or rounded off for presentation in this Prospectus. The information in this section must be read in conjunction with "**Risk Factors**" and "**Our Business**" on pages 19 and 132 of this Prospectus.*

1. Economic Outlook

1.1. Global Economy

Global growth, which stood at 3.2% in CY23, is anticipated to maintain this rate throughout CY24 and CY25. The CY24 forecast has been adjusted upwards by 0.1 percentage point compared to the January 2024 World Economic Outlook (WEO) Update, and by 0.3 percentage point compared to the October 2023 WEO. Despite this, the expansion remains historically low, attributed to factors including sustained high borrowing costs, reduced fiscal support, lingering effects of the COVID-19 pandemic and Russia's Ukraine invasion, sluggish productivity growth, and heightened geo-economics fragmentation.

Chart 1: Global Growth Outlook Projections (Real GDP, Y-o-Y change in %)



Notes: P-Projection; Source: IMF – World Economic Outlook, April 2024

Table 1: GDP growth trend comparison - India v/s Other Economies (Real GDP, Y-o-Y change in %)

	Real GDP (Y-o-Y change in %)									
	CY20	**CY21**	**CY22**	**CY23**	**CY24P**	**CY25P**	**CY26P**	**CY27P**	**CY28P**	**CY29P**
India	-5.8	9.7	7.0	7.8	6.8	6.5	6.5	6.5	6.5	6.5
China	2.2	8.5	3.0	5.2	4.6	4.1	3.8	3.6	3.4	3.3
Indonesia	-2.1	3.7	5.3	5.0	5.0	5.1	5.1	5.1	5.1	5.1
Saudi Arabia	-3.6	5.1	7.5	-0.8	2.6	6.0	4.0	3.5	3.0	3.5
Brazil	-3.3	4.8	3.0	2.9	2.2	2.1	2.1	2.0	2.0	2.0
Euro Area	-6.1	5.9	3.4	0.4	0.8	1.5	1.4	1.3	1.3	1.2

	Real GDP (Y-o-Y change in %)									
	CY20	**CY21**	**CY22**	**CY23**	**CY24P**	**CY25P**	**CY26P**	**CY27P**	**CY28P**	**CY29P**
United States	-2.2	5.8	1.9	2.5	2.7	1.9	2.0	2.1	2.1	2.1

P- Projections; Source: IMF- World Economic Outlook Database (April 2024)

Advanced Economies Group

Advanced economies are expected to experience a gradual increase in growth, climbing from 1.6 % in CY23 to 1.7% in CY24 and further to 1.8% in CY25. The projection for CY24 has been adjusted upwards by 0.2 percentage points compared to the January CY24 WEO Update, while the forecast for CY25 remains unchanged. This adjustment primarily reflects a revision in US growth, compensating for a slight downward revision in the euro area for CY25.

The **United States** is expected to see growth rise to 2.7% in CY24, followed by a slight slowdown to 1.9% in CY25. This deceleration is attributed to gradual fiscal tightening and labor market softening, which dampen aggregate demand. The CY24 projection has been revised upward by 0.6 percentage points since the January CY24 WEO Update. This revision primarily reflects carryover effects from stronger-than-expected growth in the fourth quarter of CY23, with some of this momentum expected to continue into CY24.

The **Euro Area's** growth is anticipated to rebound from its sluggish rate of 0.4% in CY23, mainly influenced by significant exposure to the conflict in Ukraine. Projections indicate an increase to 0.8% in CY24 and further to 1.5% in CY25. This recovery is driven by stronger household consumption, as the impact of elevated energy prices diminishes and declining inflation bolsters real income growth. Despite a downward revision of 0.3 percentage points for Germany in both CY24 and CY25 due to persistent weak consumer sentiment, this adjustment is largely balanced by upgrades for several smaller economies, including Belgium and Portugal.

Emerging Market and Developing Economies Group

Emerging market and developing economies are forecasted to maintain stable growth at 4.2% in both CY24 and CY25. While there's a slowdown expected in emerging and developing Asia, this is counterbalanced by increasing growth in economies across the Middle East, Central Asia, and sub-Saharan Africa. Low-income developing countries are anticipated to experience a gradual growth uptick, starting at 4.0% in CY23 and climbing to 4.7% in CY24 and 5.2% in CY25, as certain constraints on near-term growth begin to ease.

The economic forecast for emerging and developing Asia reveals a modest deceleration in growth, with projections indicating a decline from 5.6% in CY23 to 5.2% in CY24 and 4.9% in CY25. **China's** trajectory reflects a slowdown, transitioning from 5.2% in CY23 to 4.6% in CY24 and 4.1% in CY25 due to fading post-pandemic stimuli and ongoing property sector challenges. In contrast, **India's** growth remains robust, with anticipated rates of 6.8% in CY24 and 6.5% in CY25, bolstered by resilient domestic demand and a burgeoning working-age populace.

The **Indonesian** economy is expected to register growth of 5.0% in CY24 and 5.1% in CY25 with a strong domestic demand, a healthy export performance, policy measures, and normalization in commodity prices. In CY22, **Saudi Arabia's** growth slowed at -0.8% in CY23 attributed to lower oil production. CY24 is predicted to see a revamp in the growth rates to 2.6% on account of Vision 2030 reforms that helped advance the country's economic diversification agenda, including through reduced reliance on oil. Going forward, GDP is expected to grow at 6.0% and 4.0% in CY25 and CY26, respectively. On the other hand, **Brazil's** growth is projected to ease to 2.2% in CY24, driven by fiscal consolidation, the lingering impact of tight monetary policies, and reduced contributions from the agricultural sector.

Despite the turmoil in the last 2-3 years, India bears good tidings to become a USD 5 trillion economy by CY27. According to the IMF dataset on Gross Domestic Product (GDP) at current prices, the nominal GDP has been estimated to be at USD 3.6 trillion for CY23 and is projected to reach USD 5.3 trillion by CY27 and USD 6.4 trillion by CY29. India's expected GDP growth rate for coming years is almost

double compared to the world economy.

Besides, India stands out as the fastest-growing economy among the major economies. The country is expected to grow at more than 6.5% in the period of CY24-CY29, outshining China's growth rate. By CY27, the Indian economy is estimated to emerge as the third-largest economy globally, hopping over Japan and Germany. Currently, it is the third-largest economy globally in terms of Purchasing Power Parity (PPP) with a ~7.6% share in the global economy, with China [~18.7%] on the top followed by the United States [~15.6%]. Purchasing Power Parity is an economic performance indicator denoting the relative price of an average basket of goods and services that a household needs for livelihood in each country.

Despite Covid-19's impact, high inflationary environment and interest rates globally, and the geopolitical tensions in Europe, India has been a major contributor to world economic growth. India is increasingly becoming an open economy as well through growing foreign trade. Despite the global inflation and uncertainties, Indian economy continues to show resilience. This resilience is mainly supported stable financial sector backed by well-capitalized banks and export of services in trade balance. With this, the growth of Indian economy is expected to fare better than other economies majorly on account of strong investment activity bolstered by the government's capex push and buoyant private consumption, particularly among higher income earners.

1.2. Indian Economic Outlook

1.2.1. GDP Growth and Outlook

Resilience to External Shocks remains Critical for Near-Term Outlook

India's real GDP grew by 7.0% in FY23 and stood at ~Rs. 161 trillion despite the pandemic in previous years and geopolitical Russia-Ukraine spillovers. In Q1FY24, the economic growth accelerated to 8.2%. The manufacturing sector maintained an encouraging pace of growth, given the favorable demand conditions and lower input prices. The growth was supplemented by a supportive base alongside robust services and construction activities. This momentum remained in the range in the Q2FY24 with GDP growth at 8.1%, mainly supported by acceleration in investments. However, private consumption growth was muted due to weak rural demand and some moderation in urban demand amid elevated inflationary pressures in Q2FY24.

India's GDP at constant prices surged to Rs. 43.72 trillion in Q3FY24 from Rs. 40.35 trillion in Q3FY23, marking an 8.4% growth rate. This upswing was fueled by robust performances in construction, mining & quarrying, and manufacturing sectors and investment drove the GDP growth, while both private and government consumption remained subdued. In 9MFY24, GDP surged by 8.2% to Rs. 126 trillion compared to 7.3% in the previous year largely due to increase in investments and growth in domestic demand (investment growth increased 10.6% y-o-y while private consumption was 3.5% higher).

Real GDP in the year FY24 is estimated to grow at 7.6% at Rs. 172.90 trillion as per second advance estimate of the Ministry of Statistics and Programme Implementation. It is expected that domestic demand, especially investment, to be the main driver of growth in India, amid sustained levels of business and consumer confidence.

GDP Growth Outlook

- Driven by resilience in urban demand and the front loading of the government's capital expenditure, the H1FY24 witnessed a strong growth. Thereafter Q3 was propelled by strong performances in sectors like construction, mining & quarrying, and manufacturing.

- The recent announcements of various relief measures such as LPG price reduction and extension of Pradhan Mantri Garib Kalyan Anna Yojna (PMGKAY) are expected to provide some cushion and so far, investment demand has remained robust. However, there could be some moderation in H2FY24 as both the government and private sector may restrain their capital spending ahead of the general elections. Despite some expected moderation in the H2FY24, India's overall GDP

growth for FY24 is expected to remain on a firm footing. In terms of fiscal deficit for the year, the Finance Ministry has estimated it to be at 5.1% of GDP.

- Strong credit growth, resilient financial markets, and the government's continual push for capital spending and infrastructure are likely to create a compatible environment for investments. In the Interim Budget 2024-25, significant emphasis is placed on infrastructure development with an increased capital expenditure outlay of Rs. 11,11,111 crores, amounting to 3.4% of the GDP.

- External demand is likely to remain subdued with a slowdown in global activities, thereby indicating adverse implications for exports. Additionally, heightened inflationary pressures and resultant policy tightening may pose a risk to the growth potential.

Prior to the Interim Budget, in December 2023, the RBI in its bi-monthly monetary policy meeting estimated a real GDP growth of 7% y-o-y for FY24 comparatively lower from MoSPI's estimate of 7.6%.

Table 2: RBI's GDP Growth Outlook (Y-o-Y %)

FY25P (complete year)	Q4FY24P	Q1FY25P	Q2FY25P	Q3FY25P	Q4FY25P
7.0%	6.5%	7.2%	6.8%	7.0%	6.9%

NOTE: P-PROJECTED; SOURCE: RESERVE BANK OF INDIA

1.3. **Gross Value Added (GVA)**

Gross Value Added (GVA) is the measure of the value of goods and services produced in an economy. GVA gives a picture of the supply side whereas GDP represents consumption.

Industry and Services sector leading the recovery charge

- The gap between GDP and GVA growth turned positive in FY22 (after a gap of two years) due to robust tax collections. Of the three major sector heads, the service sector has been the fastest-growing sector in the last 5 years.

- The **agriculture sector** was holding growth momentum till FY18. In FY19, the acreage for the rabi crop was marginally lower than the previous year which affected the agricultural performance. Whereas FY20 witnessed growth on account of improved production. During the pandemic-impacted period of FY21, the agriculture sector was largely insulated as timely and proactive exemptions from COVID-induced lockdowns to the sector facilitated uninterrupted harvesting of rabi crops and sowing of kharif crops. However, supply chain disruptions impacted the flow of agricultural goods leading to high food inflation and adverse initial impact on some major agricultural exports. However, performance remained steady in FY22.

  In FY23, the agriculture sector performed well despite weather-related disruptions, such as uneven monsoon and unseasonal rainfall, impacting yields of some major crops and clocked a growth of 4% y-o-y, garnering Rs. 22.3 trillion.

  In Q1FY24, this sector expanded at a slower pace of 3.5% y-o-y growth compared to y-o-y growth a quarter ago. This further stumbled to 1.2% in Q2FY24.Further, it experienced contraction of 0.8% in Q3, leading to expectations of a modest 0.7% rise for the full year, contrasting sharply with the 4.7% growth recorded in FY23. In the Interim Budget 2024-25, the government plans to boost private and public investment in post-harvest activities and expand the application of Nano-DAP across agro-climatic zones. Strategies for self-reliance in oilseeds and dairy development are to be formulated, alongside ramping up the Pradhan Mantri Matsaya Sampada Yojana and establishing Integrated Aquaparks. Allocation for PM-Formalisation of Micro Food Processing Enterprises scheme has increased from Rs. 639 in FY24 to Rs. 880

crores in FY25.

Going forward, rising bank credit to the sector and increased exports will be the drivers for the agriculture sector. However, a deficient rainfall may have impact on the reservoir level, weighing on prospects of Kharif sowing. Considering these factors, the agriculture sector is estimated to attain Rs. 22.7 trillion and mark 1.8% y-o-y growth for complete FY24.

- The **industrial sector** witnessed a CAGR of 4.7% for the period FY16 to FY19. From March 2020 onwards, the nationwide lockdown due to the pandemic significantly impacted industrial activities. In FY20 and FY21, this sector felt turbulence due to the pandemic and recorded a decline of 1.4% and 0.9%, respectively, on a y-o-y basis. With the opening up of the economy and resumption of industrial activities, it registered 11.6% y-o-y growth in FY22, albeit on a lower base.

  The industrial output in FY23 grew by 4.4% with estimated value Rs. 45.2 trillion owing to a rebound in manufacturing activities and healthy growth in the construction sector.

  The industrial sector grew by 5.5% in Q1FY24, while Q2FY24 growth was up by 13.2% owing to positive business optimism and strong growth in new orders supported manufacturing output. The industrial growth was mainly supported by sustained momentum in the manufacturing and construction sectors. Within manufacturing, industries such as pharma, motor vehicles, metals, petroleum and pharma witnessed higher production growth during the quarter. The construction sector (13% growth in Q2FY24) benefited from poor rainfall during August and September and higher implementation of infrastructure projects. This was reflected in robust cement and steel production and power demand in Q2FY24. Overall, H1FY24 picked up by 9.3% with manufacturing and construction activities witnessing significant acceleration. In Q3FY24, growth rate slowed down to 10.4%.

  India's industrial sector is experiencing strong growth, driven by significant expansion in manufacturing, mining, and construction. This growth is supported by positive business sentiment, declining commodity prices, beneficial government policies like production-linked incentive schemes, and efforts to boost infrastructure development. These factors collectively contribute to the sustained buoyancy in industrial growth due to which the industrial growth is estimated at 7.9% on y-o-y basis registering the value of Rs. 48.9 trillion in FY24.

- The **Services sector** recorded a CAGR of 7.1% for the period FY16 to FY20, which was led by trade, hotels, transport, communication, and services related to broadcasting, finance, real estate, and professional services. This sector was the hardest hit by the pandemic and registered an 8.2% y-o-y decline in FY21. The easing of restrictions aided a fast rebound in this sector, with 8.8% y-o-y growth witnessed in FY22.

  Overall, in FY23, benefitting from the pent-up demand, the service sector was valued at Rs. 20.6 trillion and registered growth of 9.5% y-o-y.

  In Q1FY24, the services sector growth jumped to 10.3%. Within services, there was a broad-based improvement in growth across different sub-sectors. However, the sharpest jump was seen in financial, real estate, and professional services. Trade, hotels, and transport sub-sectors expanded at a healthy pace gaining from strength in discretionary demand. The service sector growth in Q2FY24 moderated to 5.8% partly due to the normalization of base effect and some possible dilution in discretionary demand. Considering these factors, service sector marked 8% growth in H1FY24. In Q3FY24 growth slowed to 6.7% compared to 9.7% last year in the same quarter.

  With this performance, steady growth in various service sector indicators like air passenger traffic, port cargo traffic, GST collections, and retail credit are expected to support the services sector. With this, the growth of service sector is estimated at Rs. 86.2 trillion registering 7.7% growth in FY24 overall.

Table 3: Sectoral Growth (Y-o-Y % Growth) - at Constant Prices

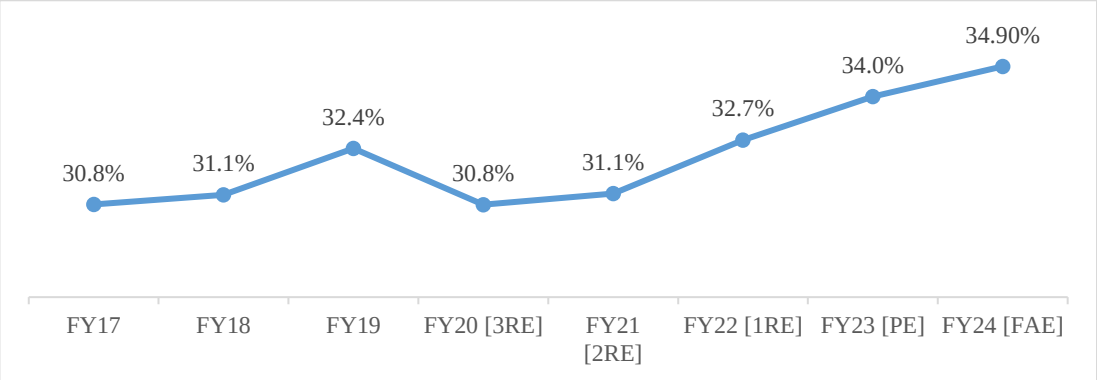
At constant Prices	FY19	FY20	FY21	FY22 (FRE)	FY23 (PE)	FY24 (FAE)
Agriculture, Forestry & Fishing	**2.1**	**6.2**	**4.1**	**3.5**	**4.0**	**1.8**
Industry	**5.3**	**-1.4**	**-0.9**	**11.6**	**4.4**	**7.9**
Mining & Quarrying	-0.9	-3.0	-8.6	7.1	4.6	8.1
Manufacturing	5.4	-3.0	2.9	11.1	1.3	6.5
Electricity, Gas, Water Supply & Other Utility Services	7.9	2.3	-4.3	9.9	9.0	8.3
Construction	6.5	1.6	-5.7	14.8	10.0	10.7
Services	**7.2**	**6.4**	**-8.2**	**8.8**	**9.5**	**7.7**
Trade, Hotels, Transport, Communication & Broadcasting	7.2	6.0	-19.7	13.8	14.0	6.3
Financial, Real Estate & Professional Services	7.0	6.8	2.1	4.7	7.2	8.9
Public Administration, Defence and Other Services	7.5	6.6	-7.6	9.7	7.2	7.7
GVA at Basic Price	**5.8**	**3.9**	**-4.2**	**8.8**	**7.0**	**6.9**

Note: 3RE – Third Revised Estimate, 2RE – Second Revised Estimates, 1RE – First Revised Estimates, PE – Provisional Estimate; Source: MOSPI

1.4. Investment Trend in Infrastructure

Gross Fixed Capital Formation (GFCF), which is a measure of the net increase in physical assets, witnessed an improvement in FY22. As a proportion of GDP, it is estimated to be at 32.7%, which is the second-highest level in 7 years (since FY15). In FY23, the ratio of investment (GFCF) to GDP climbed up to its highest in the last decade at 34%. Continuing in its growth trend, this ratio is expected to reach 34.9% in FY24.

Chart 2: Gross Fixed Capital Formation (GFCF) as % of GDP (At constant prices):



Note: 3RE – Third Revised Estimate, 2RE – Second Revised Estimates, 1RE – First Revised Estimates, PE – Provisional Estimate; Source: MOSPI

Overall, the support of public investment in infrastructure is likely to gain traction due to initiatives such as Atmanirbhar Bharat, Make in India, and Production-linked Incentive (PLI) scheme announced across various sectors.

1.5. Industrial Growth

Improved Core and Capital Goods Sectors helped IIP Growth Momentum

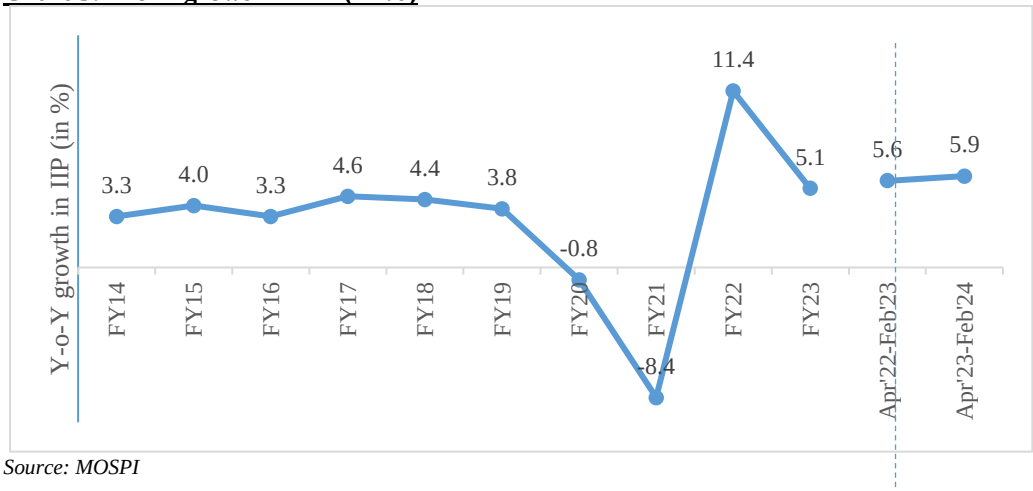
The Index of Industrial Production (IIP) is an index to track manufacturing activity in an economy. On a cumulative basis, IIP grew by 11.4% y-o-y in FY22 post declining by 0.8% y-o-y and 8.4% y-o-y, respectively, in FY20 and FY21. This high growth was mainly backed by a low base of FY21. FY22 IIP

was higher when compared with the pre-pandemic level of FY20, indicating that while economic recovery was underway.

During FY23, the industrial output recorded a growth of 5.1% y-o-y supported by a favorable base and a rebound in economic activities. The period April 2023 – February 2024, industrial output grew by 5.9% compared to the 5.6% growth in the corresponding period last year. For the month of February 2024, the IIP growth slowed down to 5.7% compared to the last year's 6%, primarily on account of a normalization of base.

So far in the current fiscal, while the infrastructure-related sectors have been doing well, slowing global growth and unrest in the Middle-East have posed a challenge for industrial activity. Though the continued moderation in inflationary pressure offers some comfort, pain points in the form of elevated prices of select food items continue to persist.

Chart 3: Y-o-Y growth in IIP (in %)



Source: MOSPI

1.6. Consumer Price Index

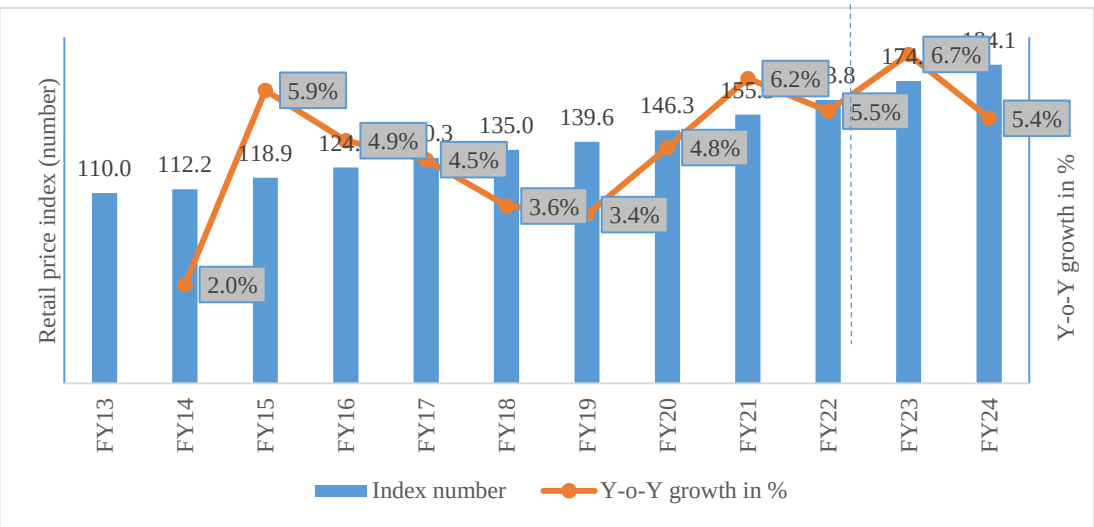
India's consumer price index (CPI), which tracks retail price inflation, stood at an average of 5.5% in FY22 which was within RBI's targeted tolerance band of 6%. However, consumer inflation started to upswing from October 2021 onwards and reached a tolerance level of 6% in January 2022. Following this, CPI reached 6.9% in March 2022.

CPI remained elevated at an average of 6.7% in FY23, above the RBI's tolerance level. However, there was some respite toward the end of the fiscal wherein the retail inflation stood at 5.7% in March 2023, tracing back to the RBI's tolerance band. Apart from a favorable base effect, the relief in retail inflation came from a moderation in food inflation.

In FY24, the CPI moderated for two consecutive months to 4.7% in April 2023 and 4.3% in May 2023. This trend snapped in June 2023 with CPI rising to 4.9%. In July 2023, the CPI had reached its highest point at 7.4%, this was largely due to increase in food prices. The notable surge in vegetable prices and in other food categories such as cereals, pulses, spices, and milk have driven this increase. In August 2023, the food inflation witnessed some moderation owing to government's active intervention. This was further moderated for second consecutive month in September 2023 to 5%, led by a sharp correction in vegetables prices and lower LPG prices. Helped by deflation in the fuel and light category, the retail inflation in October 2023 softened at 4.9%. This trend revsered in November 2023 due to spike in certain vegetable prices as well as sticky inflation in non-perishable food items such as cereals, pulses and spices and the CPI rose to 5.6%. In the month of December 2023, elevated food prices and an unfavourable base drove headline inflation to a four-month peak of 5.7%. However in the month of January and February, food prices softened and the inflation was reported at 5.1% for both the months. March witnessed furthur softning of prices registering 4.9% growth. For the full Financial year 2024 inflation moderated to 5.4% which are within the boundaries set of 2% to 6% by the RBI.

While the consistent decrease in core inflation due to falling commodity prices and diminishing demand-side pressures is encouraging, the ongoing high food inflation due to rising mercury levels could pose a significant risk worth monitoring. Despite these concerns, the favourable base effect throughout Q4FY24 and the expected easing of food price pressures and Government's support could help mitigate inflation risks.

Chart 4: Retail Price Inflation in terms of index and Y-o-Y Growth in % (Base: 2011-12=100)

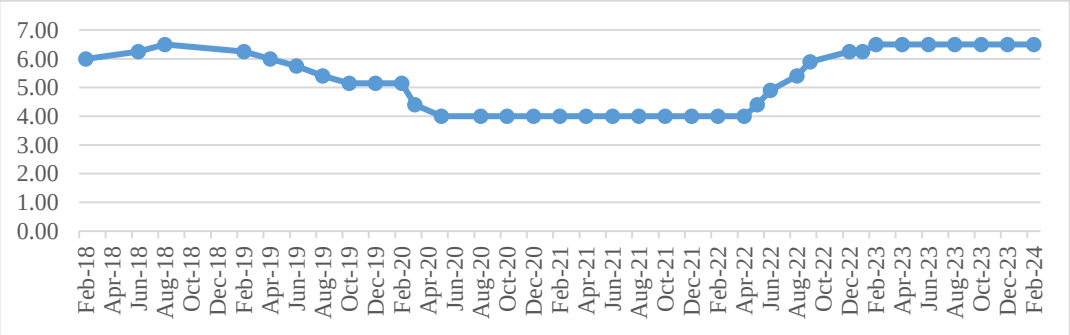


Source: MOSPI

The CPI is primarily factored in by RBI while preparing their bi-monthly monetory policy. At the bi-monthly meeting held in December 2023, RBI projected inflation at 5.4% for FY24 with inflation during Q3FY24 at 5.6%, Q4FY24 at 5.2%, while for FY25 it is pegged at 4.5% and in Q1FY25 at 5.0%, Q2FY25 at 4.0%, Q3FY25 at 4.6% and Q4FY25 at 4.7%.

The RBI has increased the repo rates with the rise in inflation in the past year from 4% in April 2022 to 6.5% in January 2023. Considering the current inflation situation, RBI has kept the repo rate unchanged at 6.5% in the last five meetings of the Monetary Policy Committee.

Chart 5: RBI historical Repo Rate



Source: RBI

In a meeting held in February 2024, RBI also maintained the liquidity adjustment facility (LAF) corridor by adjusting the standing deposit facility (SDF) rate of 6.25% as the floor and the marginal standing facility (MSF) at the upper end of the band at 6.75%.

Further, the central bank continued to remain focused on the withdrawal of its accommodative stance. With domestic economic activities gaining traction, RBI has shifted gears to prioritize controlling

inflation. While RBI has paused on the policy rate front, it has also strongly reiterated its commitment to bringing down inflation close to its medium-term target of 4%. Given the uncertain global environment and lingering risks to inflation, the Central Bank has kept the window open for further monetary policy tightening in the future, if required.

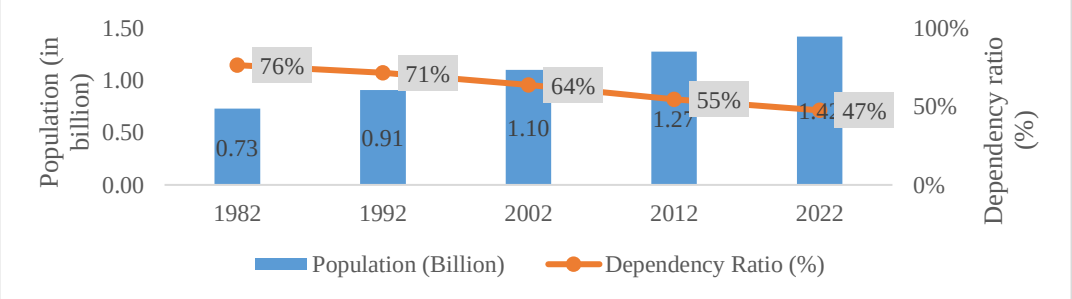
1.6.1. Overview on Key Demographic Parameters

- **Population growth and Urbanization**

The trajectory of economic growth of India and private consumption is driven by socio-economic factors such as demographics and urbanization. According to the world bank, India's population in 2022 surpassed 1.42 billion slightly higher than China's population 1.41 billion and became the most populous country in the world.

Age Dependency Ratio is the ratio of dependents to the working age population, i.e., 15 to 64 years, wherein dependents are population younger than 15 and older than 64. This ratio has been on a declining trend. It was as high as 76% in 1982, which has reduced to 47% in 2022. Declining dependency means the country has an improving share of working-age population generating income, which is a good sign for the economy.

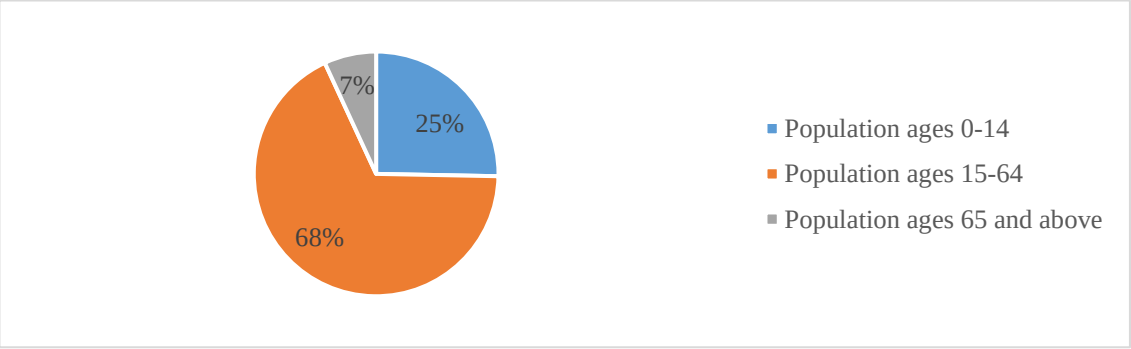
Chart 6: Trend of India Population vis-à-vis dependency ratio



Source: World Bank Database

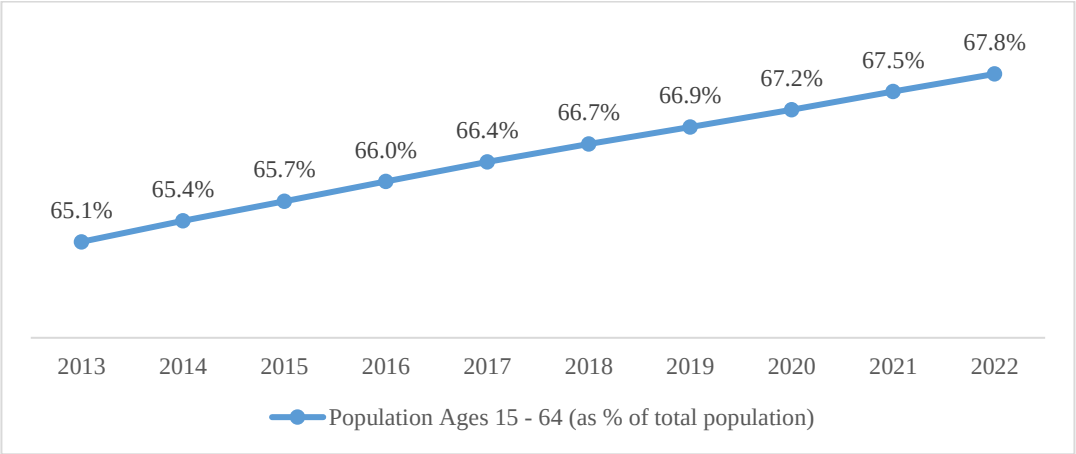
With an average age of 29, India has one of the youngest populations globally. With vast resources of young citizens entering the workforce every year, it is expected to create a 'demographic dividend'. India is home to a fifth of the world's youth demographic and this population advantage will play a critical role in economic growth.

Chart 7: Age-Wise Break Up of Indian population



Source: World Bank Database

Chart 8: Yearly Trend - Young Population as % of Total Population

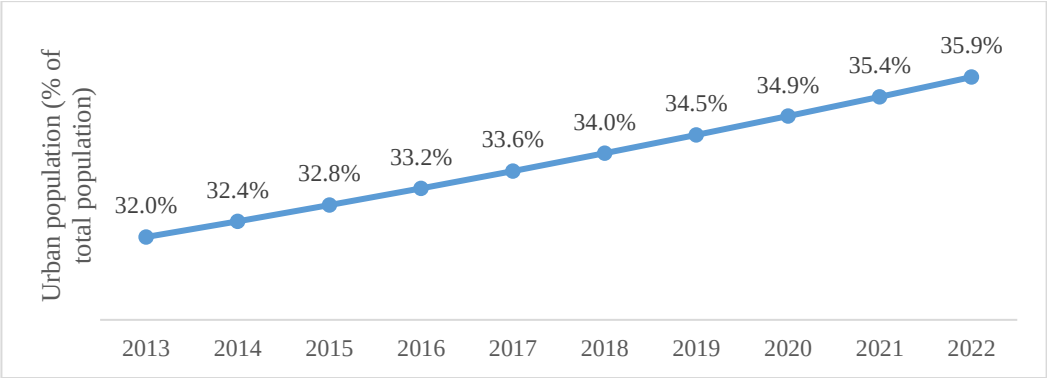


Source: World Bank database

- **Urbanization**

The urban population is significantly growing in India. The urban population in India is estimated to have increased from 403 million (31.6% of total population) in 2012 to 508 million (35.9% of total population) in the year 2022. People living in Tier-2 and Tier-3 cities have greater purchasing power.

Chart 9: Urbanization Trend in India



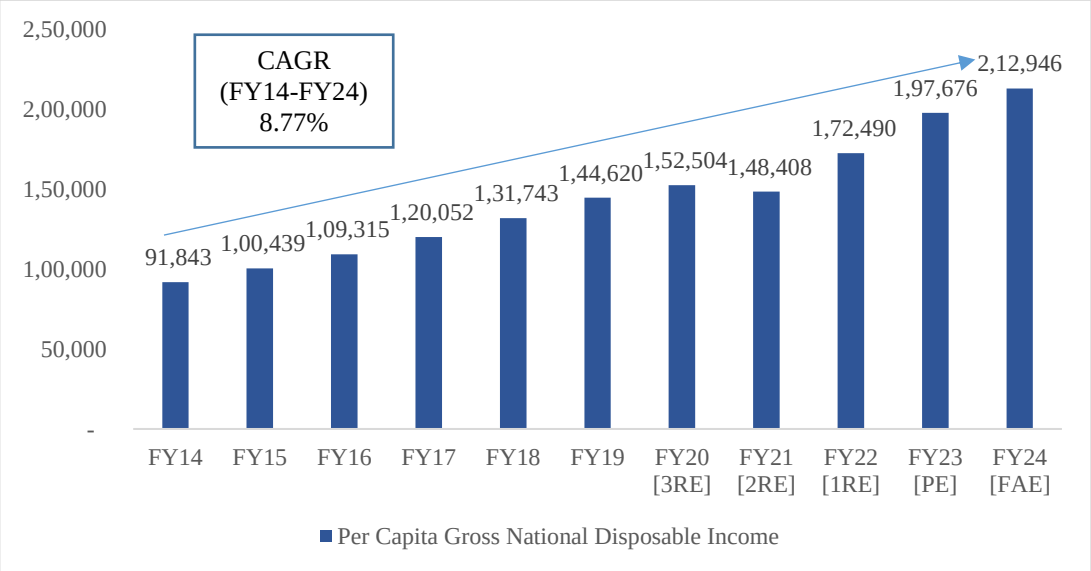
Source: World Bank Database

- **Increasing Per Capita Disposable Income**

Gross National Disposable Income (GNDI) is a measure of the income available to the nation for final consumption and gross savings. Between the period FY14 to FY24, per capita GNDI at current prices registered a CAGR of 8.77%. More disposable income drives more consumption, thereby driving economic growth.

The chart below depicts the trend of per capita GNDI in the past decade:

Chart 10: Trend of Per Capita Gross National Disposable Income (Current Price)

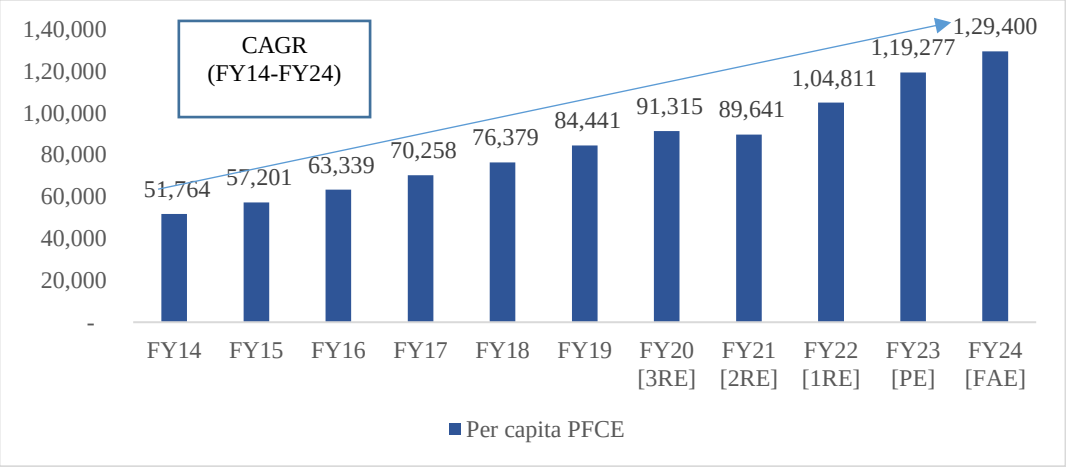


Note: 3RE – Third Revised Estimate, 2RE – Second Revised Estimates, 1RE – First Revised Estimates, PE – Provisional Estimate;
Source: MOSPI

- **Increase in Consumer Spending**

With increase in disposable income, there has been a gradual change in consumer spending behaviour as well. Private Final Consumption Expenditure (PFCE) which is measure of consumer spending has also showcased significant growth in the past decade at a CAGR of 9.6%. Following chart depicts the trend of per capita PFCE at current prices:

Chart 11: Trend of Per Capita Private Final Consumption Expenditure (Current Price)



Source: MOSPI

1.6.2. Concluding Remarks

The major headwinds to global economic growth are escalating geopolitical tensions, volatile global commodity prices, and a shortage of key inputs. Despite the global economic growth uncertainties, the Indian economy is relatively better placed in terms of GDP growth compared to other emerging economies. According to IMF's forecast, it is expected to be 6.8% in CY24 compared to the world GDP growth projection of 3.2%. The bright spots for the economy are continued healthy domestic demand, support from the government towards capital expenditure, moderating inflation, investments in technology and improving business confidence.

Likewise, several high-frequency growth indicators including the purchasing managers index, auto sales, bank credit, and GST collections have shown improvement in FY23. Moreover, normalizing the employment situation after the opening up of the economy is expected to improve and provide support to consumption expenditure.

The India Meteorological Department (IMD) has made a significant forecast, predicting "above normal" rainfall for the upcoming monsoon season, marking the first time in a decade that such an optimistic outlook has been declared at the initial stage. This forecast, coupled with an anticipated eight-year-high rainfall, offers promising prospects for the agrarian economy and inflation. The weakening of El Nino to a neutral stage in the early monsoon season, followed by the likely development of La Nina conditions in the later part, adds to the positive outlook. El Nino typically leads to suppressed rainfall during the Indian monsoon, whereas La Nina tends to enhance rainfall activity. IMD's more optimistic prediction is expected to bolster agricultural growth and incomes, while also potentially alleviating stubborn food inflation pressures.

At the same time, public investment is expected to exhibit healthy growth as the government has allocated a strong capital expenditure of about Rs. 11.11 lakh crores for FY25. The private sector's intent to invest is also showing improvement as per the data announced on new project investments. However, volatile commodity prices and economic uncertainties emanating from global turbulence may slow down the improvement in private CapEx and investment cycle.

2. Overview of Non-Banking Financial Company

2.1. Non-Banking Financial Company Overview

Non-banking financial institutions (NBFIs) encompass a heterogeneous group of financial intermediaries. Those under the regulatory purview of the Reserve Bank comprise:

- All-India Financial Institutions (AIFIs) that include the National Bank for Agriculture and Rural Development (NABARD), the Export-Import Bank of India (EXIM Bank), the Small Industries Development Bank of India (SIDBI), and the National Housing Bank (NHB) are apex financial institutions that play an important role in meeting the long-term funding requirements of agriculture and the rural sector, foreign trade, small industries, housing finance companies (HFCs), NBFCs, Micro Finance Institutions (MFIs), and other specialised segments and institutions.
- Non-banking financial companies (NBFCs) are government/public/private limited companies that specialise in delivering credit to a wide variety of specific segments, ranging from infrastructure to consumer durables and vehicle financing. Housing finance companies (HFCs) extend housing finance to individuals, cooperative societies, and corporate bodies and lease commercial and residential premises to support housing activity in the country.
- Primary dealers (PDs) came into existence in 1995 and act as market makers in the government securities (G-secs) market, besides ensuring subscription to primary issuances.

Non-Banking Financial Companies (NBFCs) play an important role in the Indian financial system by complementing and competing with banks and bringing efficiency and diversity into financial intermediation. NBFCs have evolved considerably in terms of operations, heterogeneity, asset quality and profitability, and regulatory architecture.

2.2. Classification of NBFCs

NBFCs can be classified on the basis of –

a) asset/liability structures
b) systemic importance
c) the activities they undertake

In terms of liability structures, NBFCs are subdivided into deposit-taking NBFCs (NBFCs-D), which accept and hold public deposits and non-deposit-taking NBFCs (NBFCs-ND), which source their funding from markets and banks. Among non-deposit-taking NBFCs, those with an asset size of Rs. 5

billion or more are classified as non-deposit taking systemically important NBFCs (NBFCs- ND-SI).

Since NBFCs cater to niche areas, they are also categorised on the basis of the activities they undertake. Till February 21, 2019, NBFCs were divided into 12 categories. Thereafter, these categories were harmonised in order to provide NBFCs with greater operational flexibility. As a result, asset finance companies (AFCs), loan companies (LCs), and investment companies (ICs) were merged into a new category called Investment and Credit Companies (NBFC-ICC). At present, there are 11 categories of NBFCs in the activity-based classification.

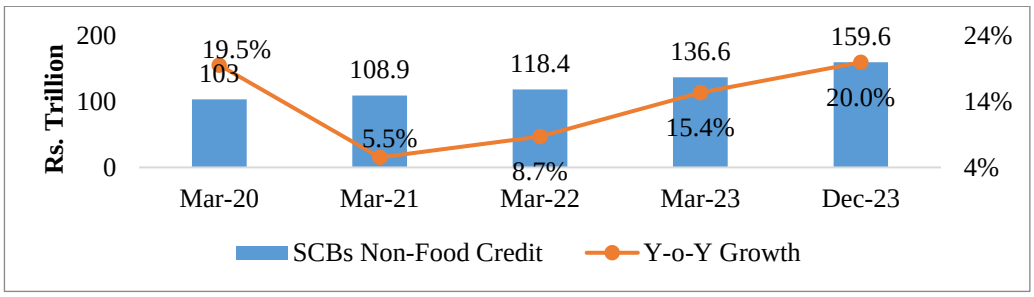
Table 4: Types of NBFCs

Type of NBFC	Activity
NBFC-Investment and Credit Company (NBFC-ICC)	Lending and Investment.
NBFC-Infrastructure Finance Company (NBFC-IFC)	Financing of Infrastructure Sector.
Core Investment Company (CIC)	Investment in equity shares, preference shares, debt, or loans of group companies.
NBFC-Infrastructure Debt Fund (NBFC-IDF)	Facilitation of flow of long-term debt only into post commencement operations in infrastructure projects which have completed at least one year of satisfactory performance.
NBFC-Micro Finance Institution (NBFC-MFI)	Providing collateral free small ticket loans to low income households.
NBFC-Factors	Acquisition of receivables of an assignor or extending loans against the security interest of the receivables at a discount.
NBFC-Non-Operative Financial Holding Company (NBFC-NOFHC)	Facilitation of promoters/ promoter groups in setting up new banks.
NBFC-Mortgage Guarantee Company (NBFC-MGC)	Undertaking of mortgage guarantee business.
NBFC-Account Aggregator (NBFCAA)	Collecting and providing a customer's financial information in a consolidated, organised, and retrievable manner to the customer or others as specified by the customer.
NBFC–Peer to Peer Lending Platform (NBFC-P2P)	Providing an online platform to bring lenders and borrowers together to help mobilise funds.
Housing Finance Company (HFC)	Financing for purchase/ construction/ reconstruction/ renovation/ repairs of residential dwelling units.

Source: RBI, CareEdge Research

2.3. Trends in Banks and NBFCs Credit in India

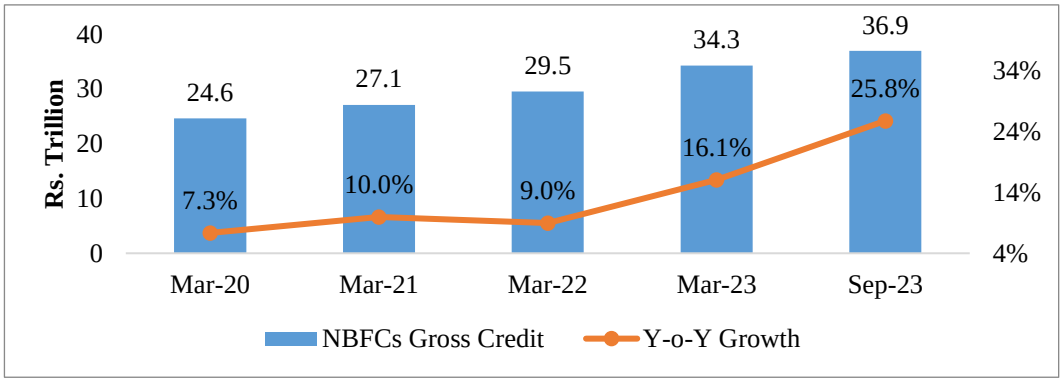
Chart 12: Credit Deployed by SCBs



Source: RBI, CareEdge Research
Note: Data are provisional

Scheduled commercial banks (SCBs) witnessed a robust growth of 20% y-o-y in Dec'23 compared to 15.4% y-o-y in Mar'23. The continued growth in bank credit can be attributed to strong growth in the retail sector with increased demand for vehicle loans and unsecured personal loans segments such as credit cards and consumer durables. SCBs continue to witness increased traction in credit toward services segment, especially in the Non-Banking Financial Companies (NBFCs). Additionally, HDFC (merger) has also significantly supported credit growth in FY24.

Chart 13: Gross Credit Deployed by NBFCs

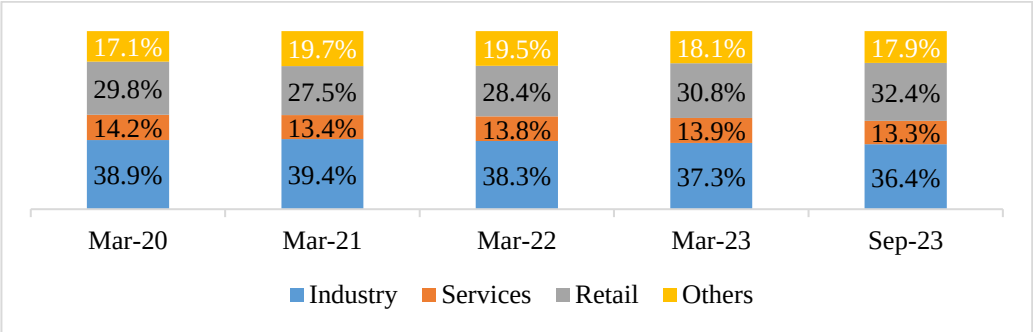


Source: RBI, CareEdge Research
Note: Data are provisional

As of Sep-23, the credit growth rate has seen an uptick of 25.8% y-o-y and reached Rs. 36.9 Trillion. The upward growth trajectory of NBFC credit indicates its importance in India's Financial System. This growth is mainly attributed to the increasing demand for unsecured loans, retail credit mainly vehicle and housing loans and the growing demand for MSME Loans has also supported growth in credit.

2.4. Sectoral Distribution of NBFCs' Credit

Chart 14: Sectoral Distribution of NBFCs' credit



Source: RBI, CareEdge Research

Note: Industry includes credit to micro, small, medium and large enterprises;
Retail loans are personal loans for housing loans, consumer durables, auto loans, and other personal loans;
Services include credit towards commercial real-estate, retail trade and other such loans
Others include credit deployed towards agriculture and allied activities and other non-food credit

The industry sector has remained the largest recipient of credit extended by NBFCs followed by retail loans, services, other non-food credit, and agriculture & allied activities. NBFCs growth in credit deployed towards industry is mainly attributable to increase in infrastructure lending by large government-owned NBFCs. Furthermore, NBFCs have steadily expanded their micro, small and medium enterprises (MSMEs) portfolio, addressing the credit needs of the sector and contributing to overall financial inclusion and economic growth. As of Sep-23, industry credit contributed Rs. 13.5 Trillion, indicating around 20.6% y-o-y growth in NBFCs' credit to industry, as per the RBI.

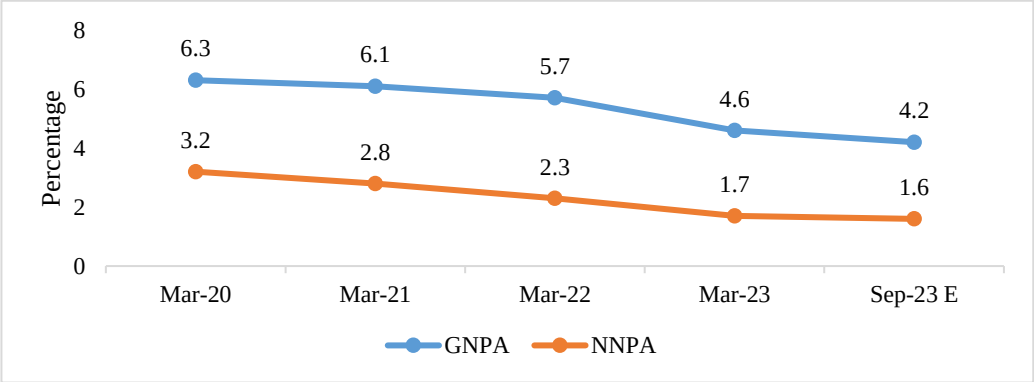
While NBFCs' credit to the industry is growing, their credit to services has declined marginally mainly due to declining credit to the commercial real estate sector, transport operators. As of Sep-23, as per data published by RBI, credit deployed to the service sector has reached around Rs. 4.9 Trillion indicating 21.6% y-o-y growth in NBFC credit deployed towards service sector.

Retail loans comprise housing loans, vehicle loans, loans against gold, consumer durables loans, and other such personal loans. Over the last couple of years, NBFCs have shifted their focus to retail lending in order to grow their business. There has been significant ramp-up in demand for retail credit as more and more consumers are getting comfortable with borrowing funds to meet their changing lifestyle needs.

The growth in NBFCs unsecured retail lending has outpaced the growth in NBFCs aggregate gross credit deployed. As of Sep-23, retail loans reached 11.9 Trillion forming over a third of NBFCs gross credit deployed. Furthermore, in terms of delinquencies retail loans have lower delinquencies when compared to MSME/corporate lending, another major factor for the NBFCs increased focus towards retail lending.

2.5. Asset Quality of NBFCs

Chart 15: Asset Quality of NBFCs



Source: RBI, CareEdge Research

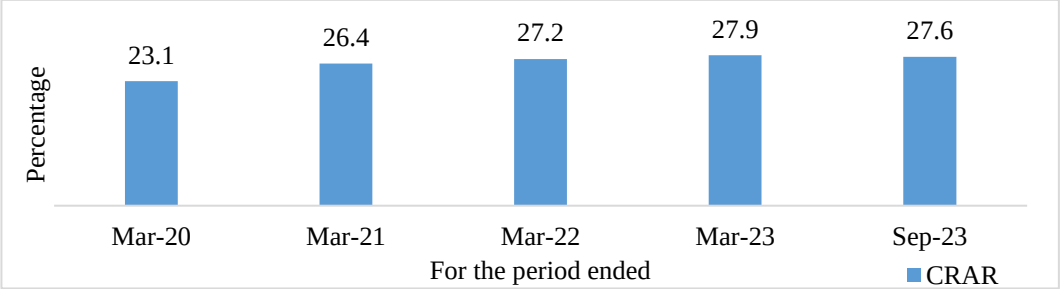
The asset quality of NBFCs has seen continued improvement on account of strong balance sheets, an increase in provisions and improved collection efficiency. Additionally, restructuring of their loan book and NPA write-offs have also aided the improvement in the asset quality of NBFCs. As of Sep-23, the GNPA of NBFCs is expected to have improved to 4.2% from an earlier 4.6% in Mar-23. NBFCs net non-performing assets is also expected to have improved to 1.6% as of Sep-23 over 1.7% as of Mar-23.

Going forward asset quality is expected to remain in check owing to increased provisions, the decline in fresh slippages and restructuring of the loan book.

2.6. Capital Adequacy of NBFCs

Over the years, NBFCs' CRARs have improved on account of the increasing level of Tier-I capital, retained earnings, and moderation in NPA. NBFCs are well capitalised, with their capital-to-risk-weighted asset ratio (CRAR) well above the stipulated level of 15%.

Chart 16: Capital to Risk Weighted Assets Ratio (CRAR)



Source: RBI, CareEdge Research

2.7. Key Growth Drivers

Last Mile Financing and Unbanked Population

NBFCs have a strong presence in the unorganized and under-served areas where banks may not have a strong foothold. This is attributed to the lack of necessary bank infrastructure in these areas and an aversion on the part of banks to disburse loans to smaller companies. Further, the ease of internet access and affordable data packs have contributed to increased spending and demand for retail credit from these areas alongside raising the potential consumer base of NBFCs.

Growing Focus on Informal Customer Base

Traditional banks may not be very keen on lending to retail borrowers from semi-urban and rural areas or small companies with weaker credit scores and lack of documentation, as compared to larger borrowers. However, in terms of volume, the number of potential customers in this category is higher and NBFCs have created a niche segment by having customized credit assessment methods based on cash flow assessment and field verification. This gives NBFCs an opportunity to extend credit to the financially weaker set of customers, a growing customer base in the informal customer segment, further opening up avenues for NBFCs' growth.

Technological Adoption and Co-Lending Arrangements

NBFCs deploy technological solutions to develop innovative products and lower operational costs. Since NBFCs are fairly new in the financial landscape in comparison to most banks, they are more agile and better positioned to leverage technology to enhance their reach while increasing efficiency.
Additionally, NBFCs partner with various alternative financiers and commercial banks, enabling them to diversify their income avenues and reach their targeted customer base through different channels. Accordingly, bank collaborations with other NBFCs help make credit accessible to the under-banked and un-banked population.

Shifting Buying Behaviour

Over the years, there have been significant changes in the perception of consumers toward borrowing. With the need to improve lifestyle, there is an increasing inclination toward borrowing to attain a certain standard of living people. This is prominent among the younger population. Accordingly, banks and NBFCs have seen significant traction in demand for personal loans over the last decade, indicating increased awareness about credit and shift in perception towards borrowing.

Rising Demand from Retail Customers

Retail borrowers accounted for around 30% of total credit disbursed by NBFCs as of FY23 ended Mar-23, according to the data published by the RBI. The retail segment has shown consistent growth in credit demand throughout the pandemic alongside being a significant chunk of the customer base of NBFCs. Going forward, CareEdge believes that the demand for consumer durables, consumption of services, home loans and gold loans are likely to support the growth in retail demand and, consequently, aid in the new business of NBFCs.

2.8. Outlook

CareEdge expects NBFCs to grow between 12%-15% y-o-y in FY25. This growth is expected to be driven by strong demand for retail loans, particularly consumer durable loans, unsecured personal and consumption loans, unsecured small enterprise loans, and microfinance loans.

CareEdge believes that NBFCs are shifting their focus towards retail financing, which is anticipated to show a healthy growth with a pick-up in economic activity and increased penetration of financial institutions providing convenient financing options to borrowers. The retail segment comprises vehicle loans, consumer durable loans, advances against golds, real estate loans and other such individual loans.

The retail segment is likely to significantly contribute to NBFCs' growth, especially in case of housing loans and vehicle loans. These segments are likely to continue their growth momentum on the back of steady demand. Growth in vehicle segment is anticipated to see growth on the back of automotive industry's growth. In the near term, the growth is likely to be supported by to investments from the PLI scheme, new launches of vehicles, and a strong order book. Also, enhancement in India's manufacturing capabilities will further help to support the vehicle industry demand over the long term.

Gold loans are a highly secured and liquid asset class that generates high returns with minimal credit losses and encourages financial institutions to extend their credit towards gold loans. CareEdge believes that with the rise in the price of gold amidst geopolitical unrest, a large geographic reach and the fast turnaround time on loan application, the demand for gold loans to fund the working capital of micro enterprises and an individual's personal requirements will grow.

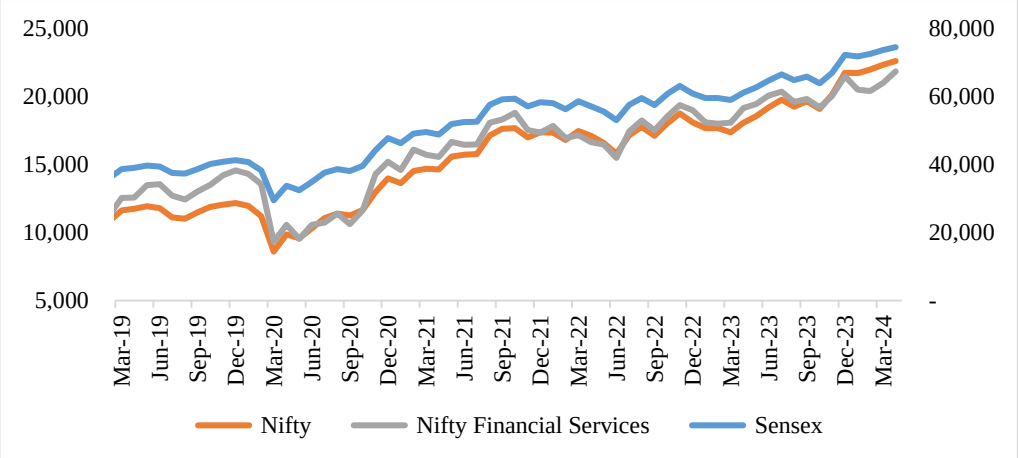
CareEdge believes that real estate financing will grow with the sustained demand for affordable housing. However, the rising borrowing costs, stiff competition from banks, hike in interest rates, high property prices and moderation in home affordability will continue to be key monitorable for the real estate finance segment as a whole.

3. Indian Capital Market

3.1. Index Movement

The role of capital markets is to act as a platform between buyers and suppliers engaging in trading of financial securities such as stocks, bonds and various other securities. Capital markets help in mobilization of resources and allocation of funds. The capital markets aid in providing long term funds to the corporate sector by channelizing savings and investments between individuals who have capital and entities in need of funds.

Chart 17: Index Movement



Source: NSE, BSE, CareEdge Research

The Indian capital markets have been on a steady growth trajectory since May 2020. The Government's decision to impose a nationwide lockdown impacted the markets and subsequently, both Nifty and Sensex crashed to multi-year lows. However, investors tried to use the temporary weakness in the market to build their portfolios. This, coupled with a sharp cut in bank deposits, drew more investor participation in equities, which resulted in the indices witnessing a return to growth as early as May 2020. Currently, (Mar'24) the indices continue to show an upward growth trend supported by high valuations of companies, declining inflationary pressures, increase entry of retail investors.

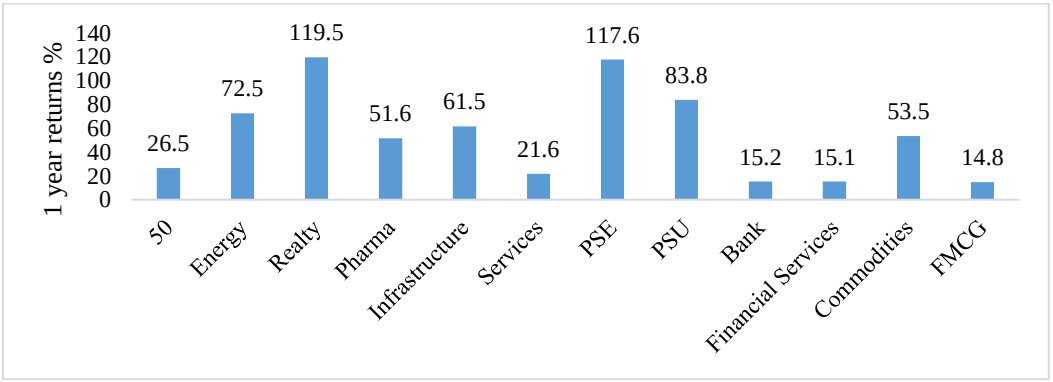
Table 5: Nifty movement

Date	Nifty Closing	Change (y-o-y)
March 31, 2020	8,597.75	-26.03%
September 30, 2020	11,247.55	-1.97%
March 31, 2021	14,690.70	70.87%
September 30, 2021	17,618.15	56.64%
March 31, 2022	17,464.75	18.88%
September 30, 2022	17,094.35	-2.97%
March 31, 2023	17,359.75	-0.60%
September 29, 2023	19,638.60	14.88%
March 31, 2024	22,326.90	28.61%

Source: NSE, CareEdge Research

3.2. Performance of NSE Indices

Chart 18: Yearly returns of NSE indices as of April 2024



Source: NSE, CareEdge Research

The yearly returns of these select NSE indices showed significant increase returns as on Mar'24. Nifty realty and PSE sector-related indices continuing to show substantial one-year returns at 119.5% and 117.6% respectively which is the highest returns among other select indices. As of 30th April 2024, the above select indices continue to indicate positive one-year returns.

3.3. Capital Raised by Listed Companies through Qualified Institutional Placements (QIPs)

Table 6: Capital raised by listed companies through QIPs

Year	Total No. of issues	Amount (Rs. Billion)
2019-20	14	544
2020-21	31	787
2021-22	29	314
2022-23	11	82
2023-24	61	690

Source: SEBI, CareEdge Research

Qualified institutional placements are directly linked to markets and the volatility in markets significantly impacts market transactions. During FY23 with rising global headwinds, there was a sharp increase in volatility backed by tightening monetary policy to keep inflation in check. However, the situation has significantly improved in FY24 especially with declining inflationary pressures, attractive valuation of stocks, and boost in economic growth.

Table 7: Public issue and private placement of Debt & Equity

Year	Total No. of issues	Amount (Rs. Billion)
2020-21	96	1207.1
2021-22	192	1,505
2022-23	276	752
2023-24	385	1,023

Source: SEBI, CareEdge Research

During FY24, along with the number of issues and value terms public issue and private placement of debt & equity witnessed positive growth over FY23. As of FY24, total amount mobilized through public issues and private placement of both debt and equity indicates 40% increase in the amount mobilized and nearly 39.5% increase in number of issues over FY23.

3.4. Primary Market Trends (Public & Rights Issues)

Table 8: Trends in primary market

Particulars	2022-23		2023-24	
	No. of Issues	Amt (Rs. In Billion)	No. of Issues	Amt (Rs. In Billion)
I. Public Issues (Debt)	34	92.1	45	191.7
(a) Public Issue (Equity)	164	547.7	272	679.6
(b) FPOs	1	43.0	1	0.3
(c)Rights Issues	73	67.5	67	151.1
II. Total Equity Issues (a+b+c)	238	701.2	340	830.9
Grand Total (I+II)	272	793.4	385	1022.6

Source: SEBI, CareEdge Research
Notes: 1. Equity public issues also includes issues listed on SME platform.
2. Data of equity is being prepared based on the listing date.
3. The data of Debt is being prepared based on closing date.

For FY24, the number of total equity issues increased to 340 issues from an earlier 238 issues in FY23 and in terms of value equity issues witnessed nearly 18.5% y-o-y growth. This growth can be attributed to favorable market conditions in the second half of FY24, economic growth and decline in uncertainty global inflationary pressures.

During FY24, while the number of issues witnessed positive growth over FY23, in value terms public issue through debt witnessed a growth of 108% y-o-y growth. As of Mar'24, total amount mobilized through public issues and private placement of both debt and equity indicates 29% increase in the amount mobilized and nearly 41.5s% increase in number of issues over Mar'23.

3.5. Trends in Equity Capital Raised through Public and Rights Issues

Table 9: Equity Capital Raised through Public and Rights Issues

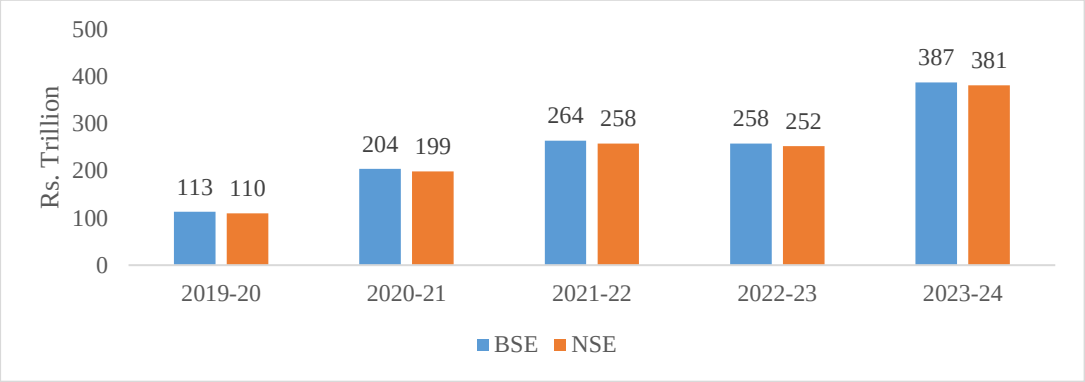
Industry	2021-22		2022-23		2023-24	
	No. of issues	Amount (Rs. Crore)	No. of issues	Amount (Rs. Crore)	No. of issues	Amount (Rs. Crore)
Airlines	0	0	0	0	0	0
Automobiles	4	6,326	1	9	4	1,499
Banks/FIs	1	1,200	6	934	7	3,246
Cement/ Constructions	13	8,200	16	1,201	9	5,013
Chemical	7	6,461	12	4,086	13	984
Consumer Services	2	1,101	2	9	7	4,219
Electronic Equipment/ Products	5	53	12	1,627	24	6,554
Engineering	4	650	7	819	19	971
Entertainment	0	0	2	63	6	196
Finance	5	3,532	7	3,745	13	10,452
Food processing	9	4,106	11	1,447	9	1,085
Healthcare	20	10,590	14	4,549	25	7,154
Hotels & Resorts	5	4,304	1	9	4	4,139
Info Tech	13	3,794	9	1,739	27	5,193
Insurance	1	6,019	1	20,557	1	1,172
Miscellaneous	60	52,315	121	20,254	146	28,638
Oil & Natural Gas	2	3,619	2	4,310	2	585
Plastic	2	17	3	26	3	109
Power	0	0	1	4	5	170
Printing	1	12	0	0	0	0
Roads & Highways	1	962	0	0	3	211
Telecom	2	21,276	1	26	1	49
Textile	7	4,359	9	408	12	1,452
Total	**164**	**1,38,894**	**238**	**65,823**	**340**	**83,093**

Source: SEBI, CareEdge Research
Data of equity is being prepared based on the listing date of the issues.

During FY24, Finance sector has been significantly contributing in terms of value of equity capital raised through public and rights issue. While the number of issues is greater than FY23, the capital raise is more than2.6 times of the capital raised during FY23.

3.6. Market Capitalization of India and its Historic Trend

Chart 19: Market Capitalization of India



Source: BSE, CareEdge Research

As of Mar'24, the equity market capitalization of BSE continues witness significant growth of 50% and also market capitalization for NSE witnessed significant growth around 50%. This growth is backed by economic growth and increased participation of the retail segment. Additionally, as the valuation of Indian equities is currently high, this encourages inflow of funds by foreign investors.

3.7. Trends in Equity Derivatives Market

Table 10: Trends in Equity Derivatives Market

Turnover (Rs. crore)

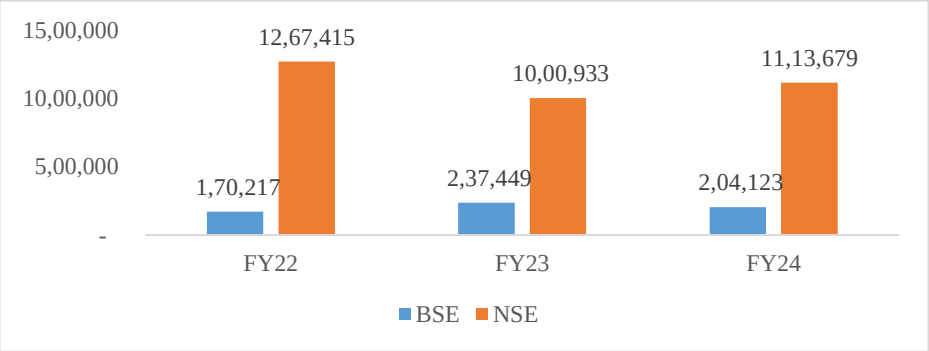
Description	BSE		NSE	
	2022-23	2023-24	2022-23	2023-24
(i) Index Futures	59	20,247	95,20,685	74,17,117
(ii) Options on Index				
Put	1,03,37,954	38,84,98,616	1,80,10,64,480	2,63,28,65,161
Call	2,39,77,301	41,43,16,522	1,93,34,61,254	2,80,78,61,656
(iii) Stock Futures	-	-	1,90,72,304	2,55,46,966
(iv) Options on Stock				
Put	-	-	1,83,59,529	1,90,56,034
Call	-	-	4,08,48,216	4,37,30,350
Total	**3,43,15,313**	**80,28,35,384.**	**3,82,23,26,468**	**5,53,64,77,284.3**

Source: SEBI, CareEdge Research

The aggregate turnover of index option has seen significant growth of around 65.66% during FY24 over FY23. While, the turnover of options on stock grew by 6.0% during FY24 over FY23, the turnover of index futures saw 22.1% decline during FY24 over FY23 and Turnover of the Stock futures grew by 34%

3.8. Trading in Corporate Debt Market

Trading Value (Rs. crore)



Source: SEBI, CareEdge Research

During FY24, BSE registered 1,29,879 trades of corporate debt with traded value of around Rs. 2,04,123 crores, indicating the decline of the 14% from FY23. During FY24, at NSE, 83,338 trades were registered with a traded value of Rs. 11,13,679 crores indicating 11.3% surge in traded value during previous financial year.

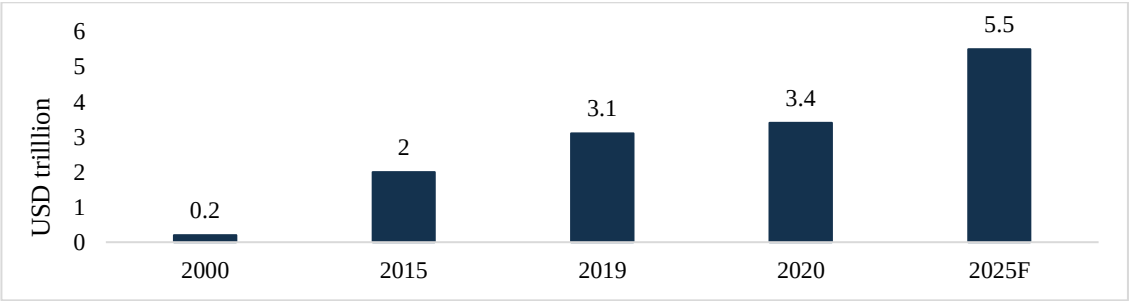
4. Indian Wealth Management Industry Overview

Wealth management globally plays a vital role in Corporate Advisory. It's important to have a broad understanding of different businesses to advice any corporate operating within a specific industry. While advisory services include strategic financial planning, short and long-term investments through different assets, hedge funds, due diligence, mergers and acquisitions (M&A), private equity and more, risk management is also offered as advisory service.

Wealth management is also extended to the corporate employees through corporate employee benefit programmes. Depository and trustee services are tailor made and designed for corporate promoters, to provide insightful information on ensuring compliance on fund documentation, regulatory requirements and scheme particulars. In addition to this, promoter funding assistance plays a vital role while raising funds for business.

Wealth Management space in India is highly competitive with large number of domestic players in each segment except UHNI segment which is dominated by global players. Change in investor attitude has led to financialization of savings with both MF AUM and folios growing at around 19% CAGR.

Chart 20: India's Financial Wealth



Source: Industry Reports, CareEdge Research
Note: Financial wealth includes investments in assets class such as bonds, insurance, stocks and cash and bank deposits

Given India's long-term economic prospects, positive demographics, rising income levels, and current low penetration, Indian Wealth Management market is on a steady upward trajectory. While India's wealthy individuals are less in comparison with established markets, the country's wealth is expected to expand rapidly in the future. The key factors for growth in wealth management business in India are large and young mass affluent segment, an increase in wealth of global Indians', the Indian government's push to regulate illegal channels of funds and tightening of capital market regulations.

Table 11: Number of millionaires in 2022 and 2027P (Selected countries)

Country	HNI (thousand)		UHNI (thousand)	
	2022	2027(P)	2022	2027(P)
United States	25,172	36,885	203	253
Mainland China	10,388	20,813	88	131
Germany	3,379	4,970	25	30
France	3,182	4,500	23	27
Canada	3,072	4,783	24	32
UK	2,857	4,243	21	26
India	797	1,657	12	19
World	**69,543**	**1,09,099**	**580**	**745**

Source – Industry sources, CareEdge Research
Note: Data are provisional, (P) indicates projected

The demographic difference presents an opportunity to create new products to address the needs of a young population and leverage new technologies, such as social and software-based investing applications as a key differentiator. Indian wealth management industry is largely focused on the urban segment, leaving untapped majority of Indian population. One of the key factors for advisors is to develop trust with the potential investors where advisors constantly need to build its brand, focus on overcoming trust barriers, invest in technology and focus on transparency and compliance.

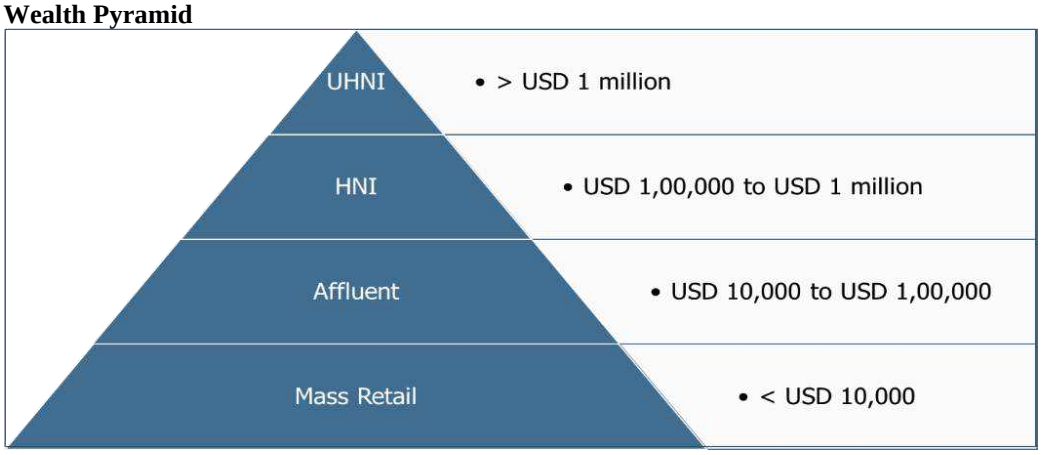
With increase in start-ups, rising income levels and friendly macro factors with ease of doing business, young HNI population in India is expected to rise. There is a big opportunity for a wealth management firm to tap into an underpenetrated market with huge upside growth potential for wealth managers.

There is steady growth in number of client's interest towards:
1) Access to Mutual Fund / Other financial Product Distribution
2) Financial Planning (specific short term and long-term goals) Advice
3) Tax Planning Advice
4) Estate Planning Advice
5) Wealth Management Advice

The Indian Wealth Management market is on a sustained path of growth, given India's long-term economic prospects, positive demographics, rising income levels and current low penetration.

Based on the investment corpus available with the individuals, CareEdge Research has grouped individuals in following four categories

Wealth Pyramid



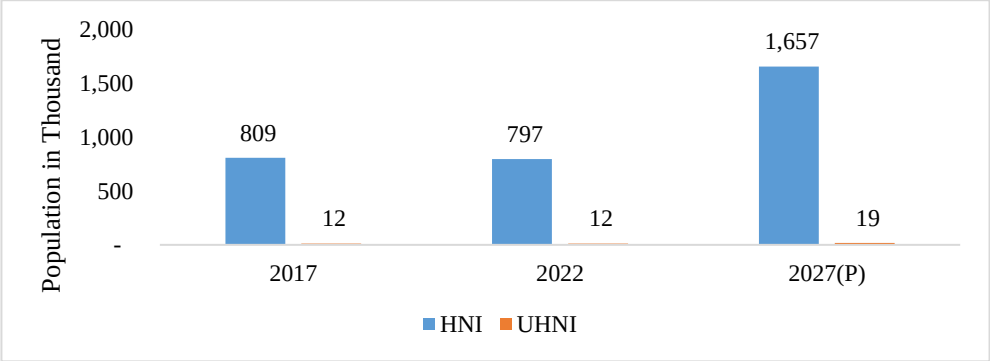
Source: CareEdge Research

The first three segments of the wealth pyramid namely ultra-high net worth individuals (UHNI), high net-worth individuals (HNI) and affluent contribute to more than 80% of India's wealth. A large base of low-wealth holders underpins higher tiers occupied by progressively fewer adults. The inequality has also increased due to the rise in the value of financial assets during the Covid-19 pandemic. Over the years, there has been significant ramp-up in the affluent segment supported by the emerging economy and expansion of middle-class population.

4.1. Size and growth of HNIs in India

High net-worth individual (HNI) is someone with a net worth of USD 1 million or more, including their primary residence, while Ultra HNI is someone who has a net worth of USD 30 million or more across financial and physical assets. India has one of the world's fastest growing HNI population both in terms of the number of individuals and the wealth levels.

Chart 21: HNII and Ultra HNIs Population in India



Source: Industry Sources, CareEdge Research, Data are provisional
Note: P indicates that the data projected

In 2022, the UHNI population grew by around 5% CAGR over 2017. The number of UHNIs in India increased exponentially and reached around 12 thousand in 2022. By 2027, HNI population is projected to grow at a CAGR of 6.5% over 2022.

In the medium to long term, UHNI, HNI and affluents segment are likely to see tremendous growth on the back of growth in Indian economic, rising affluence and financialization of assets. India's HNI population is expected to grow more than double by 2027 over 2022, making it one of the world's fastest-growing wealth markets.

4.2. Key trends of the wealth management industry in India

- **Need for Advisory**

Financial markets have become complex due to a wide variety of investments options available in the market today. Investors are often confused as to which products to invest in and how to determine the suitability of the investment based on their risk-return profile. As a result, the demand for an unbiased wealth manager who guide them appropriately has increased significantly. Investors value holistic advice on how to achieve multiple, often conflicting, financial goals using a range of investment techniques and funding strategies.

While this means new opportunities for the wealth managers, excessive competition has also posed new challenges to sustain, grow, and strive in the market. This is a challenging macro environment for investors and their advisors to find the right return-risk combination. Increasing regulatory burdens and rising costs of risk pose new challenges to wealth management firms.

- **Goal Based Planning over Wealth maximization**

Investors are becoming increasingly aware of milestone-based planning and want to plan ahead for them. These goals can be short-term, such as purchasing the latest phone or taking a vacation, or long-term, such as a child's education, retirement, and so on. In order to keep up with the changing investor behaviour, wealth managers are rethinking their wealth management strategies beyond wealth maximisation and offer financial planning solutions that cater investor's goals.

- **Digitization of Wealth Management**

Investors have been exposed to the world of technology thanks to the rise of smartphones and internet access. Investors are increasingly gravitating towards platforms with simple user interfaces that allow them to make investments with the swipe of a finger. The need for wealth management infrastructure to be digitalized has never been greater. Digital wealth management is more than just providing digital channels for transacting. It also includes employing technology to provide higher value, professional service, and an improved investment experience for customers, all while remaining objective.

The rise of digitalization has also given rise to robo-advisors, which are automated, Algo-based systems that provide wealth management advice. These user-friendly platforms have made the whole investment process accessible and affordable to a large section of people, thus bringing science and human combination in advisory models.

Big data and advanced analytics are transforming the industry with new ways to engage with new clients, manage client relationships and manage risks. Collaborating with wealth tech providers can help the traditional wealth advisory firms expand their capabilities and enhance digitalization faster and in a cost-effective manner.

4.3. Key growth drivers of wealth management industry

- **Increasing Penetration of Mutual Fund Market in India**

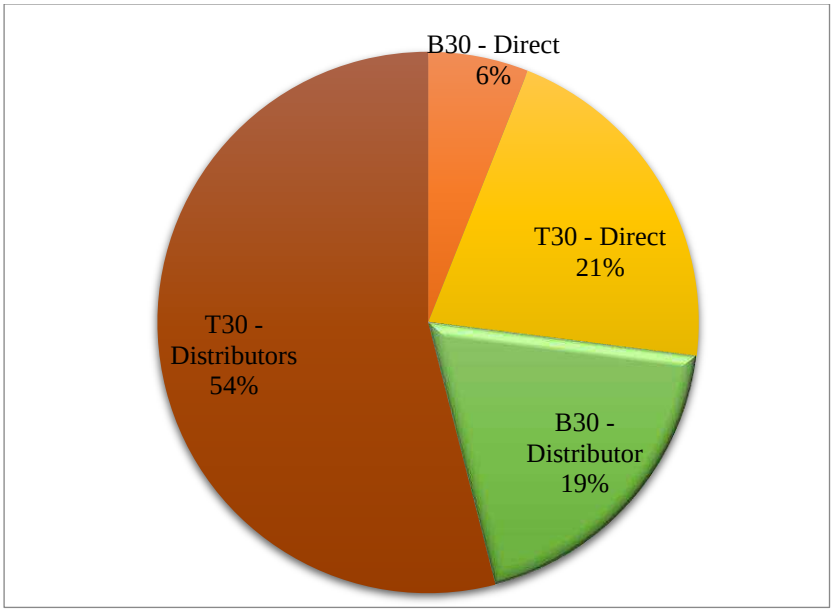
India continues to be underpenetrated with a mutual fund penetration rate (the ratio of period ending mutual fund AUM to GDP) expected to have reached nearly 31% as of Mar-24, as compared to global average of 70-80%. India accounts for less than 2% of the global mutual fund industry, representing a significant growth opportunity.

Average Assets managed by the Indian mutual fund industry have grown from Rs. 22.9 trillion in Mar-20 to Rs. 54.7 trillion as of Mar-24, thereby indicating around 25% CAGR over assets in Mar-20. The size of average assets under management indicates that there continues to be a huge untapped potential of the mutual funds in India.

There is lack of healthy participation from investors in B30 (beyond top 30) locations. Recently, the mutual fund sector is witnessing rising activity from B30 locations, especially in the equity segment due to improved distribution and regulatory changes in fee structure. Due to increasing mobile phone penetration and increasing wealth managers integration towards technology to service transparent and systematic products in an efficient manner helps to develop informed customers and enables distributors to penetrate deeper to serve clients across the wealth management space.

Investors – Overall Composition

Chart 22: Investors – Overall Composition – Mar-24

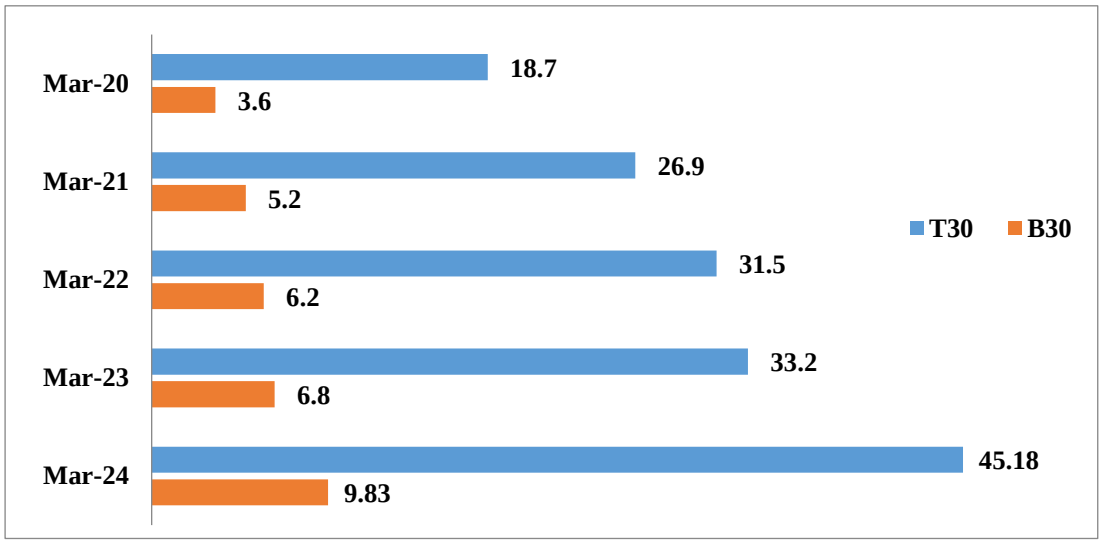


Source-AMFI, CareEdge Research

Individual assets are primarily distributor-driven. Distribution channel accounted for 73% of total mutual fund assets under management (AUM) as of Mar'24, of which 54% belongs to the top 30 cities. Direct investments amount to 27% of individual assets, of which 6% of individual assets were from B30 and 21% of individual assets were from T30.

- **Increase in Retail participation and mass affluent**

Chart 23: Growth in B30 and T30 Assets (Rs. Lakh crores)



Source-AMFI, CareEdge Research

The wealth managed by portfolio managers (including assets under advisory) in India is about Rs. 45 trillion as of Mar'24. The increased penetration of wealth management companies into Tier II and III cities will also help to drive the growth, given more than 40% of the UHNIs live in non-Metro cities, where currently wealth is majorly managed by IFAs and Chartered Accountants.

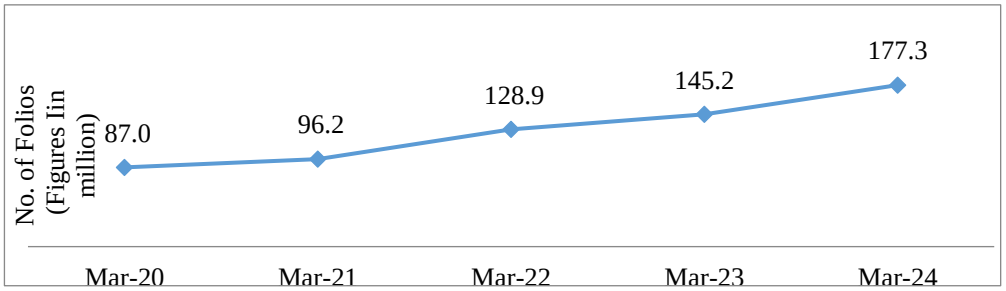
The top five states, Maharashtra, New Delhi, Karnataka, Gujarat, and West Bengal contributed to around 68% of the AUM of mutual funds as of Mar'24. Of which, Maharashtra and New Delhi attributed to nearly 50% of the AUM. However, with rising income levels and a growing affluent middle class, Retail investors are becoming more inclined towards equities as an investment option over the traditional preference of savings towards physical assets, especially from B30 cities.

Around 18% of the assets of the mutual fund industry came from B30 locations. Assets from B30 locations increased by 1.2% to Rs. 9.8 trillion as of Mar'24 over Feb'24 and represented an increase of 44% y-o-y over Mar'23.

Investors from B30 locations are attracted towards equity as compared to T30 where the debt portion is higher due to large participation from institutional investors. As of Mar'24, 84% of the assets from B30 locations are in equity schemes as compared to 79% from B30 locations in Mar'23.

Increase in folios

Chart 24: Increase in Investors Accounts



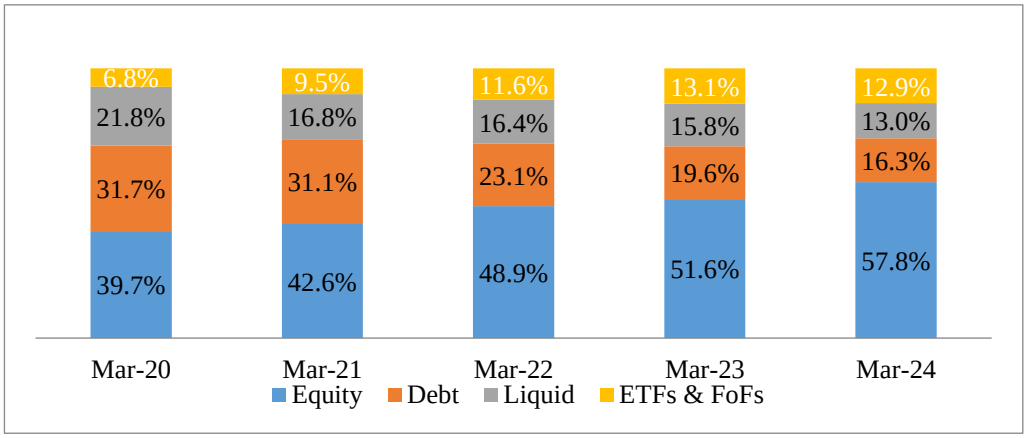
Source-AMFI, CareEdge Research

Retail investors' preference is becoming more mature as they get more informed regarding equities potential and risk associated with investing in it. Over the years, there has been an increase in investor accounts, as of Mar'24 investor accounts reached to 177 million from 87 million as of Mar'20. The increasing penetration of mutual funds products is driven by the rising number of folios and participation from mass affluent segments.

Individual investor's component of the total number of folios in the industry has been steadily increasing over the period of years where mass affluent retail investors are spearheading the growth rate. The individual investors hold a relatively higher share of 60.5% of the industry assets as of Mar'24, compared with 58.1% in Mar'23.

Increasing Share of Equity based Fund in Asset class over the years

The proportionate share of equity-oriented schemes nearly 58% of the industry assets as of Mar'24, up from 39.7% in Mar'20. Among other categories, there is significant increase in ETF (Others) market share from 6.8% as of Mar'20 to 12.9% as of Mar'24.



Source-AMFI, CareEdge Research

An Uptick in passive investing: The shift towards passive investing is increasing as they are cost effective when compared to actively managed funds. Investors have a wide range of options to choose from the available type of passive investment options in the market such as Alternative Investment Funds (AIFs), Portfolio Management Services (PMS) and Exchange-traded funds (ETFs).

Diversification: Investors understand the need and importance of investing in different asset classes which helps them diversify their portfolio of investments. This, diversification also helps in minimization of risk while earning better returns. As a result, it will lead to potential growth in investment management.

4.4. Outlook for Wealth Management Industry

The Indian wealth management industry witnessed a structural shift over the past few years on account of changing demographics, increase in the number of millennials focusing on investing, and increased penetration of digitization. The pandemic-led 2021 accelerated the shift from traditional investing

avenues such as bank deposits to equities.

The increase in focus on wealth management comes as investors are more aware and attuned to current events and are actively planning their finances to meet their financial goals or to plan for the difficult times. Additionally, there is a growing trend towards achieving financial self-reliance for meeting discretionary spends and maintaining lifestyle.

Indian household savings have also been witnessing some considerable structural shifts of late.

Households in India have historically been quite risk-averse and wary of investing their savings into volatile or uncertain return-based assets. A pursuit of safe bets has always driven India towards making investments in assets like gold which are considered to have limited downside risk. This pattern is has changed over time, especially since demonetization in November 2016. Also, the country has seen a major shift in attitude from capital preservation to wealth creation from FY17.

In FY24, the growth of the wealth management industry is likely to be stable on account of growing engagement of millennials towards investing coupled with higher disposable income, increased savings and uplift in confidence among retail investors.

Furthermore, increase in start-ups, rising income levels and friendly macro factors with ease of doing business will drive the growth of the young HNI population in India, this is likely to create huge opportunity for a wealth management firms to tap into an underpenetrated market with huge upside growth potential for wealth managers. CareEdge Research expects the following trend to drive the growth of the wealth management industry.

Need for reliable advice – The complexity of the financial markets can be a deterrent due to the many investment options at hand. A lay investor is likely to face headwinds due to the inability to understand the suitability of options with his/her own risk appetite and goals. This gives rise to need of a knowledgeable and reliable wealth manager who can guide the investor through many goals using different investment and funding strategies.

Increase in wealth advisory platforms – The advent of the internet and rise in smartphone penetration has opened up newer wealth advisory platforms for investors. This has resulted in investors accessing platforms having easy-to-use interfaces where investments are made at the click of the finger.

Digital wealth management also includes using technology to offer more value, better services and enhance the customer's investor experience. Wealth advisory platforms also make the investment process accessible and affordable to a large section of people, thus increasing the reach of the wealth management industry.

Financial planning to achieve goals – Investors today are focusing on milestone-based planning and want to invest for them adequately. These investment goals can be short-term and related to purchases or longer-term goals such as education or retirement. Wealth managers need to rethink their strategies to not only focus on wealth maximization but also on financial planning solutions covering the different timelines.

Shift from traditional asset classes – Retail investors are moving beyond traditional asset classes like fixed deposits due to their sub-optimal real returns. They are looking for access to asset classes and investment strategies deployed by HNIs and want to explore alternative assets. Wealth managers are therefore offering products beyond those that are conventional in nature to attract greater participation from this stratum of clientele. Additionally, wealth management is moving from being a one-product-fits-all to more customized advisory based on the risk appetite, goals and time horizons of the customers.

In sum, a change in the perception of investing of customers, increased participation of millennials in investing and newer developments in technology will aid the growth of the wealth management industry, going forward.

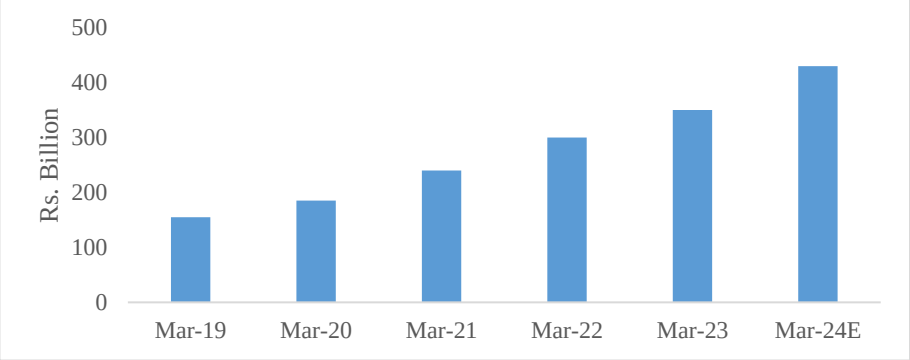
5. Stock Broking

5.1. Introduction to Stock Broking Industry

Indian stock broking industry is the oldest trading industry that has been around even before the establishment of the Bombay Stock Exchange (BSE) in 1875. Despite passing through several changes in the post-liberalization period, the industry has found its way towards sustainable growth. It has undergone developments over several years in terms of yields, products and customer services. In the initial phase, Indian brokers were to be divided into two categories – bank-led brokers and nonbank-led brokers. The majority of these brokerages were full-service brokers with services spanning from providing a platform for trading, settlement services, investment advisory (research), investment banking and wealth management.

With the progress made in the broking sector, the trading process, which used to be cumbersome and expensive, has transformed for the better. Anyone with a mobile device and internet connection can now open a broking account and trade without any human interface. Technology has also significantly brought down the cost of conducting business as players need not open branches or recruit sales personnel. This has helped brokerage firms to remain extremely profitable despite a sharp reduction in fees charged. In the current market scenario, pricing has ceased to be a differentiator with consumers increasingly choosing brokerages based on the quality of their service and conveniences they offer.

Chart 25: Size of Stock Broking Industry - Total Income



Source: CareEdge Research Estimates

The Indian broking industry is very fragmented with a large number of participants. There are over 126 stockbrokers registered with the National Stock Exchange (NSE) as of 30th April 2024. There are 1,240 trading members in the equity segment registered with BSE as of 22nd May 2024. Many of them may be propriety desks. Still, a large number of brokers offer trading services to customers. The stock brokerage industry in India managed to earn an income of more than Rs. 350 billion in FY23. CareEdge estimates that in FY24 the industry's total income is likely to have reached around Rs. 430 billion.

Further, capital markets-related entities have benefitted in the last few years, as equity markets have given investors healthy returns. Corporations are also tapping into the growth of capital markets by raising capital through equity and debt issuances.

Moreover, with the increasing importance of technology, customers are provided more and more means to access information and make active decisions based on the fast-paced information availability. The systems are ever-evolving and have become quick and robust. In order to stay relevant and increase the market share, many brokers have heavily invested in infrastructure. Their IT systems have transformed from legacy systems to modern-day agile, adaptive and lean architectures. The stock market industry is likely to see further development in terms of market participants as well as the quantum of trade value.

5.2. Services Provided by Stock Broking Companies

1. Broking Services

A broker is an individual or firm that acts as an intermediary between an investor and a securities exchange. Because securities exchanges only accept orders from individuals or firms who are members of that exchange, individual traders and investors need the services of exchange members. Brokers provide that service and are compensated in various ways, either through commissions, fees or through being paid by the exchange itself. Investors trade in equity in the cash-delivery, cash-intraday, futures and options, and indices-derivatives segments through various order types, including market orders, stop-loss orders, and valid-till-cancelled orders.

i) **Products:** The broking business primarily comprises broking services that offer retail clients trading in equities, equity derivatives, commodities and currency derivatives. The products for broking services for clients to trade in are as follows:

- Equities: Stocks listed on BSE and NSE.
- Equity Derivatives: Futures and options related to indices and stocks listed on the Stock Exchanges.
- Currency: Derivatives and futures and options in U.S. Dollars, Euros, British Pounds, and the Japanese Yen.
- Commodities: Commodities futures and options listed on MCX and NCDEX.

ii) **Client Acquisition:** The broking business is anchored by a retail client. Acquisition of clients is done either directly by the broking firm itself or through its exclusive Authorised Persons network. This may be done through organic leads, paid leads or dedicated sales teams through both online and offline channels.

iii) **Platforms:** Broking services are provided through various web, digital and exe. platforms. Almost all broking companies have their websites on which clients do trading on the stock market. Nowadays, mobile applications have also become a necessary platform for all brokers as people prefer trading in stock through their smartphones.

2. Research Services

Broking companies have a dedicated research team that publishes research reports on a daily, weekly and monthly basis for their clients, to enable them to make informed investment decisions across equity, commodity and currency segments.

3. Investment Advisory

Brokers provide investment advisory services to their retail clients with customized investment recommendations that assist their clients in achieving their investment goals across various investment avenues such as equities, debt, currency, commodities, derivatives, mutual funds and insurance products.

4. Investor Education

The website of various broking companies is a knowledge centre that aims to empower investors, including their clients, with an understanding in respect of trading and investments products.

5. Other Financial Services: In addition to broking and advisory services, various brokers also provide the following financial services that enable their clients to achieve their financial goals:

- **Margin Trading Facility:** They provide a margin trading facility to the clients for leveraging their eligible collaterals by funding their requirements on the cash delivery segment of equities. Such funding is subject to exposure against margins that are mandated by the stock exchanges, with the securities forming a part of the collateral for such funding.
- **Distribution:** They undertake the distribution of third-party financial products such as mutual funds, and health and life insurance products, according to their clients' requirements. Such distribution is undertaken through both offline channels and digital platforms.
- **Loans against shares:** Few broking companies, which are registered as NBFC, provide loans against shares to their retail clients.

5.3. **Digital Trading Platforms provide Brokerages with Enhanced Scalability**

With the domestic brokerage industry evolving, various brokers distinguish themselves from others in terms of their service offering to the customers including lower fees, lower maintenance charges, faster turnaround times for account opening, better security features, faster access to systems, etc.

In addition, the evolution of technology has helped them further penetrate their target customer segment faster. It offers the ease of scalability, which reduces their operating cost per customer and improves their profitability. Facilities supplementing mobile-based trading, such as live TV, advanced research reports, push notifications, enhanced price discovery settings, etc., help enhance the user experience for their customers helping them with better retention.

With the advent of modern platforms, brokers have put in place infrastructure that lowers the variable operating cost per customer considerably due to its scalable nature. The same platforms that cater to existing clientele can scale up to accommodate multiple new users. This helps them price their offerings lower and, in many cases, charge fixed transaction-based fees or even charge no fee for delivery-based transactions.

5.4. **Various Services offered to a Diverse Set of Customers**

These brokerages further offer services to either individuals or even institutions, which usually perform high-value transactions, requiring higher technical support such as high-frequency data, algorithm implementation, and testing capabilities, co-locations, trade automation, etc., which, with the better infrastructural setup, becomes easier to implement and offer.

Table 12: Key Differences between Institutional and Retail Broking

Parameter	Institutional broking	Retail broking
Number of investors	Low	High
Average ticket size	High	Low to moderate
Brokerage fee	About 20-30 bps lower than retail	Rates depend on volumes and customer's relationship with the broker
Type of trades	Mostly block trades	Small to moderate quantities
Technical support	Requires high technical support, systems like algorithmic trading, co-locations, automation of trades, etc.	Requires low to moderate technical support; some retail investors also engage in facilities such as algorithmic trading, etc.
Industry analysis	Requires high level of industry and company analysis	May or may not require company analysis
Frequency of trades	Low	High to low
Bargaining power with brokerage house	High	Low

Source: Industry Sources, CareEdge Research

5.5. **Registered Stock Brokers in India**

As of 30th April 2024, there are over 126 stockbrokers registered with National Stock Exchange (NSE). As of 22nd May 2024, there are 1,240 trading members registered with BSE in equity segment.

Table 13: Top 25 stock brokers as of 30th April 2024

Sr No.	Name of Stockbroker	Type of Broker	Date of Incorporation	No. of Active Clients	% of Market Share
1	Nextbillion Technology Private Limited	Discount	04-May-16	99,31,232	26.8%

Sr No.	Name of Stockbroker	Type of Broker	Date of Incorporation	No. of Active Clients	% of Market Share
2	Zerodha Broking Limited	Discount	25-Sep-18	73,92,836	19.9%
3	Angel One Limited	Discount	08-Aug-96	63,02,598	17.0%
4	Upstox Securities Private Limited	Discount	06-Apr-09	25,55,618	6.9%
5	ICICI Securities Limited	Full-Service	09-Mar-95	18,62,161	5.0%
6	Kotak Securities Limited	Full-Service	20-Jul-94	12,48,531	3.4%
7	HDFC Securities Limited	Full-Service	17-Apr-00	11,14,215	3.0%
8	Motilal Oswal Financial Services Limited	Full-Service	18-May-05	8,93,218	2.4%
9	Sbicap Securities Limited	Full-Service	19-Aug-05	8,91,155	2.4%
10	Paytm Money Limited	Discount	20-Sep-17	7,97,157	2.1%
11	Sharekhan Limited	Full-Service	20-Apr-95	6,71,884	1.8%
12	5paisa Capital Limited	Discount	10-Jul-07	5,50,689	1.5%
13	Moneylicious Securities Private Limited	Discount	30-Jul-12	5,12,564	1.4%
14	Iifl Securities Limited	Full-Service	21-Mar-96	4,44,044	1.2%
15	Mirae Asset Capital Markets (India) Private Limited	Discount	06-Oct-17	3,83,186	1.0%
16	Indmoney Private Limited	Discount	22-Oct-21	3,73,042	1.0%
17	Axis Securities Limited	Full-Service	21-Jul-06	3,71,589	1.0%
18	Geojit Financial Services Limited	Full-Service	24-Nov-94	2,46,824	0.7%
19	Fyers Securities Private Limited	Discount	30-Oct-18	2,31,738	0.6%
20	Choice Equity Broking Private Limited	Full-Service	09-Jan-10	1,97,727	0.5%
21	SMC Global Securities Limited	Full-Service	19-Dec-94	1,82,535	0.5%
22	Nuvama Wealth And Investment Limited.	Discount	07-Feb-08	1,74,917	0.5%
23	Alice Blue Financial Services Private Limited	Discount	01-Mar-17	1,65,397	0.4%
24	Religare Broking Limited	Full-Service	20-Jul-16	1,45,382	0.4%
25	Nirmal Bang Securities Private Limited	Full-Service	12-Sep-97	1,43,486	0.4%

Source: NSE, CareEdge Research

5.6. Complaint Ratio of Stockbrokers

Sr. No	Trading Member	Number of active clients	Number of complaints received against trading member	Number of complaints received as against number of active clients (%)
1	Nextbillion Technology Private Limited	99,31,232	91	0.00%
2	Zerodha Broking Limited	73,92,836	101	0.00%
3	Angel One Limited	63,02,598	157	0.00%
4	Upstox Securities Private Limited	25,55,618	23	0.00%
5	Icici Securities Limited	18,62,161	165	0.01%
6	Kotak Securities Limited	12,48,531	81	0.01%
7	Hdfc Securities Limited	11,14,215	39	0.00%
8	Motilal Oswal Financial Services Limited	8,93,218	79	0.01%
9	Sbicap Securities Limited	8,91,155	12	0.00%
10	Paytm Money Limited	7,97,157	32	0.00%
11	Sharekhan Limited	6,71,884	30	0.00%
12	5paisa Capital Limited	5,50,689	39	0.01%
13	Moneylicious Securities Private Limited	5,12,564	9	0.00%
14	IIFL Securities Limited	4,44,044	46	0.01%
15	Mirae Asset Capital Markets (India) Private Limited	3,83,186	121	0.03%
16	Indmoney Private Limited	3,73,042	6	0.00%
17	Axis Securities Limited	3,71,589	21	0.01%
18	Geojit Financial Services Limited	2,46,824	7	0.00%
19	Fyers Securities Private Limited	2,31,738	17	0.01%
20	Choice Equity Broking Private Limited	1,97,727	18	0.01%
21	Smc Global Securities Limited	1,82,535	19	0.01%
22	Nuvama Wealth And Investment	1,74,917	16	0.01%

Sr. No	Trading Member	Number of active clients	Number of complaints received against trading member	Number of complaints received as against number of active clients (%)
	Limited			
23	Alice Blue Fin Svcs Private Limited	1,65,397	28	0.02%
24	Religare Broking Limited	1,45,382	9	0.01%
25	Nirmal Bang Securities Private Limited	1,43,486	12	0.01%

Source: NSE, CareEdge Research

As per data published by NSE, majority of the above-mentioned trading members have more than 30% complaint resolving ratio as of 30th April 2024. High complaint resolving ratio indicates that trading members are efficiently redressing the grievances of their clients.

5.7. Value-Added Service

To position themselves better, brokers often offer enhanced graphical user interfaces with modern charting techniques, strategy-building tools to trade in derivatives, offer margin and credit facilities, high-frequency data feed, etc. These modern-day facilities require significant infrastructure and technological capability in which these players have actively invested.

While players have scaled up their technology infrastructure significantly, additional expenses, such as manpower, branches, and costs associated with scaling up in newer geographies, etc., have come down because of the digitalization of their operations and this has encouraged several broking entities to ramp up their technology investments to survive in the market.

Additionally, stock brokers also guide their clients in making informed decisions by providing research and analysis on different securities, including stocks, bonds, and mutual funds. Stock brokers can also manage investment portfolios on behave of their clients.

5.8. Key growth Drivers

Low Broking Charges and the Advent of Technology-Abundant Players

The entry of discount brokers and foreign banks has led to increased competition in the market. This has led to broking firms lowering their brokerage charges which has made broking cost effective for clients. Low brokerage charges of brokerage firms have primarily driven the number of clients in stock broking firms.

Brokers that have technological infrastructure offer more convenient and quick services like the use of online demat accounts. With the rising mobile and internet penetration of clients, online transactions have increased significantly. This has further eliminated the paperwork and streamlined the process. With the brokerage process becoming quicker and more efficient, the brokerage cost has declined, leading to declined brokerage charges of customers.

Surging Demand for Financial Products

With the increased financial literacy and awareness about bank accounts and financial planning, the demand for financial products has seen a surge as people move away from traditional ways of saving, shifting to saving through financial assets. This shift will also contribute to the stock broking industry growth.

Increase in Trade volumes

Rapid advances in technology have reduced both transaction time and costs. At the same time, brokers have been able to improve their reach and increase penetration by investing in online trading platforms. Technological advancements along with a rapid increase in smartphone penetration have resulted in an increase in the trade volume for the stockbroking business.

1) Futures

Table 14: Business Growth in Futures Segment

Year	Index Futures		Stock Futures	
	No. of contracts	Turnover (Rs. Crores)	No. of contracts	Turnover (Rs. Crores)
FY24	8,58,26,189	74,17,117	32,53,99,952	2,55,46,967
FY23	10,47,37,382	95,20,738	28,41,26,341	1,90,72,304
FY22	9,36,62,982	84,29,378	26,56,09,687	2,10,38,938
FY21	12,75,99,626	90,47,646	25,28,30,922	1,80,98,365
FY20	9,47,77,881	67,01,072	25,73,80,338	1,49,19,551

Source: NSE, CareEdge Research

During FY24, the turnover of index futures dipped by 22.10% over FY23, while the turnover of stock futures grew by nearly 33.75% over FY23 reaching around Rs. 255.47 lakh crores.

Options

Table 15: Business Growth in Options Segment

Year	Index Options		Stock Options	
	No. of contracts	Turnover (Rs. Crores)	No. of contracts	Turnover (Rs. Crores)
FY24	93,65,20,71,252	1,38,19,564	1,13,76,47,324	13,78,031
FY23	40,54,19,32,269	1,09,55,556	83,49,73,590	9,32,701
FY22	17,62,33,55,691	58,42,330	67,75,12,461	10,38,830
FY21	7,82,40,35,680	26,29,426	33,03,94,648	5,79,352
FY20	4,58,66,92,584	10,82,514	19,83,77,569	2,29,034

Source: NSE, CareEdge Research

During FY24, the turnover of index options grew by nearly 26.14% y-o-y reaching around Rs. 138.2 lakh crores while the turnover of stock options also grew by around 47.73% y-o-y reaching around Rs. 13.8 lakh crores.

Commodity Derivatives

Commodity Derivatives markets are a good source of critical information and indicators of market sentiments. Since commodities are frequently used as input in the production of goods or services, uncertainty and volatility in commodity prices and raw materials make the business environment erratic, unpredictable, and subject to unforeseeable risks.

Table 16: Commodity Derivatives Segment

Year	Commodity Futures	
	No. of contracts	Turnover (Rs. Crores)
FY24	1,11,228	5,429
FY23	267	14
FY22	31,059	2,273
FY21	56,083	5,484
FY20	1,45,554	6,362

Source: NSE, CareEdge Research

For the past three financial years, the commodity futures segment saw de-growth on account of muted demand for specific commodities such as copper, soybean, zinc, nickel, aluminium, and others, alongside commodity prices amid inflation and the impact of the ongoing geopolitical tensions in the second half of FY22. This has trend has continued during FY23 as the commodity prices have surged and the

uncertainty surrounding the geo-political tensions between countries has significantly impacted the overall stability of the global economy.

During the FY24, the commodity futures segment saw a significant surge in the number of contracts and turnover value as compared to the previous year. This growth is supported by moderation in commodity prices of specific commodities such as copper, soybean, and wheat compared to FY23.

2) Currency Future

A currency future, also known as FX future, is a futures contract to exchange one currency for another at a specified date in the future at a price (exchange rate) that is fixed on the purchase date.

Table 17: CD Segment

(Rs. Crores)

Year	Currency Futures		Currency Options		
	No. of contracts	Turnover	No. of contracts	Notional Turnover	Premium Turnover
FY24	85,19,02,719	72,01,742	3,37,03,18,509	2,79,42,296	30,405
FY23	1,24,14,22,291	1,01,15,658	3,45,61,25,588	2,79,71,145	47,540
FY22	90,81,93,503	70,56,916	1,88,36,85,344	1,41,16,947	24,994
FY21	73,67,40,585	57,17,820	85,89,51,441	63,82,391	14,764
FY20	65,42,63,323	48,43,160	67,55,66,231	48,13,945	13,202

Source: NSE, CareEdge Research

3) Interest Rate Futures

An Interest Rate Futures contract is "an agreement to buy or sell a debt instrument at a specified future date at a price that is fixed today." The underlying security for Interest Rate Futures is either a Government Bond or a T-Bill. Exchange-traded Interest Rate Futures on NSE are standardized contracts based on 6-year, 10-year and 13-year Government of India Security (NBF II) and 91-day Government of India Treasury Bill (91D TB). All futures contracts available for trading on the NSE are cash-settled.

Table 18: Interest Rate Derivatives

Year	Volume	Turnover (Rs. Crores)
FY24	14,71,765	29,571
FY23	13,70,182	26,296
FY22	13,53,692	26,357
FY21	48,00,806	97,391
FY20	1,77,27,915	3,60,818

Source: NSE, CareEdge Research

The volume of trades in the interest rate derivatives segment had been on a declining trend for three financial years ending FY22, the decline was on account of fluctuations in interest rates that subsequently led to a decline in turnover. During FY24, although the volume of contracts witnessed marginal improvement, the turnover almost remained flat. During FY24, the interest rate derivatives segment saw growth of 12.45% over FY23, this is mainly on account of RBI's decision to pause interest rate hikes in order to curb inflationary pressures.

5.9. Major Challenges

Lower Broking Margins

There is tremendous competition for Indian Full-service Brokers from Discount Brokers and Foreign Banks. Discount brokers give a maximum of Rs.20 trade for execution, which puts significant price pressure on full-service brokers. The broking margins are so slim that the companies struggle to meet their fixed costs with any variable volume revenue models in the industry. This puts a lot of pressure on brokers to encourage "churning" or over-trading, which makes retail investors lose money in the long run.

The easiest way for a retail investor to make money is to stay invested in a well-diversified basket of good-quality stocks over a long period. However, foreign banks spoil the party further by bringing a large volume of overseas clients, who trade a large number of Indian shares and move the price up or down at their own whims and fancies.

Lower Retail Investor Participation

The traditional investment preference of Indians in real assets like gold or real estate has not helped the industry as a whole. After several investor awareness sessions are held by brokers/NSE, people are gradually warming up to the idea of equity investing. However, the pace of people adopting financial assets is still low.

The past scams, lack of understanding of volatility, and the cultural obsession with gold land have not helped fellow Indians in taking a meaningful pie of shares. Finally, the unfortunate reality is that foreign investors are harboring India's growth story (and rising stock market) due to the lack of Indian retail participants.

Increasing Costs and Additional Investments

Stock markets are always evolving. They add newer products and technologies and provide newer opportunities to trade. Brokerages need to invest in newer technologies trading platforms and algorithms continuously or risk-losing trading clients. For example, the addition of commodity or currency segments involves additional expenses for brokers to enable the trading and settlement infrastructure for the new products.

Likewise, the adoption of mobile technologies involves investment in applications and portfolio management systems which further increase costs. Besides, brokers need to pay their staff exchange memberships and other infrastructure in order to make a profit.

5.10. Way Forward

Brokerage firms in India have seen the opportunity for hassle-free trading using design and technology to reduce costs for their customers. Low-cost trading, deeper penetration of smartphones, faster internet, and simplification of trading applications will make it possible for an increasing percentage of people across age groups to trade with ease. Technology-based firms in the financial services space have empowered customers with tools and insights for savvier investment decisions.

The Indian stock broking industry is expected to clock healthy growth on an aggregate basis, small-and-mid-sized brokerage companies are expected to face greater operational and funding challenges, which could have a bearing on their performance in terms of growth and profitability. CareEdge estimates the total income of the stock broking industry is likely to have reached around Rs. 430 billion in FY24. Also, as per our research, the total income of the stock broking industry is likely to get close to or cross 1,000 billion by 2030.

This growth is likely to be influenced by the ongoing geo-political tensions between Russia-Ukraine, which have impacted various sectors such as the oil, automobile, edible oil, and agriculture sectors apart from the financial market. Further, the rise in interest rates by central banks of various countries to combat inflation is likely to affect investor sentiments, thereby further impacting the growth of the stock market industry.

Furthermore, new client additions in the industry are expected to remain healthy supported by the largely untapped market in the retail segment, coupled with favorable demographics, rising financial literacy, and increasing smartphone/internet penetration. The trend of consolidation is expected to continue with smaller broking players ceding market share to more established broking entities.

Moreover, with increased awareness about investing, a shift in attitude towards growing wealth over preserving wealth and advancement in technologies and large trading volumes, the domestic brokerage

industry will display good growth in coming years.

6. Insurance Broking Industry in India

Insurance brokers act as an intermediary for insurers and insuree. They act as advisors, assessing your insurance needs, recommending policies from their partner insurers, and potentially negotiating premiums on customer's behalf. These are namely of two types Traditional insurance brokers and Fintech insurance aggregators. Traditional brokers are licensed intermediaries who connect insurance companies (insurers) with potential customers (insuree). They assess the needs of insuree, recommend policies from various insurers, help negotiate premiums, and assist with claims filing. Further, traditional brokers relay on physical interactions, have limited product range based on insurer partnerships and can be potentially biased towards companies offering higher commissions.

Unlike traditional brokers Fintech insurance aggregators are online platforms that leverage technology to streamline insurance buying. They aggregate plans from multiple insurers, allowing for comparison on features, price, and coverage terms. This transparency empowers customers to make informed decisions based on their specific needs and budget. They may also offer policy recommendations, allow direct purchase of insurance and provide claim assistance.

Further, Fintech aggregators have streamlined the insurance buying process by making it possible to purchase policies directly online. This eliminates the need for multiple visits to insurer offices or broker agencies, saving customers valuable time and effort. Fintech aggregators have the ability to offer 24/7 access to information and often support. These enhanced customer service can attract customers who are looking for information regarding insurance offerings outside of regular business hours or prefer the convenience of online self-service options.

Prior to the entry of fintech's insurance was perceived as a complex product requiring the guidance of an agent to navigate the intricacies of different policy options and understand the often-convoluted wording. However, with rise in fintech's customers are becoming increasingly aware and shifting their focus towards fintech aggregators and their insurance offerings. This shift is largely driven by the ability of fintech platforms to provide comparison, price competition, standardized products, customer service and claim settlement records.

In terms of sources of income both traditional brokers and fintech aggregators generate income primarily through commissions earned from insurers for policies sold. These commissions are typically a percentage of the premium amount. Some aggregators may also offer additional fee-based services for premium features, such as advanced financial planning or personalized consultations tailored to an individual's unique financial situation.

7. Insurance Industry in India

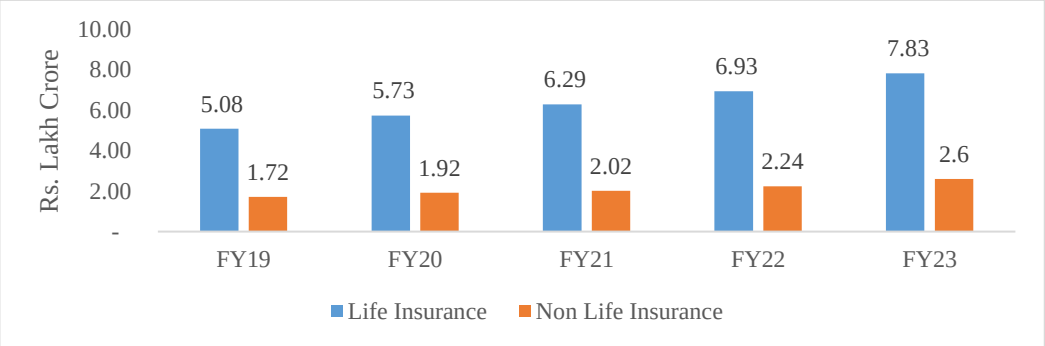
7.1. Introduction to Insurance Industry

The insurance industry seeks to protect a country's people, assets and businesses. Hence, the business of insurance has always been closely linked to a country's business performance and asset ownership.

Life insurance protects the livelihoods of people and future earnings and has a direct correlation with the earnings of people, their business performance and net worth. General insurance protects assets and businesses and their valuation as well as overall economic activity. Hence, a popular way of measuring insurance penetration is to benchmark it with the GDP of a country.

The insurance industry directs pooled funds towards those who need them the most and acts as a massive investor in infrastructure and government bonds, thus indirectly funding large-scale government and private projects. The industry also generates large-scale employment by employing people as agents, distributors and service providers, and thus plays a fundamental role in strengthening the country's economy. In FY18, the life insurance industry recorded a premium income of Rs. 4.6 lakh crores, which increased by around 70% to Rs. 7.83 lakh crores in FY23. The non-life insurance industry collected gross direct premiums worth Rs. 1.53 lakh crores in FY18, which in FY23 grew to Rs. 2.60 lakh crores.

Chart 26: Total Insurance Premium



Source: IRDAI, CareEdge Research

Currently, the insurance penetration in India has been steadily increasing, with life insurance penetration driving the growth of insurance industry. India's insurance industry is still under penetrated and there is significant market opportunity in this segment. India is poised to emerge as one of the fastest-growing insurance markets in the coming decade.

7.2. Life Insurance Industry in India

Life insurance is one of the fastest growing sectors in India since 2000. Parliament on March 22 passed the Insurance Amendment Bill 2021 to increase the foreign direct investment (FDI) limit in the insurance sector to 74% from 49%. As of Mar-24, there were total of 24 players in Life Insurance Sector off which LIC of India is the only public sector company. LIC of India is the largest player in India having market share of 61% as of Mar-24 (based on first-year premium).

First Year Premium of life insurers declined by 12.6% to Rs 52,081 crore in Mar-23. On the other hand, the premiums increased by 15.6% to Rs 60,214 crore in Mar-24. In FY23, life insurance companies exhibited significant top-line growth, attributable to factors such as it being the first full year unencumbered by Covid-related constraints, an increase in the non-participating (non-par) segment during the last quarter of FY23, along with a rise in term policies (protection plans). After this strong growth in FY23, the industry has witnessed a slowdown over FY24. The fall in performance can be attributed to customers purchasing insurance policies, prior to the implementation of budgetary changes and deceleration in group business. The life insurance enterprises have been strategically adjusting their policy portfolio to promote growth, albeit at a more measured pace in FY24. Further, the companies would have to increase the operating tempo as they would have to sell more policies to generate similar premiums as high-value policies become unattractive due to the new tax regime.

7.2.1. Movement of Monthly New Business Premium (Rs. Crores)

Month	FY22	FY23	FY24	FY23 vs. FY22	FY24 vs. FY23
April	9,739	17,940	12,565	84.20%	-30.10%
May	12,977	24,480	23,478	88.60%	-4.10%
June	30,009	31,255	36,962	4.20%	18.30%
July	20,435	39,079	27,867	91.20%	-28.70%
August	27,821	32,856	26,789	18.10%	-18.50%
September	31,001	36,367	30,716	17.30%	-15.50%
October	21,606	24,917	26,819	15.30%	7.60%
November	27,177	35,459	26,495	30.50%	-25.3%
December	24,466	26,838	38,583	9.70%	43.8%
January	21,957	26,424	33,560	20.30%	27%
February	27,465	22,848	33,913	-16.80%	48.4%
March	59,609	52,081	60,214	-12.60%	15.6%

Source – IRDAI, Life Insurance Council, CareEdge Research

FY24 new business premiums of life insurers grew by a modest 2.0% compared to a growth of 17.9% in FY23. The flattish y-o-y growth can be attributed to the introduction of the new tax regime, flat group premiums, and the significant momentum experienced in March 2023. While private insurance companies have maintained growth and have continued to play a mitigating role by counteracting the dip in LIC premiums, their pace has been subdued compared to the prior year. Meanwhile, for two years (FY22-FY24), private companies grew at a CAGR of 16% compared to the 5.8% growth reported by LIC and 9.7% by the industry.

7.3. First Year Premium Growth of Life Insurance Companies

(Rs. Crores)

Insurer	FY22	FY23	FY24	FY22 vs. FY23	FY23 vs. FY24
Private Total	**1,15,503**	**1,38,644**	**1,55,437**	**20.0%**	**12.1%**
Individual Single	17,066	19,444	20,426	13.9%	5.1%
Individual Non-Single	53,370	66,434	71,829	24.5%	8.1%
Group Single	37,619	43,749	53,719	16.3%	22.8%
Group Non-Single	401	161	172	-59.8%	6.7%
Group Yearly Renew	7,046	8,857	9,292	25.7%	4.9%
LIC	**1,98,760**	**2,31,899**	**2,22,523**	**16.7%**	**-4.0%**
Individual Single	24,806	25,624	24,992	3.3%	-2.5%
Individual Non-Single	30,016	33,016	32,605	10.0%	-1.2%
Group Single	1,37,350	1,67,235	1,58,529	21.8%	-5.2%
Group Non-Single	5,249	5,181	4,367	-1.3%	-15.7%
Group Yearly Renew	1,339	844	2,030	-37.0%	140.5%
Grand Total	**3,14,262**	**3,70,543**	**3,77,960**	**17.9%**	**2.0%**
Individual Single	41,872	45,067	45,418	7.6%	0.8%
Individual Non-Single	83,386	99,449	1,04,433	19.3%	5.0%
Group Single	1,74,969	2,10,984	2,12,248	20.6%	0.6%
Group Non-Single	5,651	5,342	4,540	-5.5%	-15.0%
Group Yearly Renew	8,385	9,701	11,321	15.7%	16.7%

Source – IRDAI, Life Insurance Council, CareEdge Research

Private companies have reported muted growth for March 2024 given the significant activity reported in March 2023, which grew as the tax savings on high value policies were being phased out. For FY24, private companies have continued their growth compared to LIC's fall. The marginal aggregate increase can be attributed to higher momentum in March 2024, reduced single premiums, primarily LIC and changes in the tax regime.

7.4. Movement in Premium Type of Life Insurance Companies

(Rs. Crores)

Premium Type	FY22	FY23	FY24	FY23 Growth	FY24 Growth
Single	2,16,841.2	2,56,051.1	2,57,666.1	18.1%	0.6%
Non-Single	97,421.2	1,14,492.0	1,20,294.3	17.55%	5.1%

Source – IRDAI, Life Insurance Council, CareEdge Research

For FY24, the non-single premiums rose by 5.1% compared to the 17.55% reported in FY23, while single premiums rose by a just 0.6% FY24 compared to the 18.1% in FY23. Single premiums continue to account for a substantial portion of the overall first-year premiums.

The private sector has a larger share in the non-single sub-segment (mainly individual premiums), while LIC continues to dominate the single premium sub-segment, especially the group business. Pension plans, General Annuity and Group Gratuity Schemes account for a significant chunk of the group while General annuity plans dominate individual single premiums.

7.5. General Insurance Industry in India

The insurance segment in India is divided into two categories – life insurance and general insurance. While life insurance policies cover the financial loss suffered due to loss of life, general insurance policies cover the financial loss suffered due to the loss of an asset. General insurance, therefore, covers

the loss of economic value of assets or the financial loss suffered due to specific contingencies. General insurance has different types of plans, each of which is designed to cover specific risks related to health, motor, fire, travel or any assets etc.

As of Mar-23, there were total of 31 players in general insurance sector off which there are 24 general insurers, 5 health insurers and 2 specialized insurers. For FY24, General Insurance industry recorded growth of 12.8% y-o-y over FY23, there by crossing Rs. 2.8 lakh crores gross direct premium underwritten.

7.5.1. Movement in Segment Premium (Rs. Crores)

Segment	Gross Direct Premium			Growth Rate %	
	FY22	FY23	FY24	FY23 vs. FY22	FY24 vs. FY23
Health	73,598	90,668	1,09,007	23.2%	20.2%
Motor	70,434	81,292	91,781	15.4%	12.9%
Fire	21,548	23,933	25,659	11.1%	7.2%
Personal Accident	6,904	7,013	7,745	1.6%	10.4%
Marine	4,168	5,058	5,080	21.4%	0.4%
Liability	4,191	4,863	4,825	16.0%	-0.8%
Engineering	3,563	4,281	5,401	20.1%	26.2%
Aviation	852	889	1,052	4.3%	18.4%
All Other Misc.	35,543	38,922	39,189	9.5%	0.7%
Grand Total	**2,20,800**	**2,56,920**	**2,89,738**	**16.4%**	**12.8%**

Source – IRDAI, CareEdge Research

For FY24, Health, Motor, Fire, Engineering, Aviation have shown growth compared over FY23.

- The health segment has been the primary contributor of the non-life insurance industry since the beginning of the Covid-19 pandemic. This has resulted in the segment increasing its market share from 35.3% in FY23 to over 37.6% in FY24.
- The Aviation segment has grown by 18.4% for FY24 reaching Rs. 889 Crores.
- In addition, the overseas medical has been on a growth trajectory as international air travel has increased.
- The Motor insurance segment has continued to pick-up in FY24, showing a growth rate of 12.9% reaching Rs. 91781 crores. This growth is on account of low base, increase in Motor third party rates and increase in sales of vehicles.

7.5.2. Movement in Gross Direct Premium Underwritten

(Rs. Crores)

Insurers	FY22	FY23	FY24	FY22 vs. FY23	FY23 vs. FY24
Public General Insurers	75,132.6	82,891.3	90,344.5	10.3%	9.0%
Specialized PSU Insurers	15,046.9	15,817.3	11,190.4	5.1%	-29.3%
Private General Insurers	1,09,753.3	1,31,941.8	1,55,079.7	20.2%	17.5%
SAHI	20,867.2	26,243.9	33,116.0	25.8%	26.2%
Total	**2,20,800.0**	**2,56,894.2**	**2,89,730.6**	**16.3%**	**12.8%**

Source – IRDAI, CareEdge Research
Note: YTD includes period from April – October

- General Insurers' witnessed a growth of 12.8% as compared to last year. This growth is majorly driven by the Aviation, group health and motor segments.
- For FY24, while the Standalone Private Health Insurers (SAHI) continued their growth path the growth rate was similar in the current year as compared to previous year.
- The Specialized PSU Insurers saw a degrowth of approx. 29.3%, the slowdown was on account of the normalized growth in the government and retail health schemes in the current year, while previous year, the same had posted decent growth.

7.6. Outlook

Insurance demand is positively correlated with economic growth and grows at a multiple to the GDP. CareEdge expects in the near term the growth of life insurers is likely to be supported by the expansion of non-par business, increase in term policies (Protection plans) while the demand for Annuity is expected to continue in the near term coupled with cost management. Further, the long-term growth of the life insurance segment is expected to be driven on account of the low insurance penetration and increased insurance requirements. The growth can also be driven by a push to increase insurance coverage, especially in the rural area, product innovations/customisation and enabling corporate agents to take on additional companies.

CareEdge expects the life insurance industry to continue growing at around 11-13% over a three-to-five-year horizon. The growth drivers include prudent underwriting, high GDP growth, rapid urbanisation, demand for protection plans, younger demographic driving insurance coverage, intense push to increase insurance coverage. Furthermore, the supportive regulatory landscape (ease of doing business, Bima Sugan, Bima Vahak, Bima Vistaar, consolidating the expense of management limits) is expected to drive growth of life insurance industry. The launch of Bima Sugam Portal by IRDAI can facilitate more safety for the policyholders as there is no need to store the physical documents and it also reduces paperwork This digital platform can act as a comprehensive solution to cater to all the insurance needs of the policyholders. Factors such as growing awareness about insurance, new product innovations, digitalisation for easier user interface and expansion of reach in rural areas are expected to contribute towards the growth of the industry.

As per CareEdge estimates, the health insurance segment crossed Rs 1 lakh crores mark, and Motor insurance premiums crossed Rs. 85,000 crore mark in FY24. CareEdge estimates that the Indian non-life insurance market would grow by approximately 13-15% over the medium term. The industry’s growth will continue to be driven by the health and motor insurance segments as they account for around 68% of the premiums. The growth would be driven by macroeconomic factors such as higher GDP growth, and an expected rise in per capita / disposable income levels.

The overall business growth would also be supported by a favourable regulatory environment such as the denotification of tariffs can enable companies to design innovative products across segments, minimum rural, social and motor third-party obligations, and Bima Sugam platform. Further a stabilisation in loss ratios, and a focus on containing overall expenses (commission and operating expenses) and strengthening distribution networks can also contribute to the sector's growth. However, intensification of competition and an uncertain geopolitical environment and high inflation, can negatively impact economic growth and subsequently the non-life insurance sector.

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OUR BUSINESS

Unless otherwise stated or the context requires otherwise, references in this section to "we", "us" or "our" refers to SMC Global Securities Limited.

*Some of the information in the following section, specifically the information in relation to our plans and strategies, contain certain forward-looking statements that involve risks and uncertainties. You should read "**Forward Looking Statements**" on page 14 for a discussion of risks and uncertainties related to those statements and also "**Risk Factors**" on page 19, for a discussion of certain factors that may affect our business, financial condition, cash flows or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.*

Overview

Established in the year 1994, we have a diversified financial services business model with presence in brokerage services, portfolio management services, investment banking, wealth management, distribution of financial products, financing (NBFC), insurance broking, real estate brokerage, clearing and depository services, fixed income securities, financial, mortgage and loan advisory services. As of March 31, 2024, we service our clients through a network of 188 branches including one international branch in Dubai and 2,327 registered Authorised Persons spread over 437 cities across India.

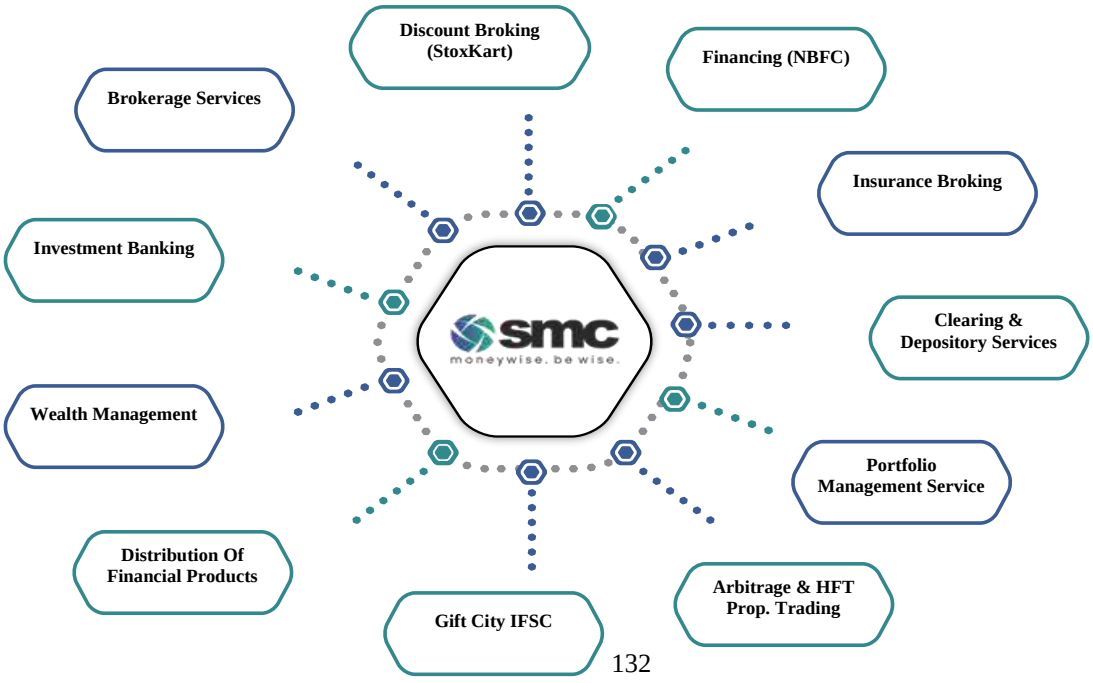
Our Company's Shares were offered to the public through an initial public offering in the year 1995 and currently the equity shares of our Company are listed and traded on the NSE and BSE. Over the years, we have diversified our product and service offerings which can be broadly classified as follows:

- **Broking, Distribution and Trading:** It comprises of brokerage on dealing in shares, commodities, currency, derivatives and other securities on behalf of customers, proprietary trading in shares, commodities and other securities, clearing service, depository services, distribution of third-party financial products, fund management service, portfolio management services, real estate broking, mortgage and loan advisory and investment banking services.

- **Insurance Broking services:** It comprises providing broking services in life and non-life insurance products.

- **Financing (NBFC)**: It comprises the business of providing loans.

  The pictorial representation of brief of our services are as follows:



We are structured to operate our current businesses through the following entities:

Business Entity	Primary Business Focus	Ownership of SMC Global	Membership/ Registration
SMC Global Securities Limited	▪ Equities – Cash, and Derivatives brokerage, commodities brokerage ▪ Currency brokerage, ▪ Trading and Arbitrage, ▪ Depository services, ▪ Clearing services, ▪ Portfolio Management Service ▪ Distribution of financial products; and ▪ Wholesale and Retail Debt Market	Parent Company	▪ Registered Fund Management Entity (Non-Retail) in IFSCA (International Financial Services Centres Authority) ▪ SEBI Registered Stock Broker (Equities, Cash, Derivatives, Commodities and Currency) ▪ NSE ▪ BSE ▪ NCDEX ▪ MCX ▪ Metropolitan Stock Exchange of India ▪ Clearing Member of NCL, ICCL (BSE), NCCL-NCDEX, MCXCCL ▪ SEBI Registered Portfolio Manager ▪ SEBI Registered Research Analyst ▪ Depository Participant (SEBI) ▪ NSDL and CDSL ▪ AMFI Mutual Fund Distributor ▪ Alternate Investment Fund Manager in IFSC
Pulin Comtrade Limited (formely known as SMC Comtrade Limited)	▪ Commodity trading	100%	None
SMC Comex International DMCC (UAE)	Proprietary Trading	100%	▪ Stock Broker registered with DGCX, Dubai
SMC Insurance Brokers Private Limited	Insurance broking services (life and non-life)	90%	▪ IRDAI registered Direct Insurance Broker. ▪ IRDAI Approved Person with Central Insurance Repository Limited (CIRL) & CAMS Repository Services Limited
SMC Investments and Advisors Limited	Corporate Financing and Mortgage Advisory and Wealth Management	100%	None
SMC Capitals Limited	Investment Banking and Advisory	100%	SEBI Registered Category 1 Merchant Banker.
Moneywise Financial Services Private Limited	Financing services (NBFC - Middle Layer)	100%	▪ RBI Registered NBFC (non-accepting deposits). ▪ IRDAI Corporate Agent
SMC Real Estate Advisors Private Limited	Real Estate advisory	100%	Registered with 9 states RERA authorities.

Business Entity	Primary Business Focus	Ownership of SMC Global	Membership/ Registration
SMC Global IFSC Private Limited	Brokerage on dealing in commodities and currency Trading and arbitrage	100%	▪ Trading member on India INX. ▪ Trading cum Clearing member on NSE IFSC Limited. ▪ Clearing Member of India International Clearing Corporation (IFSC) Limited ▪ Clearing Member-SEBI Depository Participant in IFSC. ▪ Bullion Trading and Clearing member on IIBX IFSC Limited.
Moneywise Finvest Limited	Discount broking	100%	▪ AMFI registered Mutual Fund Distributor ▪ SEBI Registered Stock Broker - SEBI ▪ SEBI Registered - Depository Participant in CDSL

The table below sets out an operational overview of certain of our business:

(In ₹ lakhs, except specified otherwise)

Particulars	Financial Year 2023-24	Financial Year 2022-23	Financial Year 2021-22
Total Equity Trading Volumes of Exchanges*	**8,81,73,35,04,345**	**3,87,09,75,76,348**	**1,77,92,15,96,760**
Our Equity Trading Volume	6,79,78,85,881	7,04,05,11,372	3,28,33,38,697
Our Market Share (%)	0.77%	1.82%	1.85%
Total Commodity Trading Volumes of Exchanges**	**2,80,63,32,352**	**1,50,13,59,135**	**1,00,27,90,590**
Our Commodity Trading Volume	3,87,59,202	3,45,06,663	4,77,36,906
Our Market Share (%)	1.38%	2.30%	4.76%
Total Currency Trading Volumes of Exchanges***	**3,77,95,86,223**	**4,46,38,67,028**	**2,77,88,18,060**
Our Currency Trading Volume	5,82,98,202	14,33,49,891	15,24,67,579
Our Market Share (%)	1.54%	3.21%	5.49%
Total number of Active Accounts with CDSL	1156	830	629
Our number of Active Accounts with CDSL	9.8	7.76	6.41
Our Market Share with CDSL (%)	0.85%	0.93%	1.02%

** Equity trading volume comprises of equity cash and equity derivative turnover at NSE, BSE and MCX-SX.*
*** Commodities trading volume comprises of MCX, NCDEX, ACE.*
**** Currency trading volume comprises of NSE, BSE, MCX-SX.*
The above volumes include our turnover as clearing and trading member.
(Source: https://www.nseindia.com/national-stock-exchange/nse-volume-business-growth, https://www.bseindia.com/market_data.html, https://www.msei.in/markets/equity/historical-data/trade-summary, https://ncdex.com/markets/volumedetails, https://www.mcxindia.com/market-data/historical-data, https://www.msei.in/markets/currency/historical-data/trade-statistics,

https://www.msei.in/markets/ird/historical-data/trade-statistics)

Our total consolidated Revenue from operations for the Fiscal years 2024, 2023 and 2022 was ₹ 163,849.69 Lakhs, ₹1,21,157.33 Lakhs and ₹1,11,693.61 Lakhs, respectively. Our revenue mix across the categories for the last three fiscal years is as follows:

(In ₹ lakhs)

Segments	Financial Year 2023-24	Financial Year 2022-23*	Financial Year 2021-22
Broking, Trading and Distribution	91,391.97	73,608.58	74,669.80
Insurance Broking	52,434.28	34,486.92	27,174.91
Financing	20,023.44	13,061.83	9,848.90
Total	**1,63,849.69**	**1,21,157.33**	**1,11,693.61**

**As per restated financial statements.*

Over the past few years, we have been awarded the following awards:

S. No.	Award	Year	Source
1.	Great Place to Work	2024	Great Place to Work, India
2.	Member Partner for New Initiatives and Market Outreach Commodity Awards	2023	NCDEX
3.	Recognized as an 'active Contributor in Multiple Segments'		NSE
4.	Recognized as 'leading Member Proprietary Trading' at MCX Awards		MCX
5.	Recognized for outstanding performance in the fixed deposit scheme by Shriram Finance		Shriram Finance
6.	Notable contribution in Demat Accounts	2022	CDSL
7.	Leading Member Options		MCX
8.	Leading Member Bullion Segment	2021	MCX
9.	Krishi Award for Contribution in Developing Retail Segment		NCDEX
10.	Leading Member Bullion Segment	2020	MCX

Competitive Strengths

We believe the following are our core competitive strengths:

1. Broking house with PAN India reach.

Our Company is a full-service broking house in India. Our branch and Authorised Persons network, spread across 437 cities and towns and our online and digital platforms enable us to reach a large population of clients across India. As of March 31, 2024, we service our clients through a network of 188 branches including one international branch in Dubai and 2,327 registered Authorised Persons with a PAN-India presence. Over the years, our Equity Trading Volume has increased from 3,28,33,38,697 Equity Shares in Fiscal 2022 to 6,79,78,85,881 Equity Shares in Fiscal 2024. Between Fiscal 2023 and Fiscal 2024, the number of our active clients increased from 1.85 Lakh clients to 2.04 Lakh clients. We believe that we have promoted our belief "One Transaction Lifetime Relationship" by developing a dedicated client base due to our client-centric approach in respect of the services we provide, user-friendly online and digital interface; and the ability to provide seamless access to all segments of the stock markets.

2. Wide range of financial products under one roof.

Through a wide range of products and services, we cater to corporate, institutional, high net worth individuals and other retail clients. We offer broking and commission generating products and services across various asset classes such as equity, commodities and currency, and other services such as depository services, clearing services, insurance broking, and the distribution of third-party financial products. We also offer investment banking, research, wealth management and real estate advisory

services to our clients.

As one of the financial institutions in India in the broking and financial products distribution segment, we believe that our ability to identify emerging trends in the Indian capital markets sector and creating businesslines and service offerings around them, has given us a competitive edge over other participants in the industry. We believe the wide range of products and services that we offer enables us to build stronger relationships with our clients and cross sell our products. In addition, our diverse portfolio reduces our dependence on any product, service or customer and allows us to exploit synergies across our businesses.

3. Well established brand with strong reputation and good recall.

We believe that our clients associate our brand with high quality services, competitiveness as well as our corporate values of integrity, trust and honesty. Our expertise in our field and the individual solutions that we provide to our customers has aided us in increasing customer loyalty, earning repeat business and customer referrals. We believe that our brand marketing exercises over the years have helped us retain our existing customers and gain new ones.

4. An ever-growing database of corporate and retail clients.

Our broking services are offered through (i) our online and digital platforms, (ii) our network of more than 2,327 Authorised Persons, 7,040 Financial Distributors, 324 Clearing & Settlement trading members as of March 31, 2024 and (iii) dedicated dealer helpdesks at our service centers in New Delhi, Mumbai and Kolkata. Over time, we have focused on increasing our online and digital presence and providing our clients with a seamless experience. We believe that we have developed a strong retail client base, over time, with 2.04 Lakhs active clients as of March 31, 2024. The number of direct clients who have been acquired through our online and digital platforms has increased from 9.37 Lakhs clients in Fiscal 2023 to 10.57 Lakhs in Fiscal 2024.

5. Extensive corporate relationships.

Over the years, SMC has developed considerable relationships with corporate clients in different spheres of its businesses including (i) the corporates trading members getting clearing services in different segments; (ii) the corporate clients trading in different business segments; and (iii) the corporates registered with SMC as Authorised Persons and Independent Financial Distributors.

6. Consistent financial performance.

Our total consolidated Income and net profit has increased from ₹1,21,565.46 Lakhs and ₹12,039.62 Lakhs in Fiscal 2023 to ₹1,64,504.18 Lakhs and ₹18,827.65 Lakhs in Fiscal 2024, respectively, representing an increase of 35.32% and 56.38% respectively. As of Fiscal 2024, our return on net worth was 15.96%. We are also paying dividends to our shareholders consistently and our Dividend Payout Ratio was 17.82% in Fiscal 2024. While our revenues have been growing, we have focused on managing our costs by leveraging the efficiencies inherent in our technology-based business model, which we believe is evolving, scalable and asset-light.

7. Market share in the cash and commodity segment.

Our broking, distribution and advisory services are backed by robust infrastructure. We leverage our strong research capabilities and capitalize on proprietary analytical models to analyze information and make informed investment and trading recommendations to our clients. With our dedicated research team and experienced professionals to understand the needs of our clients, we believe that we are well positioned to provide value added investment advice.

8. Experienced board of directors and management team.

Presently our Board consists of 12 directors, most of whom possess experience in the financial services sector. Our individual Promoters, Subhash Chand Aggarwal and Mahesh C Gupta, are qualified

chartered accountants with over three decades of experience each in the financial services industry. We believe that our senior and middle management personnel have experience and in-depth industry knowledge and expertise and are supported by a capable and motivated pool of employees. We believe that our management's entrepreneurial spirit, leadership skills, insight into the market and customer needs provide us with a competitive advantage which will help us implement our business strategies.

9. Continuous Investment in Technology, Infrastructure & Innovation.

We have invested in technology, infrastructure and innovation to address the needs of our customers, partners and other stakeholders. Core platforms and applications have been developed in this regard which are as follows:

a. **STOXKART Mobile App** – It is a Discount broking platform launched in 2019 under the brand name StoxKart mobile app. The mobile app is owned and maintained by Moneywise Finvest Limited. It has been built using modern framework and backed by robust infrastructure. Launch of the app attracted a large volume of installs within 6 months post launch and is serving high MAU. App's high adoption rate is a testament to seamless and sleek design of the app.

StoxKart is also investing a lot in reliability, scale and performance and in order to enhance the customer experience, business continuity further and to take care of the growing scale, Stoxkart engineering is also working aggressively to migrate the stoxkart ecosystem from on-prem infrastructure to cloud.

b. **SMC ACE Mobile App** – SMC ACE is an advanced mobile trading platform. It is a free digital platform, developed with an aim to provide a complete trading terminal with analytical solutions for traders. The platform provides quick, insightful data analytics for equity, futures and derivative segments with super advanced charting in a single share market software. It provides live streaming charts with more than 60 advanced technical indicators and drawing tools. It also provides tools like screeners and scanners along with live news. This enables traders to track investment performance in real time with live portfolio and enables them to take quick trading decisions on the go.

SMC is also investing a lot in reliability, scale and performance and in order to enhance the customer experience further and make investing seamless for customers, SMC engineering has also developed a nextgen version of SMC ACE app using modern frameworks and technology and the app will be hitting the market very soon.

c. **Web trading platforms** – www.smctradeonline.com, a web-based trading platform with a simplified interface to meet clients' investment needs. It provides a medium for clients to invest in multiple investment classes using a single platform including equities, mutual funds, commodities, currency, bonds and in initial public offerings. It is a secure and robust platform which uses modern technology backed by robust infrastructure and dedicated disaster management system. On the website, clients can manage their investments, track and analyze market data, create watch lists, track stocks with technical chart indicators, make scheduled investments and can have a complete overview of the investment portfolio. The clients can also execute trades on a real time basis across stock exchanges including NSE, BSE and MCX and participate in initial public offerings, using ASBA facility.

d. **Notifications/Messaging Platform** – In an effort to streamline numerous ways of sending customer communications and to enable better targeting via messaging, an in-house platform has been developed to send/manage customer communications. The platform enables uninterrupted communications and ongoing enhancements include integration with multiple third-party vendors in order to provide higher resiliency and superior customer experience.

e. **Middleware & API Platform** – SMC engineering has launched an innovative platform to act as a layer between SMC/Stoxkart systems and various CTCLs. This will make the SMC group of companies function independent of the CTCLs, providing an interruption free experience to our customers even when there is a service interruption at the CTCL side.

Also, a new age API platform has been developed (Stoxkart-SuperAPI + SMC-AceAPI) using which third party platforms can fetch live data, automate trading strategies, and monitor portfolio in real time. It also helps in monitoring and executing multiple strategies and facilitates performance tracking in real time. The APIs are user friendly and easy to integrate and comply with the highest level of security standards.

f. **Customer Onboarding Platforms** – The new cloud hosted EKYC platform, redesigned across SMC and STOXKART, now aligns with industry standards. Featuring advanced technology, a refined user interface, and enhanced integrations, the platform ensures minimal customer data entry while upholding top-notch security. Achieving a great onboarding experience, the entire journey takes less than 10 minutes. Ongoing enhancements include features like AA integration and Reverse Penny Drop, ensuring a cutting-edge onboarding process.

To augment our investment into mobile/web platforms, to gain personalized actionable insights and to leverage power of analytics to design new products for cross-selling, integrations with industry leaders like webengage, adjust etc. have been enabled.

g. **Webengage –** Successful integration with SMC CRMs and lead sources is facilitating segmented and targeted communications to prospective leads. This has strengthened the marketing/branding capabilities of the group.

h. **Adjust –** Successful integration with STOXKART mobile application, efficiently tracks the efficiency of marketing programs across channels, and helps in attracting new customers to the mobile application.

i. **Market Mojo –** Successful integration has helped in gauging Market Data & Research Support Services across various channels of distribution.

j. **Lead Square –** Successful integration with stoxkart ecosystem has helped in effective management of leads.

10. Infrastructure Capabilities.

As an engineering driven organization, we have ensured that all of our critical applications have high availability and are disaster recovery compliant as per the norms, for which we have invested in building active, co-location and disaster recovery sites, where all the critical infrastructure components (like server instances, databases, firewalls, switches etc.) in each of the sites run in high availability mode.

In order to provide interruption free experience to our customers, the company has migrated its data centres hosted applications from bare metal machines to Virtual Machines. This has increased the scaling capability of our platforms and has streamlined maintenance of our data centres. Best in class components like switches etc. have been leveraged to enable high speed communication between all the drives and networks etc. We as an organization understand the sensitivity of the data we host, so appropriate measures have been taken to ensure our infrastructure is completely secure. Audits, VAPT and other exercises dictated by norms are performed periodically to ensure our infrastructure and applications stay secure.

11. Investment into research-based products.

We believe our continuous emphasis to invest in advanced technology and research will help us in offering competitive pricing, value added services and better trading strategy ideas to our customers. Products like AutoTrender have developed to serve this purpose.

AutoTrender is an advanced trading analytics tool developed in-house, provides tickers for navigating the ever-changing market landscape. It helps customers in making informed decisions as it deciphers the complex world of options, pinpointing lucrative opportunities with clear and actionable buy/ sell signals, taps into the collective mood gauging investor sentiment and uncovering hidden trends before they erupt.

It also provides insights on the hottest sectors, helping customers identify the rising stars.

Our Strategies

1. Expand our financial products & Services distribution business through cross-selling.

"SMC" have benefited extensively from the brand. We also derive substantial benefit from synergies and cross-selling opportunities generated between our company and entities within SMC group. We intend to strengthen our offerings by distributing wide range of financial products including mutual funds, insurance products, mortgages and loans, portfolio management services, alternate investment funds, structured products, fixed income products and IPOs. We intend to cater to all financing needs of our customers under one roof thereby providing them a holistic wealth management experience.

We supply our products through a vast network of partners. We believe that our retail broking customer base presents us with potential to cross-sell third-party financial products and services. In particular, we believe that certain asset classes are underpenetrated among our customer base, and we will leverage our analytics capabilities to selectively target customers based on their likelihood to purchase such products. We also intend to continue working with third-party providers to increase the number of products available to our customers.

2. Increasing our service/product portfolio through expanding our geographical presence and reach.

As of March 31, 2024, we service our clients through a network of 188 branches including overseas office at Dubai and 2,327 registered Authorised Persons with a PAN-India presence. Additionally, to support our distribution of third-party financial products, we have 7,040 registered Independent Financial Distributors who are engaged with us on a non-exclusive basis under our banner. In order to expand our network in India and efficiently monitor our operations, we have established our own branches at major cities, which then look after the operations of the regional Authorised Persons network. The reach of our offices allows us to service our existing customers and attract new customers through personal relationships cultivated by proximity and frequent interaction by our employees and business partners. Our widespread office network allows us to apply best practices developed in one region to others. We service multiple products through our offices, which reduces operating costs and improves total sales.

We intend to continue exploring new potential locations to set up new offices to improve our service to existing and new customers.

3. Expand Financing Business.

Moneywise Financial Services Private Limited (MWFS) is registered with RBI as a middle layer NBFC having asset size of more than Rs. 1,20,000 Lakhs. MWFS is a wholly owned subsidiary of SMC Global Securities Limited.

MWFS offers a wide spectrum of financial products like SME- LAP (loan against property), SME-Onward-lending (to NBFC/MFI), SME Equipment Finance (Medical & Industrial Equipments), SMEWCTL (Unsecured Business Loans) and loan against securities. The Company has ventured into gold loan business in January 2023 and currently has 6 dedicated gold loan branches in Delhi. The company plans to open more Gold Branches across the Delhi NCR Region.

The Company plans to expand Gold Loan business by opening Branches across different geographies to tap the huge potential it offers.

The Company has also recently entered into its first Co-lending tie-up with a leading public sector bank. MWFS is rated by CARE Ratings and ICRA as A- (Stable). The Company has 27 lenders including some of the leading Public/Private sector banks and leading NBFC's. The Company being in expansion mode is continuously investing heavily in system up gradation along with hiring functional experts across the NBFC space. The Company currently has more than 383 employee workforce and around 5000 active customers.

The company is focusing on expanding its operations across MSME clusters PAN INDIA. The company currently has more than 23 branches majorly in North and West India covering 8 states and 16 major cities.

The company is venturing into Micro LAP Business with focus on Tier II and Tier III cities which will further provide impetus to AUM growth.

The company is in the process of upgrading its policies and procedures in order to facilitate the demand of growing business. The company being a responsible corporate citizen lays special emphasis on meeting regulatory and statutory compliances along with the business growth.

As part of its growing strategy, the company hires professionals having relevant experience within the NBFC/BFSI market. The operations of the company are centered on using digital tools in business along with successfully bringing in experienced professionals from top IT companies to mentor the next generation of talent and help shape their careers and business growth.

The business focus of the company for the coming years would be on retail/MSME portfolio i.e. Gold Loan, Affordable LAP, SME-Asset Finance and SME-Working Capital Term Loan (WCTL).

4. Expansion of Insurance Broking Business.

SMC Insurance Brokers Private Limited is a Direct Insurance Broker registered with IRDAI (Insurance Regulatory and Development Authority of India) offering a complete array of services in Life Insurance and General Insurance Category including consulting, risk analysis, policy servicing and claim settlement assistance.

It provides these services through 7 branches across the country with 601 employees, 15,308 Point of Sales person (POSP's) and 311 Motor Insurance Service Provider (MISP's).

The Company operates independently of insurance companies, representing clients and rendering impartial advice to protect client interests.

Long Term Growth Strategy Details

Company's primary focus is on providing comprehensive coverage and excellent customer service to meet the diverse needs of our clients.

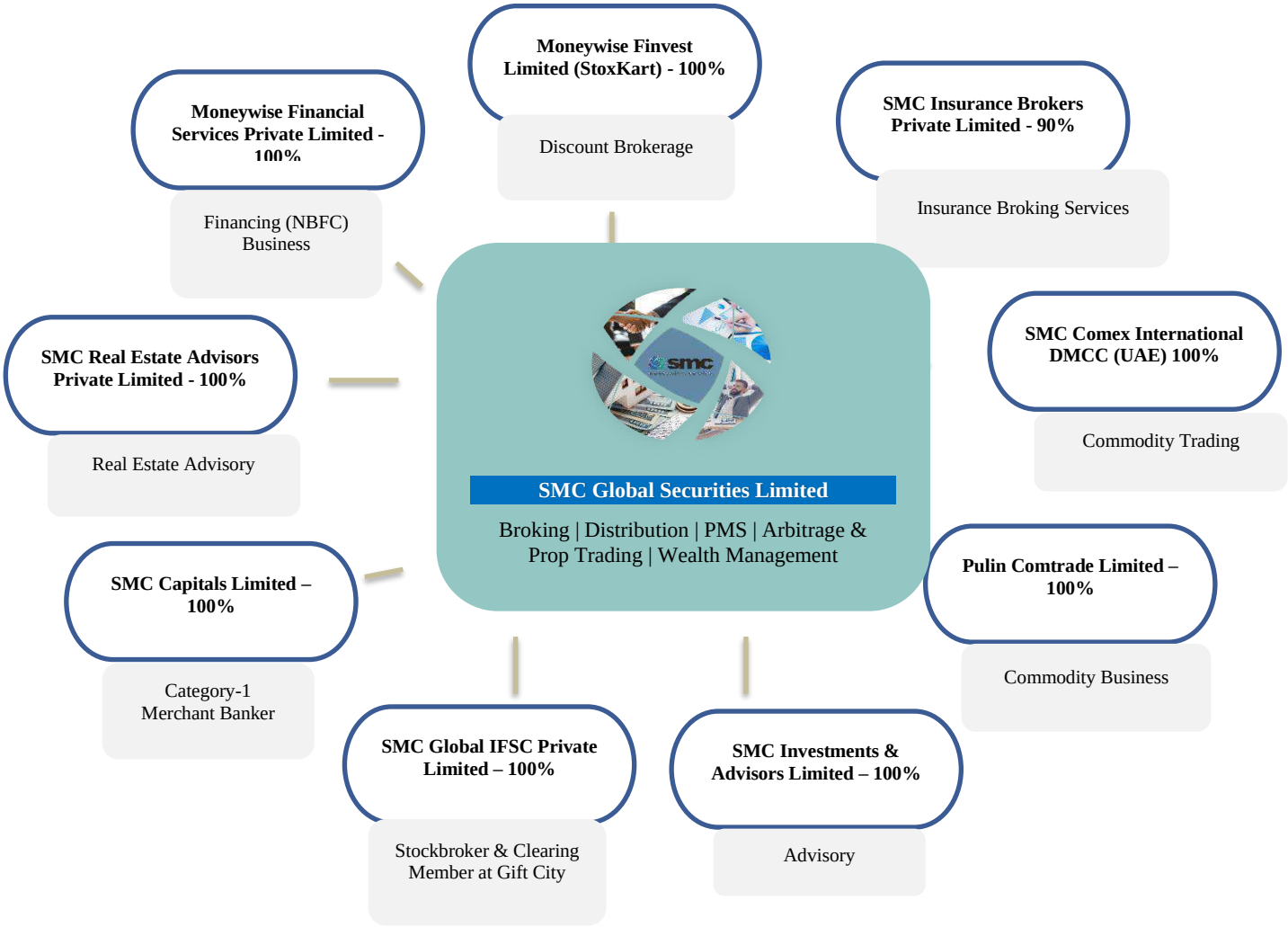
With our Long-term growth strategy and goal of Cross-selling we aim to become one of the leading player in the Insurance Industry.

- Our Long-term Growth strategy focusses on diversifying our product portfolio, expanding our customer base and building strong relationships with partners and insurance providers.
- By continuously evaluating market trends and customer demands we aim to introduce new innovative Insurance products and services to stay ahead of competition. This will work as a new Startup.
- Additionally, we will invest in technology and automation to enhance our operational existing and deliver an exceptional customer experience.
- We will be focussing on B2B segment through POS, MISP's and Alliances. We aim to increase our Alliances tie up to 100+.
- We will be focussing on Cross sell through SMC customers and using our existing customer base of 2 million customers for leveraging insurance.
- Our goal of cross selling involves leveraging our existing client base to promote additional insurance products and services.
- Through effective client relationship management and regular communication, we will identify opportunities where our client Insurance needs align with our offerings.
- This strategy will not only increase customer retention but also boost our revenue and

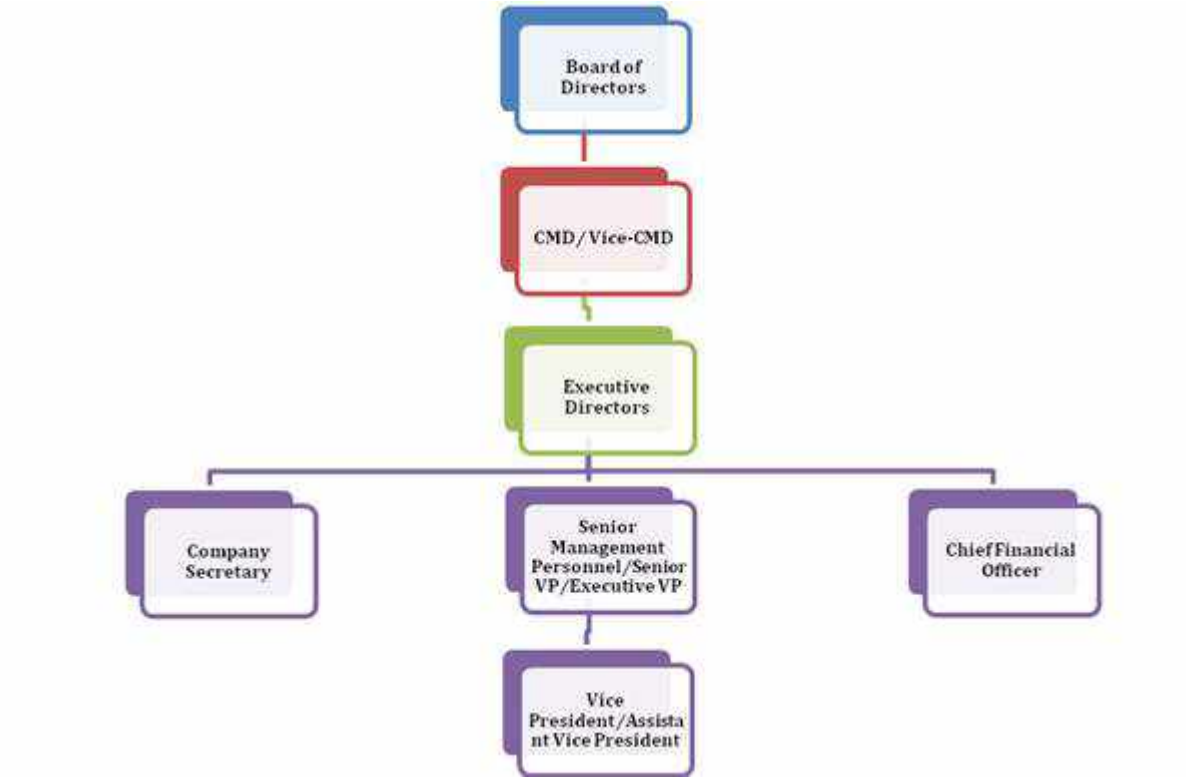
profitability.

Our Corporate structure and subsidiaries:

As of March 31, 2024, our Promoter and Promoter Group entities holds 67.28 % of the equity share capital of the Company. The following chart outlines our current corporate shareholding structure:



Our Organizational Structure



Our Business Operations

Network

As of March 31, 2024, we service our broking clients through a network of 188 branches including one international branch in Dubai and 2,327 registered Authorised Persons with a PAN-India presence.

Our Financial Products and Services

Our products and services are classified under the following heads:

- Broking, Distribution and Trading
- Financing (NBFC)
- Insurance Broking

Broking Distribution and Trading

Equities, Commodities and Currency Brokerage

Broking business comprises of brokerage, including discount brokerage "Stoxkart," dealing in equities, commodities, currency derivatives and other securities on behalf of customers, clearing services across all major stock exchanges and depository services. As on March 31, 2024, we are serving more than 10 lakh clients under the broking segments, including more than 2.39 lakhs clients under Stoxkart. Distribution business encompasses distributing third-party financial products like Mutual Funds, IPOs, FPOs, Corporate FD's and Bonds and various other capital market products. This segment also covers wealth and portfolio management services along with providing investment banking services and advisory in real estate and mortgage / loan advisory. The Company also houses proprietary arbitrage trading through a new generation algorithmic trading/HFT.

Further, SMC has entered a strategic alliance with 7 PSU and Private Banks i.e. Punjab National Bank, Indian Overseas Bank, Union Bank of India, Dhanlaxmi Bank, Karur Vysya Bank, Ujjivan Small Finance Bank and Nainital Bank for offering Online Trading services to their customers through its portal www.smctradeonline.com. SMC has 3 in 1 Tie-ups i.e. Bank & Demat Account facility provided by the bank to its customer and Trading account facility will be provided by the SMC.

We have a network of 2,327 registered Authorised Persons with a PAN-India presence.

Institutional Broking: Our institutional desk is located in Mumbai and comprises of a dedicated research team of professionals which analyses various market sectors to identify potential equity and debt investment and trading ideas for our institutional clients. We are empaneled with various institutional clients, which include mutual funds, bank treasuries, foreign institutional investors, public and private insurance companies and other financial institutions.

Clearing Services: We provide clearing and settlement services to 324 trading members across multiple members across multiple stock exchanges. We are registered as clearing member of NSE, BSE, India INX, NSE IFSC Exchange at Gift City, MCX, NCDEX and MSEI in India and DGCX (Dubai Gold & commodity Exchange in UAE.

Equities brokerage

We are a trading cum clearing member of NSE, BSE in equities (cash and F & O) & India INX & NSE IFSC Exchange at GIFT City for equity broking and depository participants of CDSL and NSDL. We achieved a trading volume of ₹ 6,79,78,85,881 Lakhs, ₹ 7,04,05,11,372 Lakhs, and ₹ 3,28,33,38,697 Lakhs for the Fiscal 2024, Fiscal, 2023 and Fiscal 2022 respectively. As of March 31, 2024, we had 7,84,252 registered customers and 9,015 terminals at various exchanges.

Particulars	Financial Year 2023-24	Financial Year 2022-23	Financial Year 2021-22
Number of Registered Customers	7,84,252	7,02,451	6,40,233
Volume of Equity Trading *(in ₹ lakhs)*	6,79,78,85,881	7,04,05,11,372	328,33,38,697
Total Income from Equity Brokerage *(in ₹ lakhs)*	29,368.85	20,521.12	22,464.08

Commodities Brokerage

We are a trading cum clearing member of NCDEX & MCX in commodity segment. Further we are also trading cum clearing member of NSE & BSE commodity derivative segment. We provide brokerage services for variety of commodities, including agricultural products, bullion, metals, oil and oil seeds and energy products. Our dedicated relationship managers provide personalized services, which allows for the fast and efficient execution of transactions. As of March 31, 2024, we had 1,46,411 registered customers for our commodities brokerage services. Further, our Company is also a participant of NCDEX Comtrack, a commodity management system, where clients can hold delivery of physical commodity in electronic mode.

Particulars	Financial Year 2023-24	Financial Year 2022-23	Financial Year 2021-22
Number of Registered Customers	1,46,411	1,24,098	1,07,651
Volume of Commodities Trading *(in ₹ lakhs)*	3,87,59,202	3,45,06,663	4,77,36,906
Total Income from Commodities Brokerage *(in ₹ lakhs)*	1,535.30	1,489.96	1,360.63

Currency brokerage

Our Company is a member of all four currency exchanges in India i.e. NSE, BSE, MCX-SX and the USE. We

provide trading facilities to our clients in various currencies such as USD, EUR, JPY and GBP. We also provide research support for our trading clients in this segment. As of March 31, 2024, we had 1,80,369 registered customers. SMC Comex International DMCC, our wholly owned subsidiary, is a member of the Dubai Gold and Commodity Exchange (DGCX), thereby giving an opportunity to our international clients to trade in INR, USD, EUR, JPY and GBP.

Particulars	Financial Year 2023-24	Financial Year 2022-23	Financial Year 2021-22
Number of Registered Customers	1,80,369	1,57,517	1,39,595
Volume of Currency Trading *(in ₹ lakhs)*	5,82,98,202	14,33,49,891	15,24,67,579
Total Income from Currency Brokerage *(in ₹ lakhs)*	1,295.59	1,311.96	937.80

Discount Broking

We successfully launched a discount broking platform in 2019 under the brand name STOXKART. It's a first-of-its-kind in the broking industry where customers are charged only for profitable transactions. StoxKart is one of the very few brokers to offer API based trading services which enables the clients to write their own software programs for professional trading. We launched new trading app, which is rated 4 plus on play store and app store. We are in the process of launching new trading app Super Evo, which will further increase the market share of the Company.

Particulars	Financial Year 2023-24	Financial Year 2022-23	Financial Year 2021-22
Number of Registered Customers	2,39,619	1,94,243	1,05,843
Volume of Trading *(in ₹ lakhs)*	19,02,12,034	12,95,23,283	7,94,85,577
Total Income from discount Brokerage *(in ₹ lakhs)*	1,385.57	1,433.85	963.86

Distribution of Financial Products

We offer third party distribution services of various financial products such as mutual funds, public offerings of equity/debt, corporate fixed deposits and bonds through our large distribution network across India. As of March 31, 2024, we have over 7,040 independent financial distributors who are marketing various financial products under our banner.

Leveraging our large retail distribution network, we have acted as syndicate members to various public equity offerings and have acted as lead brokers in various public debt offerings. We also provide retail financing through NBFC division in IPO's, FPO's & Bonds. We have Rs. 3,80,134.10 Lakhs mutual fund AUM with active 72,885 running SIPs for clients as of March 31, 2024. We operate through a pan India network of 7,040 independent distributors.

(in ₹ lakhs)

Particulars	Financial Year 2023-24	Financial Year 2022-23	Financial Year 2021-22
Income from Distribution of Financial Products	11,104.59	10,436.75	9,208.52

Depository services

Our Company offers depository services to our broking customers as well as to non-broking customers, as a value-added service. We are a depository participant of both depositories, the CDSL and NSDL. Our broking clients have the facility to settle their trades in a secure and paperless manner through our depository service. Depository services are available to our customers through our country wide network of business locations. As of March 31, 2024, we have 9.80 Lakhs active depository participant customers in CDSL which turns out to be a market share of 0.85%.

Particulars	Financial Year 2023-24	Financial Year 2022-23	Financial Year 2021-22
Number of Demat Accounts (CDSL) *(in lakhs)*	9.80	7.76	6.41
Income from Depository services *(in ₹ lakhs)*	653.20	554.75	478.30

Investment Banking

We offer investment banking services through our 100% subsidiary, SMC Capitals Limited. SMC Capitals Limited is a SEBI registered merchant banker and operates from its offices located in Mumbai and Delhi. We provide services in the areas of Equity Capital Market, M&A advisory services, Private Equity and Debt Syndication.

In the recent past, we have successfully executed transactions whereby we have raised funds for corporates through private equity placements, external commercial borrowings and public offerings. We are also active in terms of raising short-term debt for our clients through commercial papers and private placement of debt.

(₹ in lakhs)

Particulars	Financial Year 2023-24	Financial Year 2022-23	Financial Year 2021-22
Total Revenue from operation (Investment Banking)	212.77	1,485.14	743.75

Wealth Management

We offer portfolio and wealth management services through our wholly-owned subsidiary SMC Investments and Advisors Limited ("**SMC Wealth**"), which is registered with SEBI as Portfolio Manager. We offer discretionary and non-discretionary portfolio management services and wealth advisory services through our offices located at Delhi, Mumbai, Kolkata, Bangalore, Pune and Hyderabad. We also offer customized investment solutions to HNIs and corporate clients. SMC Wealth is also a SEBI registered Authorised Persons and also empaneled with various asset management companies for selling their mutual fund products as an AMFI registered advisor.

(₹ in lakhs)

Particulars	Financial Year 2023-24	Financial Year 2022-23	Financial Year 2021-22
Total Revenue from Operation (Wealth Management Services) *(in ₹ lakhs)*	359.67	376.65	524.97

Real Estate Advisory

We offer real estate broking and advisory services through our wholly-owned subsidiary SMC Real Estate Advisors Private Limited (Formerly known as SMC Securities Private Limited) ("**SMC Real Estate**"). We are empaneled with various renowned developers and real estate service providers with an objective to provide diverse real estate solutions on PAN India basis to our valued client's best suited to their needs and requirements.

(₹ in lakhs)

Particulars	Financial Year 2023-24	Financial Year 2022-23	Financial Year 2021-22
Total Revenue from operation real estate advisory	2,461.40	2,031.73	2,619.64

Portfolio management

Portfolio Management Services (PMS) is an investment vehicle that offers a range of specialized investment strategies. Through this, we offer investors with an option to personalize and customize portfolios through investment mandates. We also offer equity Portfolios which look to generate capital appreciation by investing into a diversified portfolio of equity or equity related securities. These portfolios are structured to suit different risk

profiles of customers.

(₹ in lakhs)

Particulars	Financial Year 2023-24	Financial Year 2022-23	Financial Year 2021-22
Total Income from portfolio management	180.58	96.85	77.97

Research

Our research team services our retail brokerage, wealth management and institutional broking businesses. As of March 31, 2024, we had 25 members in our research team based in Delhi and Mumbai. Of this team, 7 members have been dedicated to commodity research and currency research, offering expert insights in these dynamic markets.

Access to Bloomberg, Reuters and Dow Jones equip our research team with comprehensive data feeds, fueling their robust analysis. Our clients receive trading calls based on technical and fundamental analysis, guiding short-term, mid-term, and long-term investment strategies. "Autotrender" our web-based research tool, empowers the traders to identify market and stock trends through sophisticated derivative and OI/PCR analysis. We leverage readily accessible platforms like Telegram channels, such as "Equity ka Funds," "Index Trading with CA Nitin Murarka," “Commodity Mantra by SMC” and "Technofunda Calls by SMC," to deliver research insights and actionable calls directly to our clients. For deeper understanding, we publish the "Wise Money" magazine, distributed privately to clients. This weekly publication dives into the financial markets, offering valuable Investment Ideas, trading strategies and market insights."

(₹ in lakhs)

Particulars	Financial Year 2023-24	Financial Year 2022-23	Financial Year 2021-22
Total Income from research	2,938.29	3,062.64	598.22

Gift City (IFSC)

SMC Global IFSC Private Limited was incorporated on December 8, 2016. The company is wholly owned subsidiary of SMC Global Securities Limited. The Company is carrying on the business as IFSC (International Financial Service Centre) Unit in accordance with the Securities Exchange Board of India (IFSC) Guidelines, 2015 to provide financial services in International Financial Services Centre, GIFT SEZ, Gandhinagar, Gujarat.

(₹ in lakhs)

Particulars	Financial Year 2023-24	Financial Year 2022-23	Financial Year 2021-22
Income from Brokerage	476.54	8.93	8.43
Incentives from exchange	597.54	627.87	461.38

Financing Business (NBFC)

In the year 2008, SMC started providing financing services through its wholly owned subsidiary, Moneywise Financial Services Private Limited (SMC Finance). The company is dealing in wide spectrum of financial products like SME – LAP (Loan against property), SME – Onward-lending (to NBFC/MFI), SME Equipment finance (Medical & Industrial equipment’s), SMEWCTL (Unsecured business loans), Gold Loans, Loan against securities and Supply Chain financing. The Company has further expanded gold loan business by opening two dedicated gold loan branches in Delhi.

(₹ in lakhs)

Particulars	Financial Year 2023-24	Financial Year 2022-23*	Financial Year 2021-22
Loan Book**	114,248.01	92,606.77	68,042.81
Total Revenue from operation (Financing Business)	20,454.54	13,118.17	9,928.17

**Restated*

***Net of Provision & EIR Impact*

Insurance Broking

We offer a range of insurance solutions through our subsidiary, SMC Insurance Brokers Private Limited ("SMC Insurance Brokers") which holds a direct insurance broker license from the Insurance Regulatory and D evelopment Authority (IRDA). SMC Insurance Brokers provides a complete array of services in Life Insurance and General Insurance Category including consulting, risk analysis, policy serving and claim settlement assistance. We are registered with IRDA as an 'Approved Person' with CAMS Repository Services Limited and Central Insurance Repository Limited. As on March 31 2024, SMC Insurance Brokers had through 7 branches across the country with 601 employees, 15,308 Point of Sales (POSs) and 311 Motor insurance Service Providers (MISPs) servicing a retail customer base of more than 10 lakhs a year.

In a bid to further augment reach to the new age consumers in the digital space, SMC Insurance Brokers provides online facilities to potential customers through its web portal www.smcinsurance.com, for the purchase of different policies from different insurance companies. During the fiscal year 2024, SMC Insurance Brokers sold approximately 9,89,850 general insurance policies and approximately 6,129 life insurance policies.

Particulars	Financial Year 2023-24	Financial Year 2022-23	Financial Year 2021-22
Number of Non- Life Insurance Policies sold *(units)*	9,89,850	9,52,226	7,98,751
Number of Life Insurance Policies sold *(units)*	6,129	5,409	2,838
Income from Insurance Brokerage *(in ₹ lakhs)*	52,434.28	34,486.92	27,174.91

Key Operational and Financial Parameters

The following table sets forth the Key Operational and Financial Parameters on a standalone basis:

(₹ in lakhs, unless otherwise stated)

Particulars	Financial Year 2023-24	Financial Year 2022-23	Financial Year 2021-22
Balance Sheet			
Assets			
Property, Plant and Equipment	7,679.73	8,066.27	7,414.49
Financial Assets	3,45,671.25	2,35,483.57	2,21,174.68
Non-financial Assets excluding property, plant and equipment	7,789.35	7,182.47	8,568.10
Total Assets	**3,61,140.33**	**2,50,732.31**	**2,37,157.27**
Liabilities			
Financial Liabilities			
Trade Payables	71,522.03	37,662.54	63,556.28
Borrowings (other than Debt Securities)	64,249.82	38,457.15	15,093.56
Other financial liabilities (including lease liabilities)	1,32,354.49	93,787.54	76,373.70
Non-Financial Liabilities			
Current tax liabilities (net)	229.28	157.87	-
Provisions	2,395.51	1,932.69	1,578.23
Other non-financial liabilities	2,008.75	1,934.27	1,232.24
Total Liabilities	**2,72,759.88**	**1,73,932.06**	**1,57,834.01**
Equity (Equity Share Capital and Other Equity)	88,380.45	76,800.25	79,323.26
Total Liabilities and Equity	**3,61,140.33**	**2,50,732.31**	**2,37,157.27**

Particulars	Financial Year 2023-24	Financial Year 2022-23	Financial Year 2021-22

Particulars	Financial Year 2023-24	Financial Year 2022-23	Financial Year 2021-22
Profit & Loss			
Revenue from operations	85,314.14	67,915.41	66,994.06
Other Income	3,067.76	1,365.19	1,415.55
Total Income	**88,381.90**	**69,280.60**	**68,409.61**
Total Expenses	**70,387.70**	**57,294.10**	**50,192.66**
Profit after tax for the year	14,102.56	9,337.23	14,461.03
Other Comprehensive income	(9.54)	(27.64)	(22.20)
Total Comprehensive Income	**14,093.02**	**9,309.59**	**14,438.83**
Earnings per equity share:			
basic and diluted	13.47	8.72	12.78

***Notes**: Details in relation to the profit and loss statement for Financial Year 2021-22, 2022-23 and 2023-24 have been extracted from the Audited Standalone Financial Statement for FY ending at 2022, 2023 and 2024 respectively.*

(₹ in lakhs, unless otherwise stated)

Particulars	Financial Year 2023-24	Financial Year 2022-23	Financial Year 2021-22
Cash Flow			
Net cash from / used in (-) operating activities	(9,239.08)	(7,706.94)	24,029.93
Net cash from / used in (-) investing activities	(53.54)	(861.34)	(5,683.38)
Net cash from / used in (-) financing activities	12,443.79	4,929.69	(15,364.30)
Net increase/decrease (-) in cash and cash equivalents	**3,258.25**	**(3,638.59)**	**2,987.25**
Cash and cash equivalents as per Cash Flow Statement as at end of Year	**5,317.54**	**2,059.29**	**5,697.88**

(₹ in lakhs, unless otherwise stated)

Particulars	Financial Year 2023-24	Financial Year 2022-23	Financial Year 2021-22
Additional Information			
Net worth	88,380.45	76,800.25	79,323.26
Cash and Cash Equivalents	5,317.54	2,059.29	5,697.88
Loans (Net of Provisions)	23,595.35	18,873.73	10,907.83
Loans (Gross)	23,618.64	19,149.06	11,120.31
Total Debts to Total Assets	0.18	0.15	0.06
Interest Income	20,767.17	13,821.53	10,963.90
Interest Expense	9,482.53	5,884.72	3,718.74
Impairment on Financial Instruments	(63.81)	28.89	146.28
% Stage 3 Loans on Loans (Principal Amount)	NA	NA	NA
% Net Stage 3 Loans on Loans (Principal Amount)	NA	NA	NA
Tier I Capital Adequacy Ratio (%)	NA	NA	NA
Tier II Capital Adequacy Ratio (%)	NA	NA	NA

(1) Details in relation to the profit and loss statement for Financial Year 2023--2024 have been extracted are taken from the Audited Standalone Financial Statement FY 2023 -2024.
(2) Details in relation to the profit and loss statement for Financial Year 2022-2023 have been extracted from the comparative figures included in the Audited Standalone Financial Statement FY 2023 -2024.
(3) Details in relation to the profit and loss statement for Financial Year 2021 -2022 have been extracted from the comparative figures included in the Audited Standalone Financial Statement FY 2022-2023.
(4) Net Worth means Equity Share capital plus other Equity.

The following table sets forth the Key Operational and Financial Parameters on a consolidated basis:

(₹ in lakhs, unless otherwise stated)

Particulars	Financial Year 2023-24	Financial Year 2022-23	Financial Year 2021-22
Balance Sheet			
Assets			
Property, Plant and Equipment	8,451.80	8,949.68	7,899.64
Financial Assets	4,50,213.64	3,07,857.40	2,70,261.40
Non-financial Assets excluding property, plant and equipment	15,993.90	13,896.75	16,088.85
Total Assets	**4,74,659.34**	**3,30,703.83**	**2,94,249.89**
Liabilities			
Financial Liabilities			
Trade Payables	82,941.58	47,398.71	71,080.58
Debt Securities	3,966.65	6,366.88	7,020.52
Borrowings (other than Debt Securities)	1,38,113.13	84,397.62	39,393.16
Lease Liabilities	4,602.31	3,615.49	3,291.47
Other financial liabilities	1,27,139.80	89,094.98	75,394.45
Non-Financial Liabilities			
Current tax liabilities (net)	755.44	428.06	-
Provisions	3,578.34	2,935.42	2,681.10
Other non-financial liabilities	3,767.59	2,952.10	2,613.94
Total Liabilities	**3,64,864.84**	**2,37,189.26**	**2,01,475.22**
Equity (Equity Share Capital and Other Equity)	1,09,572.71	93,273.46	92,610.38
Non-controlling interest	**221.79**	**241.11**	**164.29**
Total Liabilities and Equity	**4,74,659.34**	**3,30,703.83**	**2,94,249.89**

***Notes**: Details in relation to the profit and loss statement for Financial Year 2021-22, 2022-23 and 2023-24 have been extracted from the Audited Consolidated Financial Statement for FY ending at 2022, 2023 and 2024 respectively.*

(₹ in lakhs, unless otherwise stated)

Particulars	Financial Year 2023-24	Financial Year 2022-23	Financial Year 2021-22
Profit & Loss			
Revenue from operations	1,63,849.69	1,21,157.33	1,11,693.61
Other Income	654.49	408.13	388.47
Total Income	**1,64,504.18**	**1,21,565.46**	**1,12,082.08**
Total Expenses	**1,40,052.03**	**1,05,369.94**	**89,942.54**
Profit after tax for the year	18,827.65	12,039.62	17,456.85
Other Comprehensive income	82.08	502.88	165.27
Total Comprehensive Income	**18,909.73**	**12,542.50**	**17,622.12**
Earnings per equity share:			
basic and diluted	17.89	11.25	15.43

(₹ in lakhs, unless otherwise stated)

Particulars	Financial Year 2023-24	Financial Year 2022-23	Financial Year 2021-22
Cash Flow			
Net cash from / used in (-) operating activities	(19,265.91)	(26,008.43)	20,885.99
Net cash from / used in (-) investing activities	(2,866.47)	(3,100.67)	(6,250.08)
Net cash from / used in (-) financing activities	31,700.12	23,128.50	(9,985.46)
Net increase/decrease (-) in cash and cash equivalents	**9,567.74**	**(5,980.60)**	**4,650.45**

Particulars	Financial Year 2023-24	Financial Year 2022-23	Financial Year 2021-22
Cash and cash equivalents as per Cash Flow Statement as at end of Year	**12,811.70**	**3,243.96**	**9,224.56**

(₹ in lakhs, unless otherwise stated)

Particulars	Financial Year 2023-24	Financial Year 2022-23	Financial Year 2021-22
Additional Information			
Net worth	1,09,572.71	93,273.46	92,610.38
Cash and Cash Equivalents	12,811.70	3,243.96	9,224.56
Loans	1,37,200.95	1,08,817.08	77,977.60
Total Debts to Total Assets	0.30	0.27	0.16
Interest Income	35,314.14	25,103.94	19,847.77
Interest Expense	15,456.22	8,932.73	5,752.38
Impairment on Financial Instruments	1,603.81	640.01	1,616.57
Bad Debts to Loans	0.01	0.00	0.03

(1)Details in relation to the profit and loss statement for Financial Year 2023-2024 have been extracted are taken from the Audited Consolidated Financial Statement FY 2023 -2024.
(2) Details in relation to the profit and loss statement for Financial Year 2022-2023 have been extracted from the comparative figures included in the Audited Consolidated Financial Statement FY 2023 -2024.
(3) Details in relation to the profit and loss statement for Financial Year 2021 -2022 have been extracted from the comparative figures included in the Audited Consolidated Financial Statement FY 2022-2023.
(4) Net Worth means Equity Share capital plus other Equity.

Competition

We face competition in all our businesses. We compete, directly or indirectly, with various companies in the financial services industry, including Indian and foreign brokers, discount brokers, public and private sector commercial banks, insurance companies, non-banking financial institutions, etc.

Risk Management

Risk Management is the backbone of any organization. Inadequate risk management can result in severe consequences for companies as well as individuals. To control the same, we have a well-documented Risk Management Policy. The Risk Management Policy is regularly reviewed by Management and same is updated from time to time as per changing Market conditions.

Exposure is allowed on the basis of collateral, of the client, available with us. As the dealer has direct contact with the client, he/she can decide whether to allow additional exposure to the client and the extent thereof as per the risk management policy. The limits provided to clients are monitored in real time by our head office to control excess exposure to the client, at any point of time.

The client needs to be educated and informed about the risk(s) involved. Training sessions are also conducted from time to time for New Authorised Persons, for clarification on RMS Policy. Our Risk Management Team continuously tracks the live market conditions & informs Branches/ Authorised Persons about the potential Risk of Clients and takes action accordingly.

Real-Time Risk Management

Risk Analysis and Management System is pro-active and real time solutions are required that provides advanced analytics and quantification of Value at Risk (VaR). This also enables the Exchanges to effectively identify and mitigate risks, associated with traders' portfolio. SMC is equipped with high degree control software called ***SAVIOUR***. It provides live market impacts on net worth of Client. Some important reports of ***SAVIOUR*** that are used frequently:

- Client wise margin report
- Branch/party wise/scrip wise position

- Client wise short sell position
- Ban/illiquid client wise position
- Span shortage margin report
- Scrip wise/client wise price circuit report
- Ageing report-Exceed exposure limit
- Exchange wise UCC report
- Derivative violation report
- Client wise stock report

Back office & Operations

We have a centralized system for back-office and accounting procedures. We are using a back office software named FOCUS & Infor SunSystems, specifically designed as per our requirements. FOCUS & Infor SunSystems both are capable to cater to high transaction volume and has been developed with all the Reporting & Risk Management capabilities. It provides for:

- Errors free MIS for smooth functioning of various tasks;
- Margin shortage files for exchange reporting & penalties;
- Facility to intimate client via SMS for their margin shortage, proposed risks, ageing status and others; and
- Various reports for uploading in front office (ODIN) like Deposit, DP, Pool etc.

Insurance

We maintain a number of insurance policies to cover our assets and mitigate the risks that we face in various aspects of our operations. We are exposed to the risk of cybercrimes and errors and omissions by our employees. In addition, we are also exposed to the risks of equipment loss and damage from fire, burglary and other natural disasters which may lead to service interruption. We manage such risks through insurance that covers our electronic equipment, including other office equipment. We have insured ouroffice branches along with office furniture and fixtures and have also obtained insurance cover for our directors and officers. We are also insured under stock brokers' indemnity insurance.

Employees

As of March 31, 2024, we have employed 4,264 persons including outsourced people across our Company and its subsidiaries. Our employees are not represented by trade unions and thus not covered by any collective agreements. We have not experienced any strikes, work stoppages, labour disputes or actions by or with our employees, and we believe that relations with our employees are satisfactory.

Intellectual Property

As on the date of this Prospectus, our Company has 29 trademarks and 2 copyrights to its name. Out of these 29, we have been assigned 25 trademarks, vide a deed for assignment of trademarks pursuant to which our Company has obtained ownership rights to the extent of 60%. Also, post-merger of SAM Global Securities Limited with our Company, our Company's ownership in the intellectual property rights has increased to 80%. The remaining interest is owned by two of our Promoters, Subhash Chand Aggarwal and Mahesh C Gupta.

Internet Based Trading

Online Trading is also known as Internet Trading, E-Broking and Internet Based Trading (IBT). Now Online Trading is not confined to equity trading only but products like commodities, currency, IPO, Mutual Funds and Bonds etc. are all available online. We have internet based online trading platform which is provided to the investors (both big and small) through the internet; to trade themselves (that is buy and sell) in the various financial instruments available with and through the stock exchange they choose to transact. These online trading platforms enable client(s) to transact on all exchanges.

Online Trading is also supported with Call-n-Trade facility to help customers trade over the Phone too. All the above is done in a seamless fashion; and aside from being very efficient for the investor, it also reduces the transaction cost for both the investor and the intermediary providing the service.

Current Information Technology Setup and Strength

Our Company is having two fully equipped data centres supporting company's different IT functions. We have also hosted our servers in different data centre i.e. NSE, BSE, VSNL etc. for efficient arbitrage trading and to provide seamless intranet trading to our online trading customers. All critical equipment has been recognized and redundancies have been built at each level to provide maximum uptime.

Cutting edge technology servers of IBM/DELL/HP are being used to deploy mission critical applications. CISCO routers, fortinet firewalls, Foundry Switches are being used in HA mode and cold standby mode to provide seamless network connectivity.

Network monitoring tools (NMS) has been deployed to monitor the network and bandwidth monitoring tools has been deployed to monitor the bandwidth of different links i.e. lease line, internet etc. As on March 31, 2024, the company has employed 270 professionals to support the IT infrastructure of the company.

Property

Details of our properties used by our Company are as follows: -

S. No.	Category	Address	Leased/ Owned
1.	Registered Office	11/6B, Shanti Chambers, Pusa Road, New Delhi – 110005, India	Partially owned and partially leased
2.	Corporate Office	Lotus Corporate Park, A Wing 401 / 402, 4th Floor, Graham Firth Steel Compound, Off Western Express Highway, Jay Coach Signal, Goregaon (East), Mumbai – 400063, India	Owned
3.	Corporate Office	5th floor, 18, Rabindra Sarani, Poddar court, Kolkata – 700001, India	Owned
4.	Corporate Office	Unit No. 222, 2nd Floor, Signature Building, Block No. 13B, Road 1C, Zone-I, Gift-SEZ, Gift City Gandhinagar, Gujarat – 382355, India	Owned
5.	Branch Office	1st Floor, 17, Netaji Subhash Marg, Darya Ganj, New Delhi – 110002, India	Owned
6.	Branch Office	1st, 2nd & 3rd Floor ,8B, Netaji Subhash Marg, Darya Ganj, New Delhi – 110002, India	Owned
7.	Branch Office	9-B back portion of Ground floor, Entire First Floor, Second Floor, Mezzanine Floor (between 1st & 2nd Floor) Third Floor & Fourth floor with roof/ terrace & stairs of front & back side of ground floor to top floor Neta Ji Subhash Marg, Darya Ganj, New Delhi, India	Owned
8.	Branch Office	Plot No.4A, 205,2nd Floor, 21st century plaza, Community Centre, Sec-8, Rohini with Roof	Owned
9.	Branch Office	Parsvnath Metro Mall, Near Pratap Nagar Metro Station, Delhi, India	Leased
10.	Under Construction Buildings	Industrial Plot No-1, Block-A, Mohan Co-Operative Industrial Estate, Mathura Road, New Delhi – 110044, India	Owned

Apart from the abovementioned properties, as mentioned in the preceding paragraphs we service our clients through a network of 188 branches including one international branch in Dubai. The details of these branches as on March 31, 2024 are as follows:

S. No.	Name of Company/ Subsidiary Company/ Group Company	No. of Branches through which it operates	Location	Leased/ Owned
1.	SMC Global Securities Limited	144	West Bengal, Orissa, Andhra Pradesh, Jharkhand, Bihar, Sikkim, Tripura, Meghalaya, Chattisgarh, Uttar Pradesh, Madhya Pradesh, Delhi, Haryana, Punjab, Jammu & Kashmir, Rajasthan, Telangana, Tamil Nadu, Kerala, Karnataka, Goa, Maharashtra	Leased
2.	SMC Insurance Brokers Private Limited	7	Uttar Pradesh, Delhi, Indore	Leased
3.	SMC Real Estate Advisors Private Limited	9	Delhi, Haryana, Uttar Pradesh, Maharashtra, Karnataka, Gujarat	Leased
4.	SMC Investments And Advisors Limited	3	Delhi, Maharashtra, Karnataka	Leased
5.	Moneywise Financial Services Private Limited	23	Delhi, Rajasthan, Punjab, Gujarat, Maharashtra, Tamil Nadu, Haryana, Uttar Pradesh	Leased
6.	SMC Global Securities Limited (HO)	1	Pusa Road, Delhi	Leased
7.	SMC Comex International DMCC	1	Dubai	Owned

HISTORY AND CERTAIN CORPORATE MATTERS

Brief background of our Company

Our Company was incorporated on December 19, 1994, as SMC Global Securities Limited with the Registrar of Companies, N.C.T of Delhi & Haryana. Our Company received a certificate of commencement of business on January 2, 1995.

Corporate Identification Number: L74899DL1994PLC063609

Our Company is not operating under any injunction or restraining order.

For details of the business of our Company, see "***Our Business***" on page 132 of this Prospectus.

Registered Office and changes to Registered Office

Our Registered and Corporate Office is located at 11/6B, Shanti Chamber, Pusa Road, New Delhi- 110 005. Except as set forth below, there has not been any change to the Registered Office since incorporation.

Effective date of change	Details of change in the address of the Registered Office	Reasons for change in the address of the Registered Office
September 7, 1995	Registered office of our Company changed from "3072/39, Gola Market, Darya Ganj, Delhi-110 002" to "17, Netaji Subhash Marg, Darya Ganj, New Delhi-110 002".	Enable greater operational efficiency
October 1, 2008	Registered office of our Company changed from "17, Netaji Subhash Marg, Darya Ganj, New Delhi-110 002" to "11/6B, Shanti Chamber, Pusa Road, New Delhi 110-005"	Enable greater operational efficiency

Main objects of our Company

The main object of our Company as contained in our Memorandum of Association is as follows:

"1. To act as stock and share brokers and to acquire and hold one or more memberships in stock / securities exchange, National Stock Exchange, O.T.C.E.I. (Over the Counter Exchange of India), trade associations, commodity exchanges, clearing houses or association or otherwise in India or any part of the world, to secure membership privileges there from.

2. Subject to the approval of Securities and Exchange Board of India and other authorities wherever required, to carry on the business of stocks share broking and its allied metal such as acting at underwriters, the underwriters, brokers to the issue of securities, dealers in securities by telling transferring hypothecated and holding of shares, debentures and securities of all kinds and descriptions of issue of shares / debentures and securities of all kinds, Lead Manager, brokers and Authorised Persons of stock and new issue of shares, debentures and securities of all kinds and descriptions, Advisors and Registrar to the issue of securities share transfer agent, investment business and investment counseling, portfolio manager, corporate counseling, brokers to fixed deposit, inter corporate investment, canvassers, financial consultants, financial and discount brokers, Advisors and consultants to the issue of securities of all kinds and descriptions in their all aspects in India or abroad and to manage arrange merger and acquisitions.

3. To carry on arbitrary business and business of investment in India and abroad and for that purpose to invest in, acquire, subscribe for, sold shares, bond, stock, securities, debentures, debenture stocks issued or guaranteed by any company constituted and carrying on business in India or elsewhere in the world, any Government, State, port trust, public body, or authority supreme, financial institutions, Municipal, local or other otherwise weather in India or abroad.

4. Subject to approval of Securities and Exchange Board of India (SEBI) and other authorities wherever required to, act as depository participants of depository(s) and to undertake all activities, functions and responsibilities related to thereto and further to do all other matter incidental or identical to the same.

5. Subject to approval of the Securities and Exchange Board of India (SEBI) and any other regulatory/government authorities wherever required and subject to the compliance with SEBI (Alternative Investment Funds) Regulations, 2012, SEBI (Portfolio Managers) Regulations, 2020 and any other applicable laws, regulations or rules, to act as investment advisors, asset/investment managers, co-investment portfolio manager, management consultants, financial consultants, trustee, settlor, sponsor of investment vehicles including alternative investment fund/s, to seek appropriate regulatory licensing and carry out activities as required and permitted by the concerned regulator/s and to render all other services/activities as are usually rendered by investment advisors, asset/investment managers, co-investment portfolio managers, management consultants, financial consultants, including support and incidental services, to clients in India and abroad."

Key events, milestones and achievements

The table below sets forth the key events, milestones and achievements in the history of our Company

Year	Particulars
1994	Incorporation of Company as "SMC Global Securities Limited"
	Obtained the certificate of commencement of business
1995	Our Company listed its equity shares on various regional stock exchanges
2000	Obtained the registration as a clearing member of the National Stock Exchange of India
	Obtained the registration as a trading member of the National Stock Exchange of India
2009	Merger of SAM Global Securities Limited with our Company
	Obtained the registration as a clearing member of the Bombay Stock Exchange
	Obtained the registration as a trading member of the Bombay Stock Exchange
2015	Obtained the registration as a Depository Participant
	Obtained the registration to act as a 'Point of Presence' under the National Pension System by Pension Fund Regulatory and Development Authority
2019	Obtained the registration as a Portfolio Manager
	Obtained membership of NCDEX
	Obtained membership of MCX
	Obtained membership of MCXCCL
2021	Equity Shares of the Company were listed on nationwide trading platforms of NSE and BSE
2022	Obtained the registration as a Research Analyst
	Renewed registration under Association of Mutual Funds in India
2023	Obtained the registration Fund Management Entity (Non-Retail) by the International Financial Services Authority

Material agreements and Material Contracts

As on the date of this Prospectus, the Company has not entered into any material agreements or contracts, except those entered into in ordinary course of business.

Holding Company

As on the date of this Prospectus, the Issuer does not have any holding company.

Our Subsidiaries, joint ventures, and associate companies

Subsidiaries

- Moneywise Financial Services Private Limited;
- SMC Insurance Brokers Private Limited;
- Moneywise Finvest Limited;
- SMC Real Estate Advisors Private Limited;
- SMC Comex International DMCC (UAE);
- Pulin Comtrade Limited (previously known as SMC Comtrade Limited)[#*];

- SMC Capitals Limited;
- SMC Investments & Advisors Limited;
- SMC Global IFSC Private Limited;

Note: On December 20, 2023, SMC Global USA Inc, a wholly owned subsidiary ceased to be the subsidiary of the Company due to disinvestment by the Company.
[#]SMC Comtrade was renamed as Pulin Comtrade by a board resolution dated June 26, 2023 and shareholder resolution dated July 15, 2023
*[*]SEBI by its order dated September 6, 2023, cancelled the registration certificate for stock broker of Pulin Comtrade Limited. Pursuant to the appeal filed by Pulin Comtrade Limited, the Securities Appellate Tribunal, Mumbai has passed a stay order dated November 29, 2023, regarding the cancellation of registration certificate. For further details, please see "**Outstanding Litigations and Defaults**" on 266 of this Prospectus.*

Joint Venture

As on the date of this Prospectus, the Issuer has the following joint ventures:

- SMC & IM Capitals Investment Manager LLP*

(*) The Board of Directors of SMC Investments and Advisors Limited, Wholly Owned Subsidiary at its meeting held on Wednesday, June 26, 2024, has approved the dissolution of SMC & IM Capitals Investment Manager LLP, a joint venture of SMC Global Securities Limited. Consequently, SMC & IM Capitals Investment Manager LLP will cease to be a joint venture of the Company upon completion of the dissolution process.

Associates

As on the date of this Prospectus, the Issuer does not have any associate.

Enterprises over which control is exercised by the Company

As on the date of this Prospectus, our Company does not exercise control over any of the enterprises except all the subsidiaries of the Company and its Joint Venture[*].

[*]The Board of Directors of SMC Investments and Advisors Limited, Wholly Owned Subsidiary at its meeting held on Wednesday, June 26, 2024, has approved the dissolution of SMC & IM Capitals Investment Manager LLP, a joint venture of SMC Global Securities Limited. Consequently, SMC & IM Capitals Investment Manager LLP will cease to be a joint venture of the Company upon completion of the dissolution process.

Details of acquisition or amalgamation in the preceding one year

There has been no acquisition or amalgamation in the preceding one year prior to the date of this Prospectus.

Reorganization or Reconstruction undertaken by our Company in the preceding one year

There has been no reorganisation or reconstruction of our Company in the last one year prior to the date of this Prospectus.

OUR MANAGEMENT

Board of Directors

The general supervision, direction and management of our Company, its operations, affairs and business are vested in the Board, which exercises its power subject to the Memorandum and Articles of Association of our Company and the requirements of the applicable laws.

The Articles of Association of our Company require us to have not less than 3 (three) Directors and not more than twenty Directors.

The composition of the Board is in conformity with Section 149 of the Companies Act, 2013 and is governed by the Articles of Association, and the relevant SEBI Regulations.

As of the date of this Prospectus, we have 12 (twelve) Directors on our Board, out of which 6 (six) are Independent Directors.

The following table sets forth details regarding the Board as on the date of this Prospectus:

S. No.	Name, Designation, Nationality and DIN	Age	Address	Date of Appointment	Details of other Directorship
1.	**Subhash Chand Aggarwal** ***Designation*:** Chairman and Managing Director ***Nationality:*** Indian ***DIN:*** 00003267	67	House No.67, Road No. 41, Punjabi Bagh, West Delhi- 110 026	December 19, 1994	*Indian Companies* *Nil* *Foreign Companies* *Nil*
2.	**Mahesh C Gupta** **Designation:** Vice Chairman and Managing Director **Nationality:** Indian **DIN:** 00003082	67	House No.C-40, UGF, Anand Vihar, Near MCD Park, Delhi- 110 092	September 01, 2007	*Indian Companies* *Nil* *Foreign Companies* *Nil*
3.	**Ajay Garg** **Designation:** Director and Chief Executive Officer **Nationality:** Indian **DIN:** 00003166	49	House No. 67, Road No. 41, Punjabi Bagh, West Delhi- 110 026	March 28, 2009	*Indian Companies* • Dee Faces Herbal Private Limited • Moneywise Financial Services Private Limited • SMC Insurance Brokers Private Limited • SMC Global IFSC Private Limited *Foreign Companies* *Nil*

S. No.	Name, Designation, Nationality and DIN	Age	Address	Date of Appointment	Details of other Directorship
4.	**Anurag Bansal** ***Designation*:** Whole-Time Director **Nationality:** Indian **DIN:** 00003294	48	Flat No. 3601, B Wing, 36th Floor, DB Woods, Krishna Vatika Marg, Gokuldham, Goregaon East, Mumbai- 400 063	March 28, 2009	*Indian Companies* • SMC Capitals Limited • Pulin Investments Private Limited *Foreign Companies* *Nil*
5.	**Himanshu Gupta** ***Designation*:** Non-Executive Director **Nationality:** Indian **DIN:** 03187614	37	House No. C-40, Anand Vihar, Delhi- 110 092	February 21, 2018	*Indian Companies* • Moneywise Financial Services Private Limited • Pulin Comtrade Limited*#
6.	**Shruti Aggarwal** ***Designation*:** Whole-Time Director **Nationality:** Indian **DIN:** 06886453	32	House no. 67, Road No. 41, Punjabi Bagh, West Delhi- 110 026	June 16, 2017	*Indian Companies* • SMC Global IFSC Private Limited *Foreign Companies* *Nil*
7.	**Hemant Bhargava** ***Designation*:** Non-Executive Independent Director **Nationality:** Indian **DIN:** 01922717	64	C-1709 Satyen Nivaasa, Mangalam Radiance, Near Fern Hotel, Main Tonk Road, Jaipur, Rajasthan– 302 018	August 09, 2023	*Indian Companies* • ITC Limited • Ugro Capital Limited *Foreign Companies* • Provience Life Limited PCC, Mauritius
8.	**Dinesh Kumar Sarraf** ***Designation*:** Non-Executive Independent Director **Nationality:** Indian **DIN:** 00147870	66	C1-804, Cleo Country, Sector 121, Noida, Gautam Buddha Nagar, Uttar Pradesh- 201 301	August 09, 2023	*Indian Companies* • Moneywise Financial Services Private Limited *Foreign Companies* *Nil*
9.	**Gobind Ram**	58	C-558, New Friends	June 22, 2023	*Indian Companies*

S. No.	Name, Designation, Nationality and DIN	Age	Address	Date of Appointment	Details of other Directorship
	Choudhary ***Designation:*** Non-Executive Independent Director ***Nationality:*** Indian ***DIN:*** 01104704		Colony, New Delhi– 110 025		• Anmol Industries Limited • Anmol Realty Builder Private Limited *Foreign Companies* *Nil*
10.	**Narendra Kumar** **Designation:** Non-Executive Independent Director **Nationality:** Indian **DIN:** 02307690	66	House No. 11860/1 Lane-8, Sat Nagar Karol Bagh New Delhi- 110 005	September 16, 2022	*Indian Companies* • PTC India Limited • SMC Insurance Brokers Private Limited *Foreign Companies* *Nil*
11.	**Neeru Abrol**[**] **Designation:** Non-Executive Independent Director **Nationality:** Indian **DIN:** 01279485	69	House Number K-3, Lajpat Nagar-3, Delhi 110 024	March 30, 2024	*Indian Companies* • Ganesha Ecoverse Limited • SG Mart Limited • Apollo Metalex Private Limited • Stecol International Privte Limited • Apollo Pipes Limited • APL Apollo Tubes Limited *Foreign Companies* *Nil*
12.	**Naveen ND Gupta** ***Designation*:** Non-Executive Independent Director **Nationality:** Indian **DIN:** 00271748	51	B-4, Block B, Gulmohar Park Delhi- 110 049	January 31, 2018	*Indian Companies* • Four Plus Security Services Private Limited • SMC Insurance Brokers Private Limited *Foreign Companies* *Nil*

[#]SMC Comtrade was renamed as Pulin Comtrade by a board resolution dated June 26, 2023 and shareholder resolution dated July 15, 2023.

[*]SEBI by its order dated September 6, 2023, cancelled the registration certificate for stock broker of Pulin Comtrade Limited. Pursuant to the

*appeal filed by Pulin Comtrade Limited, the Securities Appellate Tribunal, Mumbai has passed a stay order dated November 29, 2023, regarding the cancellation of registration certificate. For further details, please see "**Outstanding Litigations and Defaults**" on page 266 of this Prospectus.*

[**] The shareholders of the Company at their AGM held on June 22, 2024, have approved the appointment of Neeru Abrol as Non-Executive Independent Director of the Company effective from March 30, 2024.

Profile of Directors

Subhash Chand Aggarwal is the Chairman and Managing Director of the Company. He has been associated with the Company since December 19, 1994, and is one of the promoters of the Company. He is a fellow member of the Institute of Chartered Accountants of India since 1986. He is a member of the management committee of the Associated Chambers of Commerce and Industry of India ("**ASSOCHAM**"). He has also served as the Co-Chairman of the National Council of Capital Markets of ASSOCHAM. He has over four decades of experience in the financial and stock broking industry.

Mahesh C Gupta is the Vice Chairman and Managing Director of the Company. He has been associated with the Company since December 19, 1994, and is one of the promoters of the Company. He holds a bachelor's in commerce from University of Delhi and is an Associate member of the Institute of Chartered Accountants of India (ICAI) since 1981. He has over 35 years of experience in areas of equity markets, distribution, Corporate Social Responsibility and Corporate Governance. He has over four decades of experience in the areas of equity markets, distribution, Corporate Social Responsibility and Corporate Governance. He oversees the policy and operational activities of our Company.

Ajay Garg is a Director and the Chief Executive Officer of the Company and has been associated with our Company since March 28, 2009. He is a fellow member of the Institute of Chartered Accountants of India. He has close to three decades of experience in securities, commodities and currency markets.

Anurag Bansal is the Whole–Time Director of the Company and has been associated with our Company since March 28, 2009. He holds a bachelor's in commerce from the University of Punjab from the year 1994. He is an Associate of the Institute of Cost Accountants of India since 2016. He is also a member of the Institute of Chartered Accountants of India since 1997.

Himanshu Gupta is the Non-Executive Director of the Company and has been associated with our Company since February 21, 2018. He is also an Associate of the Institute of Chartered Accountants of India since 2010. He has over 13 years of experience in the financing and securities market.

Shruti Aggarwal is the Whole-Time Director of the Company and has been associated with our Company since June 16, 2017. She holds a bachelor's in commerce from the University of Delhi from the year 2012. She also holds a master's in business administration from London Business School from the year 2017. She is also a member of the Institute of Chartered Accountants of India since 2011 and Charter Financial Analyst since 2013. She is involved in overseeing the strategic planning and technological advancements of the Company.

Hemant Bhargava is the Non-Executive Independent Director of the Company and has been associated with our Company since August 9, 2023. He also holds a master's in economics from Lucknow University from the year 1982. He has been on the Board of the National Mutual Fund, Mauritius. He has also been associated with LIC as the country head for LIC Mauritius and founded the "Indo-Mauritian Business Group". He was the founding CEO of LIC Cards Services Company for credit cards business. He has over 35 years professional experience with expertise in finance and insurance. He was on the Boards of Larsen & Toubro Limited from July 2018 to May 2024 and currently is on the Boards of ITC Limited and UGRO Capital Limited.

Dinesh Kumar Sarraf is the Non-Executive Independent Director of the Company and has been associated with our Company since August 9, 2023. He holds a bachelor's in commerce from the University of Delhi from the year 1976, and also holds a master's in commerce from the University of Delhi from the year 1983. He is member of Institute of Company Secretaries of India since 1991, and the Institute of Cost and Works Accountants of India since the year 1983. He has been associated with Oil and Natural Gas Corporation Limited, where he held various position including Director (Finance), Group CFO and also Chairman & Managing Director from 2014 to 2017. Mr. Sarraf has served as the Chairperson of the Petroleum and Natural Gas Regulatory Board from 2017 to 2020. He was also associated with the UN Global Compact Network- India as President, with the Federation of Indian Petroleum Industry (FIPI) as Chairman, with Bharat Lok Shiksha Parishad (of Ekal Foundation) as Trustee, with

Council of Scientific and Industrial Research (CSIR) as Member of Governing Body and currently he is associated with Indian Institute of Petroleum of CSIR as Chairman-Research Council.

Gobind Ram Choudhary is the Non-Executive Independent Director of the Company and has been associated with our Company since June 22, 2023. He holds a bachelor's in Commerce from the University of Calcutta from the year 1987. He has been associated with Anmol Industries for over 20 years. He has also been associated with Bhagwati Cold Storage as a managing director He is also an active member at Bharat Lok Shiksha Parishad, Delhi, a council member in Western UP Council of CII, Executive member of Indian Industries Association of Greater Noida and a member of the PHD Chamber of Commerce.

Narendra Kumar is the Non- Executive Independent Director of the Company and has been associated with our Company since September 16, 2022. He is a retired I.A.S (AGMUT Cadre 1988), C.A. I.I.B. (Certified Associate of Indian Institute of Bankers, Bombay), from the year 1987. He holds a Bachelors' and master's in commerce degree from the University of Delhi, from the year 1979 and 1982 respectively. He served as the Financial Commissioner (Government of NCT of Delhi), the Managing Director of Delhi State Financial & Development Corporation, the Probationary Officer of SBI in 1980. Apart from this, he was an election commissioner of Union Territories of Andaman and Nicobar Islands, Lakshadweep, Dadra Nagar Haveli and Daman & Diu. He has over three decades of experience in various sectors of the Government.

Naveen ND Gupta is an Independent Director and Non-Executive Director of the Company and has been associated with our Company since January 31, 2018. He holds a bachelor's in commerce from the University of Delhi from the year 1993. He is also a fellow member of the Institute of Chartered Accountants of India since 2001. He has been associated with the Institute of Chartered Accountants of India as a President. He was formerly the Chairman of Shaheed Sukhdev College of Business Studies, Delhi University. He has been a category A member on the Board of International Federation of Accountants, New York, USA a federation of accounting regulators of 176 countries. He has also been a part of the Board of South Asian Federation of Accountants (Apex body of SAARC) and Confederation of Asian and Pacific Accountants, Manila from the year 2018-2019, and a member of the board of the Insurance Regulatory Development Authority from the year 2018 to 2019. He is Chairman of Corporate Affairs Committee of PHD Chamber of Commerce and Industry.

Neeru Abrol is the Non-Executive Independent Director of our Company and has been associated with our Company since March 30, 2024. She holds a bachelor's in science from Aligarh Muslim University from the year 1975. She is a member of the Chartered Accountant since the year 1981. She has been associated with National Fertilizers Limited as the Chairperson and Managing Director and Director Finance. She also been associated with the Steel Authority of India for over 20 years. She has been on the Boards of IDBI Bank, IFCI Infrastructure Development Limited, and TCNS Clothing Limited.

Relationship between our Directors

Except as stated below, none of the other Directors are related to each other:

No	Name of Director	Category of Directorship	Relationship Between Directors
1.	Subhash Chand Aggarwal	Chairman and Managing Director	Father of Shruti Aggarwal, Whole-Time Director of the Company.
2.	Mahesh C Gupta	Vice Chairman and Managing Director	Father of Himanshu Gupta, Non-Executive Director of the Company.
3.	Himanshu Gupta	Non-Executive Director	Son of Mahesh C Gupta, Vice Chairman and Managing Director of the Company.
4.	Shruti Aggarwal	Whole- Time Director	Daughter of Subhash Chand Aggarwal, Chairman and Managing Director of the Company.

Remuneration and terms of employment of our Directors

Managing Directors

1. *Subhash Chand Aggarwal*

The Shareholders of the Company at their AGM dated June 22, 2024, reappointed Subhash Chand Aggarwal as the Chairman and Managing Director of the Company, for a period of 5 years from January 29, 2025, to January 28, 2030, on a gross monthly remuneration of ₹15.50/- Lakhs, plus one month's salary as bonus which may be further increased by the Board of Directors from time to time up to ₹20.00/- Lakhs per month, plus one month's salary as bonus. Further, the Board shall have the absolute discretion to pay bonus and any other perquisites as permissible under the Companies Act, 2013, in addition to his gross monthly remuneration.

2. *Mahesh C Gupta*

The Shareholders of the Company at their AGM dated June 25, 2022, reappointed Mahesh C Gupta as the Vice Chairman and Managing Director of the Company, for a period of 5 years from September 01, 2022, to August 31, 2027, not liable to retire by rotation, with a gross monthly remuneration of ₹13.00/- Lakhs which may be further increased by the Board of Directors from time to time up to ₹16.00/- Lakhs per month. Further, the Board shall have the absolute discretion to pay a bonus and any other perquisites as permissible under the Companies Act, 2013, in addition to his gross monthly remuneration.

Further, the shareholders of the Company at their AGM dated June 22, 2024, has approved and fixed the overall limit of remuneration payable to Mahesh C Gupta, Vice Chairman and Managing Director upto ₹20.00/- per month, plus one month's salary as bonus, which shall be within the limits specified under Section 197 and Schedule V of the Act. The existing monthly remuneration of Mahesh C Gupta, Vice Chairman and Managing Director is ₹15.50/- per month, plus one month's salary as bonus.

Executive Directors

1. *Anurag Bansal*

The Shareholders of the Company at their AGM dated June 30, 2023, reappointed Anurag Bansal as Whole Time Director of the Company, for a period of 5 years from March 28, 2024 to March 27, 2029, liable to retire by rotation, on a gross monthly remuneration of ₹5.00 Lakhs which may be further increased by the Board of Directors up to ₹12.00 Lakhs per month on the recommendation of the Nomination and Remuneration Committee. Further, the Board shall have the absolute discretion to pay bonus, in addition to his gross monthly remuneration.

2. *Ajay Garg*

The Board of Directors of the Company by way of a resolution dated May 14, 2018, approved the change in designation of Ajay Garg from the Whole Time Director to a Director of the Company, for a monthly remuneration of ₹6.50 Lakhs which may be further increased by the Board of Directors up to ₹12.00 Lakhs per month on the recommendation of the Nomination and Remuneration Committee. Further, the Board shall have the absolute discretion to pay bonus, in addition to his gross monthly remuneration.

3. *Shruti Aggarwal*

The Shareholders of the Company by way of special resolution through postal ballot dated September 21, 2023, appointed Shruti Aggarwal as Whole Time Director of the Company, for a period of 5 years from August 9, 2023, to August 8, 2028, liable to retire by rotation for a monthly remuneration of Rs.6.50 Lakhs which may be further increased by the Board of Directors up to ₹12.00 Lakhs per month on the recommendation of the Nomination and Remuneration Committee. Further, the Board shall have the absolute discretion to pay bonus, in addition to her gross monthly remuneration.

Non-Executive Independent Director

The Independent Directors of our Company are entitled to receive a sitting fee of ₹0.70 Lakh for attending each meeting of our Board, a sitting fee of ₹0.20 Lakh for attending each meeting of the committees of the Company.

Non- Executive Non- Independent Directors

1. Himanshu Gupta

The Shareholders of the Company at their AGM dated July 21, 2018, appointed Himanshu Gupta as Non-Executive Director of the Company, and has voluntarily chosen not to receive any remuneration for the services rendered to the Company.

Further, the shareholder of the Company at their AGM dated June 22, 2024 have reappointed Himanshu Gupta as Non-Executive Director of the Company.

Remuneration of our Directors

The following table sets forth the remuneration (including sitting fees, commission and perquisites) paid by our Company since Financial Year 2022 till Financial Year 2024 i.e. for the period of April 1, 2023 till March 31, 2024:

Name of Director	Category of Director	Remuneration Received/ Payable[$]		
		Financial Year 2022	***Financial Year 2023***	***Financial Year 2024 (For the period from April 1, 2023, till March 31, 2024)***
Subhash Chand Aggarwal	Chairman and Managing Director	132.14	167.66	169.40
Mahesh C Gupta	Vice- Chairman and Managing Director	136.46	167.71	169.40
Ajay Garg	Director and Chief Executive Officer	82.05	99.41	149.85
Anurag Bansal	Whole-Time Director	65.29	96.83	109.76
Himanshu Gupta[$]	Non-Executive Director	-	-	-
Shruti Aggarwal	Whole-Time Director	-	-	50.32[***]
Naveen ND Gupta	Non-Executive Independent Director	3.70	3.45	4.55
Narendra Kumar[#]	Non-Executive Independent Director	-	1.20	3.50
Gobind Ram Choudhary	Non-Executive Independent Director	-	-	1.20
Hemant Bhargava[*]	Non-Executive Independent Director	-	-	2.05
Dinesh Kumar Sarraf[*]	Non-Executive Independent Director	-	-	2.05
Neeru Abrol[**]	Independent Director	-	-	Nil

[*]*Please note that Gobind Ram Choudhary, Hemant Bhargava and Dinesh Kumar Sarraf were appointed to the Board of Directors of our Company after March 31, 2023, and accordingly have not been paid renumeration in Fiscal 2022.*

[#]*Please note that Narendra Kumar was appointed to the Board of Directors of our Company after March 31, 2022 and accordingly has not been paid renumeration in Fiscal 2022.*

[$]*Himanshu Gupta, Non-Executive Director and Shruti Aggarwal who was serving as Non-Executive Director until August 9, 2023, of the Company have voluntarily chosen not to receive any remuneration for the services rendered to the Company for the year ended 2022 and 2023.*

[**]*Please note that Neeru Abrol was appointed to the Board of Directors of our Company w.e.f. March 30, 2024, and accordingly has not attended any meeting during the FY 2023-24.*

$Remuneration payable/ received includes the fixed income and any allowances, perquisites, etc. Further, during the previous financial years, Chandra Wadhwa, Madhu Vij, Hari Das Khunteta, Kundan Mal Agarwal, and Roop Chand Jindal served as Independent Directors of the Company. However, their tenures have concluded, and their offices have ceased accordingly. The aggregate sitting fees received by them was Rs. 18.80 lakhs in FY 22, Rs. 14.55 lakhs in FY 23, and Rs. 18.50 lakhs in FY 24 respectively.

[***]*The remuneration of Shruti Aggarwal for the financial year 2023-24 is as the Whole Time Director of the Company*

Remuneration payable or paid to Directors by Subsidiaries and associate company of our Company

The following table sets forth the remuneration (including sitting fees, commission and perquisites) paid by Subsidiaries and associate company of our Company since Financial Year 2022 to the date of this Prospectus to our Directors:

Name of Director	Category of Director	Name of Subsidiary/associate company and Designation of Director	Remuneration Received/ Payable		
			Financial Year 2022	*Financial Year 2023*	*Financial Year 2024*
Himanshu Gupta	Non-Executive Director	Moneywise Financial Services Private Limited	52.73	71.19	71.90
Shruti Aggarwal*	Whole-Time Director	SMC Investment and Advisors Limited	62.03	78.54	27.61

** The remuneration herein for the period of 2022-23 is until August 9, 2023. Since August 9, 2023, she has been drawing remuneration only from SMC Global Securities Limited.*

Other confirmations

- No Director of our Company is a director or is otherwise associated in any manner with, any company that appears in the list of the vanishing companies as maintained by the Ministry of Corporate Affairs. Further, none of our Directors have been categorized as Wilful Defaulters as per the list maintained by the RBI or any other regulatory or governmental authority.

- We also confirm that none of our Directors is restrained or prohibited or debarred from accessing the securities market or dealing in securities by SEBI. Further, none of our Directors is a promoters or director of another company which is debarred from accessing the securities market or dealing in securities by SEBI.

- No Director in our Company is, or was, a director of any listed company, which has been or was compulsorily delisted from any recognised stock exchange within a period of ten years preceding the date of this Prospectus, in accordance with Chapter V of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021.

- No Director of our Company is a fugitive economic offender, as defined in the SEBI NCS Regulations.

- None of our Directors have committed any violation of securities laws in the past and no such proceedings are pending against any of our Directors.

- None of the whole-time directors of our Company is a promoter or whole-time director of another company that is a willful defaulter.

- None of the Directors of our Company interested in the appointment of or acting as lead managers, credit rating agency(ies), underwriter, registrar, debenture trustee, advertising agency, printers, banker to the Issue or any other such intermediary appointed in connection with the Issue.

We confirm that the Permanent Account Number of each of the Directors of the Company has been submitted to the Stock Exchange at the time of filing this Prospectus.

Borrowing powers of our Board of Directors

Pursuant to a resolution passed by our Board dated May 18, 2023 and Shareholders at the AGM held on June 30, 2023, our Board has been authorized to borrow any sum or sums of monies, which together with the monies already borrowed (apart from temporary loans obtained or to be obtained in the ordinary course of business), in excess of our Company's aggregate paid-up capital and free reserves, provided that the total amount which may

be so borrowed and outstanding shall not exceed a sum of ₹30,000 lakhs.

The aggregate value of the NCDs offered under this Prospectus, together with the existing borrowings of the Company, is within the approved borrowing limits as abovementioned.

Interest of our Directors

Our Managing Director and Executive-Directors may be deemed to be interested to the extent of remuneration paid by our Company as well as to the extent of reimbursement of expenses payable to them and/or to the extent of their shareholding and profit linked incentives payable to them. Our Non-Executive Directors may be deemed to be interested to the extent of sitting fees, if any, payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other reimbursement of expenses that are paid to them.

Our Directors may be deemed to be interested to the extent, including of consideration received/paid or any loans or advances provided to any body corporate, including companies, firms, and trusts, in which they are interested as directors, members, partners or trustees. For details on the related party transactions, please see "***Financial Statements***" on page 184 of this Prospectus.

Except as disclosed in "*Details of other Directorships*" above, none of our Directors have an interest in any venture that is involved in any activities similar to those conducted by our Company.

Except as stated in this section, "*Interest of our Directors*", none of our Directors are interested in their capacity as a member of any firm or company and no sums have been paid or are proposed to be paid to any Director or to such firm of company in which they are interested, by any person, in cash or shares or otherwise, either to induce them or to help them qualify as a director or for services rendered by him or by such firm or company, in connection with the promotion or formation of our Company.

Our Directors have no interest in any immovable property acquired in the preceding two years of filing this Prospectus or proposed to be acquired by our Company nor do they have any interest in any transaction regarding the acquisition of land, construction of buildings and supply of machinery, etc. with respect to our Company. No benefit/interest will accrue to our Promoter/Directors out of the proceeds of the Issue.

Except Subhash Chand Aggarwal and Mahesh C Gupta, none of our Directors are interested in the promotion of our Company.

None of our Directors have taken any loan from our Company. Further, our Company has not availed any loans from the Directors which are currently outstanding.

Shareholding of our Directors in our Company

Except as stated in "***Capital Structure***" on page 62 of this Prospectus, none of the Directors hold any Equity Shares, qualification shares or any outstanding options in our Company as on March 31, 2024.

Shareholdings of Directors in Subsidiaries and associate companies, including details of qualification shares held by Directors as on the date of Prospectus

Except as stated in "***Capital Structure***" on page 62 of this Prospectus, none of our Directors have any shareholding in Subsidiaries and associate companies.

Debentures/Subordinated Debt holding of our Directors

None of our Directors hold debentures or have any subordinated debt holdings issued by our Company.

Changes in the Board of Directors of our Company during the preceding three financial years and current financial year

The changes in our Board of Directors of our Company in the preceding three financial years and current financial year are as follows:

Name, Designation and DIN	Date of Appointment/ re-appointment	Date of Cessation, if applicable	Date of Resignation, if applicable	Remarks
Roop Chand Jindal *Non-Executive Independent Director* *DIN:*01450916	-	June 23, 2022	-	Cessation upon completion of term
Mahesh C Gupta *Vice Chairman and Managing Director* *DIN: 00003082*	September 1, 2022	-	-	Re-appointment as Vice Chairman and Managing Director
Narendra Kumar *Non- Executive Independent Director* *DIN:02307690*	September 16, 2022	-	-	Appointment as Non-Executive Independent Director
Naveen ND Gupta *Independent Director* *DIN: 00271748*	January 30, 2023	-	-	Re-appointment as Non- Executive Independent Director
Gobind Ram Choudhary *Non- Executive Independent Director* *DIN: 01104704*	June 22, 2023	-	-	Appointment as Non-Executive Independent Director
Hemant Bhargava *Non-Executive Independent Director* *DIN: 01922717*	August 9, 2023	-	-	Appointment as Non-Executive Independent Director
Dinesh Kumar Sarraf *Non-Executive Independent Director* *DIN: 00147870*	August 9, 2023	-	-	Appointment as Non-Executive Independent Director
Shruti Aggarwal *Whole Time Director* *DIN: 06886453*	August 9, 2023	-	-	Change in Designation from Non-Executive Director to Whole Time Director
Anurag Bansal *Whole Time Director* *DIN: 00003294*	June 30, 2023	-	-	Re-appointment as Whole-Time Director
Chandra Wadhwa *Non-Executive Independent Director* *DIN: 00764576*	-	March 31, 2024	-	Cessation upon completion of term
Kundan Mal Agarwal *Non-Executive Independent Director* *DIN:00043115*	-	March 31, 2024	-	Cessation upon completion of term
Hari Das Khunteta *Non-Executive Independent Director* *DIN: 0061925*	-	March 31, 2024	-	Cessation upon completion of term
Madhu Vij *Non-Executive Independent Director* *DIN:0025006*	-	March 31, 2024	-	Cessation upon completion of term
Neeru Abrol* *Non- Executive Independent Director* *DIN: 01279485*	March 30, 2024	-	-	Appointment as Additional Director in Independent Director capacity

**The shareholders of the Company at their AGM held on June 22, 2024, have approved the appointment of Neeru Abrol as Non-Executive Independent Director of the Company effective from March 30, 2024.*

Appointment of any relatives of Directors to an Office or place of profit of Company, Subsidiaries or associates companies during the preceding three financial years and as on date of this Prospectus.

Name of the relative of the Director	Office or place of profit of Company, Subsidiaries or Associate Companies	Designation	Relation
Reema Garg	SMC Global Securities Limited	Chief Human Resources Officer	Spouse of Ajay Garg, Director and CEO
Nidhi Bansal	SMC Global Securities Limited	Regional Director- West	Spouse of Anurag Bansal, Whole Time Director
Anuj Kansal	SMC Global Securities Limited	Head, High Frequency Trading	Son-in-law of Subhash Chand Aggarwal, Chairman and Managing Director
Shweta Aggarwal	SMC Capitals Limited	Consultant	Daughter of Subhash Chand Aggarwal, Chairman and Managing Director

Key Managerial Personnel of our Company

Provided below are the details of the Key Managerial Personnel of the Issuer, other than our Managing Directors and Executive Directors, as of the date of this Prospectus:

Vinod Kumar Jamar

Vinod Kumar Jamar is the Chief Financial Officer of our Company. He holds a bachelor's in Commerce from University of Rajasthan from the year 1981. He is fellow member of the Institute of Chartered Accountant of India (ICAI) since 1991. He has been associated with our Company since 2010. He was previously associated with Bajaj Allianz General Insurance Company Limited as the AVP- Finance and Chief Risk Officer. He possesses over 35 years of experience in taxation, finance, accounts, strategic planning, auditing, and fund management.

Suman Kumar

Suman Kumar is the Company Secretary and Compliance Officer of our Company. He holds a bachelor's in science from the year 1998. He is also a fellow member of the Institute of Company Secretaries of India (ICSI) since 2003 and Law Graduate from Delhi University from the year 2002. He has been associated with our Company since 2005. He possesses close to two decades of experience.

As on the date of this Prospectus, all of the Key Managerial Personnel of the Issuer are the permanent employees of the Issuer.

Senior Management of our Company

Senior Management of our Company comprises of such members as defined under Regulation 2(1)(iia) of the SEBI NCS Regulations. Basis the same members of the Senior Management of our Company are as follows:

Name	Designation
Reema Garg	Chief Human Resources Head
Nidhi Bansal	Regional Director, West
Narendra Balasia	Regional Director, East
Vinod Kumar Jamar	President and Group CFO
Suman Kumar	E.V.P. (Corporate Affairs and Legal), Company Secretary and General Counsel
Abhishek Chawla	Chief Technology Officer
Ashok Kumar Aggarwal	Senior Vice President
Jai Gopal	Senior Vice President, Banking and Finance
Mohit Shyngle	Senior Vice President, Business Development Sub Broker
Rajesh Kumar	Senior Vice President, Debt
Rohit Jain	Senior Vice President, SMC Private Wealth
Deepak Vohra	Vice President, Operations
Ankush Goel	Vice President, Business Development - Sub-Broker
B. Sanjeev Kumar	Vice President, Business Development - Online
Nikhil Mehta	Vice President, Treasury and Debt Solutions Desk
Nitin Kumar Murarka	Vice President, Research
Sushil Kumar Joshi	Vice President, Distribution
Utkarsh Mishra	Vice President, Business Development Retail
Pulin Behari Das	Vice President Business Development Sub-Broker, East
Satinder Paul	Head, Risk Management and Operations
Dev Kumar Roy Chowdhury	Assistant Vice President, Depository Participant
Vineet Kumar Goyal	Assistant Vice President, Corporate Communication and Branding
Ankush Khanna	Assistant Vice President, HR and L&D
Vinay Tripathi	Assistant Vice President, Trading Member Desk
Pavan Kumar Singh	Assistant Vice President, IT and Software Development
Rohit Ahuja	Assistant Vice President, IT and Networking

Relationship with other Key Managerial Personnel and members of our Senior Management

Except Reema Garg, the Chief Human Resources Head who is the wife of Ajay Garg, Director and Chief Executive Officer of the Company; and Nidhi Bansal, the Regional Director (West) of our Company who is the wife of Anurag Bansal, Whole Time Director of our Company, none of the other KMP and members of our Senior Management are related to each other.

Interests of Key Managerial Personnel and members of our Senior Management

Our Directors, Key Managerial Personnel or members of the Senior Management have no financial or other material interest in the Issue**.**

Related Party Transactions

For details in relation to the related party transactions entered by our Company during the preceding three financial years and current financial year with regard to loans made or, guarantees given or securities provided, as per the requirements specified under the Companies Act, refer to the Financial Year 2024, 2023 and 2022 under chapter "***Financial Statements***" on page 184 of this Prospectus.

Shareholding of our Company's Key Managerial Personnel and members of our Senior Management

As on date of this Prospectus, apart from the KMPs who are also our Directors, none of the KMPs or SMPs hold equity shares in our Company, except as disclosed below:

Sr. no	Particulars of the SMP	Number of shares held
1	Ashok Kumar Aggarwal	23,500

2	Narendra Balasia	60,500
3	Pulin Behari Das	1,000
4	Rohit Jain	1,400
5	Jai Gopal	9,035

Corporate Governance

Our Company has in place processes and systems whereby it complies with the requirements to the corporate governance provided in SEBI Listing Regulations (to the extent applicable to a company which has listed debt securities) and the applicable RBI Guidelines. The corporate governance framework is based on an effective independent Board, separation of the supervisory role of the Board from the executive management team and constitution of the committees of the Board, as required under applicable law. The Board of our Company is constituted in compliance with the Companies Act, 2013 and the SEBI Listing Regulations (to the extent applicable). The Board functions either as a full Board or through various committees constituted to oversee specific operational areas.

Details of statutory committees of the Board of Directors

Our Company has constituted the following committees, as required under applicable laws:

Audit Committee

The members of the Audit Committee are:

Name of the Member	Designation in the Committee	Nature of Directorship	
Dinesh Kumar Sarraf	Chairman	Non-Executive-Director	Independent
Hemant Bhargava	Member	Non-Executive-Director	Independent
Naveen ND Gupta	Member	Non-Executive-Director	Independent
Narendra Kumar	Member	Non-Executive-Director	Independent

The Audit Committee was originally constituted pursuant to the Board resolution dated May 30, 2003. The Audit Committee was last reconstituted on February 05, 2024. The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and the Listing Regulations.

The terms of reference of our Audit Committee includes the following:

- the recommendation for appointment, remuneration and terms of appointment of auditors of the company.
- review and monitor the auditor's independence and performance, and effectiveness of audit process.
- examination of the financial statement and the auditors' report thereon.
- approval or any subsequent modification of transactions of the company with related parties.
- scrutiny of inter-corporate loans and investments.
- valuation of undertakings or assets of the company, wherever it is necessary.
- evaluation of internal financial controls and risk management systems.
- monitoring the end use of funds raised through public offers and related matters.
- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the board of directors, the appointment, re-appointment and if required, the replacement or removal of the Statutory Auditor and fixation of audit fees.
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
- Reviewing, with management, the annual financial statements before submission to the Board for approval, with particular reference to:

- Matters required being included in the Directors' Responsibility Statement to be included in Board's Report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
- Changes, if any, in accounting policies and practices and reasons for the same.
- Major accounting entries involving estimates based on exercise of judgment by management.
- Significant adjustments made in the financial statements arising out of audit findings.
- Compliance with listing and other legal requirements relating to financial statements.
- Disclosure of any related party transactions.
- Qualifications in the draft audit report.
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing with the management, performance of statutory and internal auditors and adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors on any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussions with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism, in case the same is already in place.
- Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background etc. of the candidate.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

Name of the Member	Designation in the Committee	Nature of Directorship	
Gobind Ram Choudhary	Chairman	Non-Executive-Director	Independent
Dinesh Kumar Sarraf	Member	Non-Executive-Director	Independent
Naveen ND Gupta	Member	Non-Executive-Director	Independent

The Nomination and Remuneration Committee (Formerly Known as Remuneration Committee) was constituted pursuant to the Board resolution dated May 30, 2003. The Nomination and Remuneration Committee was last reconstituted on February 5, 2024. The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and the Listing Regulations.

The terms of reference of the Nomination and Remuneration Committee include the following:

- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and

removal

- To carry out evaluation of every directors' performance
- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees. The Committee shall, while formulating the policy, ensure that that-
  a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully
  b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks
  c) Remuneration to directors, key managerial personnel and other management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals
- To recommend to the Board, the remuneration (including any modification therein) payable to the Managing Director or Whole-Time Director or Manager of the Company
- The Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified by NRC.
- The Committee might consider following while identifying suitable candidates for the position of Independent Director:
  a) Use the services of external agencies
  b) Consider candidates from a wide range of backgrounds, having due regard to diversity
  c) Consider time commitments of candidates
- Such other functions/area/term as desired/referred by the Board from time to time or required under applicable law/listing agreement, for time being in force

Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

Name of the Member	Designation in the Committee	Nature of Directorship
Narendra Kumar	Chairman	Non-Executive- Independent Director
Dinesh Kumar Sarraf	Member	Non-Executive- Independent Director
Anurag Bansal	Member	Whole-Time Director

The Stakeholders Relationship Committee (formerly known as Investor's Grievances Committee) was constituted pursuant to the Board resolution dated April 28, 2003. The Stakeholders' Relationship Committee was last reconstituted on February 5, 2024. The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and the Listing Regulations

The terms of reference of the Stakeholders' Relationship Committee are as follows:

- Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review measures taken for effective exercise of voting rights by shareholders
- Review adherence to the service standards adopted by the Company in respect of various services rendered by the Registrar and Share Transfer Agent
- Review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends, and ensure timely receipt of dividend, warrants, and statutory notices by the shareholders.

Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

Name of the Member	Designation in the Committee	Nature of Directorship
Subhash Chand Agarwal	Chairman	Chairman and Managing Director
Mahesh C Gupta	Member	Vice Chairman- Managing Director
Dinesh Kumar Sarraf	Member	Non- Executive Independent Director

The Corporate Social Responsibility Committee was first constituted by a meeting of the Board of Directors held on May 26, 2014, and was re-constituted on February 5, 2024. The scope and functions of the Corporate Social Responsibility Committee is in accordance with Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 to perform the duties which may be performed by the Committee under the Companies Act, 2013 and any other duties assigned to it by the Board from time to time.

Risk Management Committee

The members of the Risk Management Committee are:

Name of the Member	Designation in the Committee	Nature of Directorship
Anurag Bansal	Chairman	Whole-Time Director
Ajay Garg	Member	Director and CEO
Himanshu Gupta	Member	Non-Executive Director
Hemant Bhargava	Member	Non-Executive Independent Director

The Risk Management Committee was constituted by the Board of Directors at their meeting held on June 7, 2021. The Risk Management Committee was last reconstituted on February 5, 2024.

The terms and reference of the Risk Management Committee include the following:

- To formulate a detailed risk management policy and approve any amendment/modification thereof
- To monitor and oversee implementation of risk management policy including evaluating of risk management systems
- To review the risk management policy at least once in two years including by considering the changing industry dynamics and evolving complexity
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company
- To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken
- To appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the committee
- To coordinate activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board
- Monitoring and reviewing the risk management of various functions including cyber-security

OUR PROMOTERS

Our Promoters are Mahesh C Gupta, Subhash Chand Aggarwal, Sushma Gupta, and Damodar Krishan Aggarwal

As of March 31, 2024, our Promoters collectively hold 2,46,92,520 Equity Shares equivalent to 23.59% of the paid-up Equity Share capital of our Company.



Subhash Chand Aggarwal

DOB: July 2, 1956
Age: 67 Years
Address: House No. 67 Road No. 41, Punjabi Bagh, West Delhi 110 026
Permanent Account Number: AAJPA9387K



Mahesh C Gupta

DOB: January 30, 1957
Age: 67 Years
Address: House No. C-40, Anand Vihar, I.P. Extension, Delhi 110 092
Permanent Account Number: AIEPG2872J



Damodar Krishan Aggarwal

DOB: October 4, 1962
Age: 61 years
Address: House No. 67 Road No. 41, Punjabi Bagh, West Delhi – 110026, India
Permanent Account Number: AAEPA9441R



Sushma Gupta

DOB: August 27, 1955
Age: 68 Years
Address: House No. C-40, Anand Vihar, I.P. Extension, Delhi – 110092, India
Permanent Account Number: AAKPG3437B

Brief Profile of Promoters:

Mahesh C Gupta is one of the Promoters of our Company. For brief profile of Mahesh C Gupta, please see "***Our Management – Profile of Directors***" on page 160 of this Prospectus.

Subhash Chand Aggarwal is one of the Promoters of our Company. For brief profile of Subhash Chand Aggarwal, please see "***Our Management – Profile of Directors***" on page 160 of this Prospectus.

Sushma Gupta is one of the Promoters of our Company. She holds a postgraduate degree in science from Meerut University from the year 1977. She was also associated with our Company as a director from the year 1995 to 2007. She possesses over 20 years of experience in strategic planning.

Damodar Krishan Aggarwal is one of the Promoters of our Company. He holds a bachelor's in commerce from Punjab University from the year 1982. He is a Fellow Member of the Institute of Chartered Accountants of India since the year 2009. He has over two decades of experience in the field of securities market and financial services. He is a member of American Academy of Financial Management ("**AAFM**") by the Board of Standards of the American Academy of Financial Management, USA.

Our Company confirms that a declaration relating to the PAN, Aadhaar number, driving license number, bank account number(s) and passport number of the Promoters shall be submitted to the BSE at the time of filing this Prospectus.

Common pursuits of our Promoters

Our Promoters are not engaged in businesses similar to ours as on date of this Prospectus.

Interest of our Promoters

1. Our Promoters are interested in our Company to the extent that they have promoted our Company.

2. Our Promoters, Mahesh C. Gupta, and Subhash Chand Aggarwal, who are also the Directors of our Company may be interested to the extent of remuneration payable to them as per the terms of their appointment, the Articles of Association of our Company and relevant provisions of the Companies Act. Further, there has been no payment of any amount or benefit given to our Promoters or Promoter Group during the three years preceding the date of filing of the Prospectus nor is there any intention to pay any amount or give any benefit to our Promoters or Promoter Group as on the date of filing of this Prospectus. For more details, please see "***Our Management***" and "***Financial Statements***" on pages 157, and 184 respectively of this Prospectus.

3. Our Promoters may also be deemed to be interested to the extent of Equity Shares held by them and their immediate relatives in our Company and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares in our Company. For more details, please see "***Capital Structure***" on page 62 of this Prospectus.

4. No sum has been paid or agreed to be paid to any of our Promoters or to the firms or companies in which our Promoters are interested as members in cash or shares or otherwise by any person, either to induce them to become or to qualify them, as directors or promoters or otherwise for services rendered by our Promoters or by such firms or companies in connection with the promotion or formation of our Company.

5. Our Promoters are also directors on the boards, or are shareholders, members of entities with which our Company has had related party transactions and may be deemed to be interested to the extent of the payments made by our Company, if any, to these entities. For further details of interest of our Promoters in our Company, see "***Financial Information***" on page 184 of this Prospectus.

6. Our Promoters have no interest in any property acquired in the three years preceding the date of this Prospectus or proposed to be acquired by our Company, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

7. As on the date of filing of this Prospectus, our Promoters are not interested in any transaction for acquisition of land, construction of buildings and supply of machinery.

8. Our Promoters intend to subscribe to this Issue.

9. Our Promoters have no financial or other material interest in the Issue.

Other understanding and confirmations

None of our Promoters have been identified as Wilful Defaulters by the RBI or any other governmental authority.

No violation of securities laws has been committed by our Promoters in the past or is currently pending against them except as disclosed in section titled "***Outstanding Litigation and Default***" on page 266 of this Prospectus.

None of our Promoters, was a promoter, director or person in control of any company which was delisted within a period of ten years preceding the date of this Prospectus, in accordance with Chapter V of the SEBI Delisting Regulations.

Our Promoters are not restrained or debarred or prohibited from accessing the capital markets or restrained or debarred or prohibited from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad. Further, our Promoter is not a promoter of another company which is debarred from accessing the securities market or dealing in securities under any order or directions passed for any reasons by SEBI.

Further, none of our Promoters are Fugitive Economic Offenders as defined in the SEBI NCS Regulations.

No benefit or interest will accrue to our Promoters out of the objects of the Issue.

Details of Equity Shares allotted to our Promoters during the preceding three Fiscal Years

Our Promoters have not been allotted any Equity Shares of our Company during the preceding three Fiscal Years.

Shareholding pattern of our Promoter as on March 31, 2024

Name of Promoter shareholder	Number of Equity Shares	Number of Equity Shares in demat form	Shareholding as % of total no. of Equity Shares	Number Of Equity Shares pledged	% of Equity Shares pledged with respect to Equity Shares owned
Subhash Chand Aggarwal	80,95,500	80,95,500	7.73	-	-
Mahesh C Gupta	82,48,500	82,48,500	7.88	-	-
Sushma Gupta	75,66,550	75,66,550	7.23	-	-
Damodar Krishan Aggarwal	7,81,970	7,81,970	0.75	-	-

Other Directorships and ventures of our Promoters

Name of the Promoter	Other directorships and ventures
Subhash Chand Aggarwal	Nil
Mahesh C Gupta	Nil
Sushma Gupta	Nil
Damodar Krishan Aggarwal	1. SMC Capitals Limited; 2. SMC Investments and Advisors Limited; 3. Pulin Comtrade Limited (Formerly known as SMC Comtrade Limited); 4. Dee Faces Herbal Private Limited; 5. SMC Real Estate Private Limited.

RELATED PARTY TRANSACTIONS

For details of the related party transaction as at and for each of the years ended March 31, 2024, 2023 and 2022, as per the requirements under the applicable accounting standards, see **"Annexure A"** on page 337.

Details of related party transactions entered during the preceding three Financial Years with regard to loans made or guarantees given or securities provided.

(₹ in lakhs)

S. No.	Name of the Related Party	Nature of Transaction	Fiscal					
			2022		2023		2024	
			Related Party Transactions	Related Party Transactions as a % of total income (%)	Related Party Transactions	Related Party Transactions as a % of total income (%)	Related Party Transactions	Related Party Transactions as a % of total income (%)
1.	Key managerial personnel	Salaries, wages & other benefits	559.80	0.82	692.55	1.00	830.30	0.94
		Dividend paid	389.04	0.57	415.93	0.60	418.93	0.47
2.	Close family member of KMPs	Salaries, wages & other benefits	160.28	0.23	261.61	0.38	286.92	0.32
		Dividend paid	425.66	0.62	559.04	0.81	559.83	0.63
3.	Independent Directors	Directors Sitting Fees	22.50	0.03	19.20	0.03	31.85	0.04
4.	Moneywise Financial Services Private Limited	Loans & Advances given to Subsidiary	5,620.95	8.22	-	-	-	-
		Loans & Advances recovered from Subsidiary	5,620.95	8.22	-	-	-	-
		Loans & Advances taken from Subsidiary	-	-	5,600.00	8.08	11,143.83	12.61
		Loans & Advances repaid to Subsidiary	-	-	3,100.00	4.47	13,643.83	15.44
		Brokerage received from Subsidiary	4.49	0.01	3.52	0.01	6.17	0.01
		Other Income from Subsidiary	-	-	0.65	0.00	-	-
		Demat Charges received from Subsidiary	0.90	0.00	0.50	0.00	1.05	0.00
		Interest income from	44.15	0.06	-	-	-	-

S. No.	Name of the Related Party	Nature of Transaction	Fiscal					
			2022		2023		2024	
			Related Party Transactions	Related Party Transactions as a % of total income (%)	Related Party Transactions	Related Party Transactions as a % of total income (%)	Related Party Transactions	Related Party Transactions as a % of total income (%)
		subsidiary						
		Interest income on NCD from subsidiary	47.54	0.07	100.10	0.14	2.77	0.00
		Fair value gain on MLD from Subsidiary	0.58	0.00	-	-	3.44	0.00
		Delay Payment charges on subsidiary	0.01	0.00	-	-	0.11	0.00
		Dividend Received	-	-		-	1,309.71	1.48
		Interest Expenses	-	-	55.94	0.08	315.71	0.36
		Other expenses	-	-	72.67	0.10	102.54	0.12
		Reimbursement of expenses received from Subsidiary	0.10	0.00	9.56	0.01	16.94	0.02
5.	Moneywise Finvest Limited	Investment in Equity Shares of Subsidiary Company	800.00	1.17	1,500.00	2.17	-	-
		Loans & Advances taken from Subsidiary	-	-	1,300.00	1.88	20	0.02
		Loans & Advances repaid to Subsidiary	-	-	300.00	0.43	1,020	1.15
		Brokerage received from Subsidiary	75.66	0.11	69.54	0.10	68.10	0.08
		Rent received from subsidiary	22.25	0.03	49.80	0.07	49.80	0.06
		Demat Charges received from Subsidiary	8.45	0.01	4.12	0.01	4.63	0.01
		Interest Expenses	205.62	0.30	340.35	0.49	433.38	0.49
		Commission		-	439.98	0.64	478.85	0.54

S. No.	Name of the Related Party	Nature of Transaction	Fiscal					
			2022		2023		2024	
			Related Party Transactions	Related Party Transactions as a % of total income (%)	Related Party Transactions	Related Party Transactions as a % of total income (%)	Related Party Transactions	Related Party Transactions as a % of total income (%)
		expense						
		Reimbursement of expenses received from Subsidiary	23.89	0.03	59.87	0.09	95.54	0.11
6.	Pulin Comtrade Limited (earlier SMC Comtrade Limited)	Investment in Equity Shares of Subsidiary Company	-	-	700.00	1.01	-	-
		Loans & Advances given to Subsidiary	2,321.23	3.39	-	-	14,873	16.83
		Loans & Advances recovered from Subsidiary	824.38	1.21	1,412.77	2.04	14,873	16.83
		Loans & Advances taken from Subsidiary	-	-	7,522.54	10.86	-	-
		Loans & Advances repaid to Subsidiary	-	-	7,522.54	10.86	-	-
		Brokerage received from Subsidiary	2.32	0.00	2.64	0.00	2.13	0.00
		Demat Charges received from Subsidiary	-	-	0.02	0.00	0.01	0.00
		Interest income from subsidiary	42.98	0.06	30.73	0.04	200.40	0.23
		Interest Expenses	1.05	0.00	4.26	0.01	5.21	0.01
		Rent Expenses	24.48	0.04	24.48	0.04	24.48	0.03
		Other expenses		-		-	13.93	0.02
		Reimbursement of expenses received from Subsidiary	1.64	0.00	1.80	0.00	1.15	0.00
7.	Pulin	Brokerage	214.28	0.31	240.61	0.35	118.42	0.13

S. No.	Name of the Related Party	Nature of Transaction	Fiscal					
			2022		2023		2024	
			Related Party Transactions	Related Party Transactions as a % of total income (%)	Related Party Transactions	Related Party Transactions as a % of total income (%)	Related Party Transactions	Related Party Transactions as a % of total income (%)
	Investments Private Limited	received from Entity controlled by KMPs						
		Demat Charges received from Entity controlled by KMPs	0.01	0.00	0.03	0.00	0.01	0.00
		Delay Payment charges on Entity controlled by KMPs	0.02	0.00	66.38	0.10	-	-
		Dividend paid	185.54	0.27	225.36	0.33	228.05	0.26
8.	Qnance Research Capital LLP	Brokerage received from Subsidiary	149.30	0.22	-	-	-	-
		Reimbursement of expenses paid to Subsidiary	56.06	0.08	-	-	-	-
9.	SMC Capitals Limited	Rent received from subsidiary	4.23	0.01	4.23	0.01	4.23	0.00
		Income from distribution of financial products	500.69	0.73	638.34	0.92	14.35	0.02
		Reimbursement of expenses received from Subsidiary	1.50	0.00	2.26	0.00	3.50	0.00
10.	SMC Comex International DMCC	Loans & Advances given to Subsidiary	303.23	0.44	-	-	-	-
		Interest income from subsidiary	2.33	0.00	16.08	0.02	16.58	0.02
11.	SMC Global Foundation	Contribution to trust controlled by KMPs	0.43	0.00	-	-	5.27	0.01
12.	SMC Global	Reimbursement of	-	-	0.86	0.00	0.07	0.00

S. No.	Name of the Related Party	Nature of Transaction	Fiscal					
			2022		2023		2024	
			Related Party Transactions	Related Party Transactions as a % of total income (%)	Related Party Transactions	Related Party Transactions as a % of total income (%)	Related Party Transactions	Related Party Transactions as a % of total income (%)
	IFSC Private Limited	expenses received from Subsidiary						
		Reimbursement of expenses paid to Subsidiary	0.29	0.00	-	-	-	-
13.	SMC Global USA Inc	Impairment on financial instruments (Loan)	57.11	0.08	-	-	182.14	0.21
14.	SMC Insurance Brokers Private Limited	Capital Reduction of Subsidiary	-	-	-2,576.23	-3.72	-	-
		Investment in NCD of Subsidiary Company	3,015.77	4.41	-	-	696.23	0.79
		Sale of NCD of Subsidiary company	2,822.28	4.13	1,238.48	1.79	361.48	0.41
		Investment in MLD of Subsidiary Company	50.00	0.07	1,690.73	2.44	988.76	1.12
		Sale of MLD of Subsidiary Company	-	-	-	-	200.00	0.23
		Loans & Advances taken from Subsidiary	5,521.00	8.07	6,925.00	10.00	5,897.17	6.67
		Loans & Advances repaid to Subsidiary	5,521.00	8.07	6,925.00	10.00	5,897.17	6.67
		Brokerage received from Subsidiary	2.59	0.00	-	-	-	-
		Rent received from subsidiary	160.79	0.24	120.00	0.17	120.00	0.14
		Demat Charges received from Subsidiary	0.06	0.00	0.04	0.00	0.04	0.00
		Fair value gain on MLD from	-	-	-	-	20.94	0.02

S. No.	Name of the Related Party	Nature of Transaction	Fiscal					
			2022		2023		2024	
			Related Party Transactions	Related Party Transactions as a % of total income (%)	Related Party Transactions	Related Party Transactions as a % of total income (%)	Related Party Transactions	Related Party Transactions as a % of total income (%)
		Subsidiary						
		Delay Payment charges on subsidiary	1.43	0.00	-	-	-	-
		Dividend Received	727.20	1.06	808.00	1.17	1,053.00	1.19
		Interest Expenses	92.63	0.14	251.63	0.36	138.94	0.16
		Reimbursement of expenses received from Subsidiary	1.05	0.00	10.02	0.01	24.24	0.03
15.	SMC Investments & Advisors Limited	Loans & Advances given to Subsidiary	1.02	0.00	530.00	0.77	-	-
		Loans & Advances recovered from Subsidiary	457.17	0.67	858.57	1.24	-	-
		Demat Charges received from Subsidiary	-	-	0.03	0.00	0.36	0.00
		Interest income from subsidiary	51.09	0.07	38.61	0.06	-	-
		Borrowing Cost	22.50	0.03	-	-	60.90	0.07
		Reimbursement of expenses received from Subsidiary	0.09	0.00	1.99	0.00	12.59	0.01
16.	SMC Real Estate Advisors Private Limited	Investment in NCD of Subsidiary Company	78.28	0.11	-	-	-	-
		Sale of NCD of Subsidiary company	559.65	0.82	202.67	0.29	108.80	0.12
		Loans & Advances given to Subsidiary	3,841.26	5.62	512.00	0.74	-	-
		Loans & Advances recovered	4,287.15	6.27	512.00	0.74	-	-

S. No.	Name of the Related Party	Nature of Transaction	Fiscal					
			2022		2023		2024	
			Related Party Transactions	Related Party Transactions as a % of total income (%)	Related Party Transactions	Related Party Transactions as a % of total income (%)	Related Party Transactions	Related Party Transactions as a % of total income (%)
		from Subsidiary						
		Brokerage received from Subsidiary	345.03	0.50	300.11	0.43	38.90	0.04
		Demat Charges received from Subsidiary	0.53	0.00	0.06	0.00	0.04	0.00
		Interest income from subsidiary	28.21	0.04	14.10	0.02	-	-
		Interest income on NCD from subsidiary	-	-	2.67	0.00	1.80	0.00
		Interest Expenses	15.30	0.02	-	-	-	-
		Reimbursement of expenses received from Subsidiary	29.45	0.04	25.85	0.04	12.03	0.01
17	ASM Pipes Private Limited	Dividend Paid	373.34	0.55	448.01	0.65	448.01	0.51
18	Jai Ambey Share Broking Limited	Dividend Paid	32.33	0.05	37.35	0.05	35.68	0.04
19	SMC Share Brokers Limited*	Dividend Paid	4.50	0.01	2.70	0.00	-	-

Note: *(1) Transactions and balances with KMPs and their relatives, related parties through stock exchanges / depositories / PMS in the normal course of business have not been disclosed as the same have been transacted at prevailing market prices under online trade mechanism and not material in nature;*

(2) Above details excludes Corporate Guarantee given on behalf of subsidiaries company and amount outstanding ₹ 1,938 lakhs as at 31st March 2023 and ₹ 16,000 lakhs as at 31st March 2022)

**Merged with Pulin Investments Private Limited*

SECTION V: FINANCIAL INFORMATION

DISCLOSURES ON EXISTING FINANCIAL INDEBTEDNESS

The outstanding borrowings of our Company as on March 31, 2024 (as per IND AS) are as follows:

(₹ in lakhs)

Sr. No.	Nature of Borrowings	Amount
1.	Secured Borrowings*	64,249.82
2.	Unsecured Borrowings	NIL
	Total	**64,249.82**

* *Effective Interest Rate (EIR) Impact*

DETAILS OF BORROWINGS OF THE COMPANY, AS ON THE FINANCIAL YEAR ENDED, I.E., MARCH 31, 2024

(a) Details of Outstanding Secured Term Loan Facilities as on March 31, 2024:

Our Company's total principal amount outstanding for secured term loans/facility from banks and financial institutions as on March 31, 2024, is ₹ 17,786.05 Lakhs. The details of the borrowings are set out below:

(₹ in lakhs)

Sr. No.	Name of Lender	Type of Facility	Amount Sanctioned (₹ in lakhs)	Principal Amount including interest outstanding as on March 31, 2024 (₹ in lakhs)	Repayment Date/ Schedule	Security	Credit Rating, if applicable	Asset Classification
From Banks								
1	HDFC Bank Limited	Vehicle Loan	71.73	35.17	Payable on 7th of every month till maturity.	Vehicle	[ICRA]A (Stable)/[ICRA]A1+	Standard Assets
2	HDFC Bank Limited	Vehicle Loan	21.06	18.46	Payable on 7th of every month till maturity.	Vehicle	[ICRA]A (Stable)/[ICRA]A1+	Standard Assets
3	HDFC Bank Limited	Vehicle Loan	70.00	53.94	Payable on 5th of every month till maturity.	Vehicle	[ICRA]A (Stable)/[ICRA]A1+	Standard Assets
4	Union Bank of India	Vehicle Loan	46.76	38.61	Payable on 17th of every month till maturity.	Vehicle	[ICRA]A (Stable)/[ICRA]A1+	Standard Assets
5	Axis Bank Limited	Vehicle Loan	71.00	58.87	Payable on 10th of every month till maturity.	Vehicle	[ICRA]A (Stable)/[ICRA]A1+	Standard Assets
6	Axis Bank Limited	Vehicle Loan	86.50	69.03	Payable on 10th of every month till maturity.	Vehicle	[ICRA]A (Stable)/[ICRA]A1+	

Sr. No.	Name of Lender	Type of Facility	Amount Sanctioned (₹ in lakhs)	Principal Amount including interest outstanding as on March 31, 2024 (₹ in lakhs)	Repayment Date/ Schedule	Security	Credit Rating, if applicable	Asset Classification
	Sub Total (A)		**367.05**	**274.08**				
From Others								
7	Daimler Financial Services Private Limited	Vehicle Loan	40.00	20.34	Payable on 18th of every month till maturity.	Vehicle	[ICRA]A (Stable)/[ICRA]A1+	Standard Assets
8	Aditya Birla Finance Limited	Term Loan	3,000.00	3,000.00	Maturity Date: April 01, 2027.	Against MTF	[ICRA]A (Stable)/[ICRA]A1+	Standard Assets
9	Kotak Mahindra Investments Limited	Term Loan	7,500.00	5,256.56	Maturity Date: March 28, 2027.	Against Property	[ICRA]A (Stable)/[ICRA]A1+	Standard Assets
10	Tata Capital Financial Services Limited	Term Loan	3,000.00	3,011.84	Maturity Date: September 15, 2024.	Against MTF	[ICRA]A (Stable)/[ICRA]A1+	Standard Assets
11	Bajaj Finance Limited	Term Loan	2,000.00	2,008.36	Maturity Date: September 10, 2024.	Against Property	[ICRA]A (Stable)/[ICRA]A1+	Standard Assets
12	Globe Fincap Limited	Term Loan	1,000.00	409.74	Interest is payable on 1st of every month.	Against MTF	[ICRA]A (Stable)/[ICRA]A1+	Standard Assets
13	Piramal Enterprises Limited	Term Loan	3,500.00	3,522.44	Maturity Date: November 30, 2024	Against MTF	[ICRA]A (Stable)/[ICRA]A1+	Standard Assets
Sub Total (B)			**20,040.00**	**17,229.28**				
Grand Total (A+B)			**20,407.05**	**17,503.36**				

(b) Details of cash credit, working capital demand loans, bank guarantees and over facilities:

Our Company's total principal amount outstanding for cash credit, working capital demand loans and over facilities and bank guarantees as on March 31, 2024, is ₹ 1,17,894.77 Lakhs. The details of the borrowings are set out below:

(₹ in lakhs)

Sr. No.	Name of Lender	Type of Facility	Amount Sanctioned (₹ in lakhs)	Principal Amount outstanding as on March 31, 2024 (₹ in lakhs)	Repayment Date/ Schedule	Security	Credit Rating, if applicable	Asset Classification
From Banks								
1	ICICI Bank Limited	WCDL	10,000.00	653.00	Repayable on Demand	Against Receivables (Non MTF)	[ICRA]A (Stable)/[ICRA]A1+	Standard Assets
2	ICICI Bank Limited	Cash Credit		841.53	Repayable on Demand	Against Receivables (Non MTF)	[ICRA]A (Stable)/[ICRA]A1+	Standard Assets
3	ICICI Bank Limited	WCDL	10,000.00	10,000.00	Repayable on Demand	50% against FDRs	[ICRA]A (Stable)/[ICRA]A1+	Standard Assets
4	Kotak Mahindra Bank Limited	WCDL	22,500.00	16,548.26	Repayable on Demand	Against Receivables (Non MTF)	[ICRA]A (Stable)/[ICRA]A1+	Standard Assets
		Cash Credit		2,816.20	Repayable on Demand	Against Receivables (Non MTF)	[ICRA]A (Stable)/[ICRA]A1+	Standard Assets
		Cash Credit		67.41	Repayable on Demand	Against Receivables (Non MTF)	[ICRA]A (Stable)/[ICRA]A1+	Standard Assets
5	RBL Bank Limited	WCDL	3,000.00	3,000.00	Repayable on Demand	Against Receivables (Non MTF)	[ICRA]A (Stable)/[ICRA]A1+	Standard Assets
6	HDFC Bank Limited	WCDL	6,000.00	5,994.33	Repayable on Demand	Against Receivables (Non MTF)	[ICRA]A (Stable)/[ICRA]A1+	Standard Assets
7	Federal Bank Limited	WCDL	1,000.00	999.88	Repayable on Demand	Against Receivables (Non MTF)	[ICRA]A (Stable)/[ICRA]A1+	Standard Assets
8	HDFC Bank Limited	Cash Credit	28,000.00	3,212.77	Repayable on Demand	Against FDR	[ICRA]A (Stable)/[ICRA]A1+	Standard Assets
9	AU Small	Cash Credit	600.00	594.26	Repayable on Demand	Against FDR	[ICRA]A	Standard Assets

Sr. No.	Name of Lender	Type of Facility	Amount Sanctioned (₹ in lakhs)	Principal Amount outstanding as on March 31, 2024 (₹ in lakhs)	Repayment Date/ Schedule	Security	Credit Rating, if applicable	Asset Classification
	Finance Bank Limited						(Stable)/[ICRA]A1+	
10	Federal Bank Limited	Cash Credit	7,500.00	4.84	Repayable on Demand	Against FDR	[ICRA]A (Stable)/[ICRA]A1+	Standard Assets
11	Yes Bank Limited	Cash Credit	2,700.00	1,611.50	Repayable on Demand	Against FDR	[ICRA]A (Stable)/[ICRA]A1+	Standard Assets
12	Axis Bank Limited	Cash Credit	200.00	-	Repayable on Demand	Against FDR	[ICRA]A (Stable)/[ICRA]A1+	Standard Assets
13	IDFC First Bank Limited	Cash Credit	2,500.00	-	Repayable on Demand	Against FDR	[ICRA]A (Stable)/[ICRA]A1+	Standard Assets
14	RBL Bank Limited	Cash Credit	5,000.00	-	Repayable on Demand	Against FDR	[ICRA]A (Stable)/[ICRA]A1+	Standard Assets
	Sub Total (A)		**99,000.00**	**46,343.98**				
From Others								
12	Tata Capital Financial Services Limited	WCDL	1,500.00	0.81	Repayable on Demand	Against Govt Security	[ICRA]A (Stable)/[ICRA]A1+	Standard Assets
13	Bajaj Finance Limited	WCDL	400.00	401.67	Repayable on Demand	Against Receivables (Non MTF)	[ICRA]A (Stable)/[ICRA]A1+	Standard Assets
	Sub Total (B)		**1,900.00**	**402.48**				
Bank Guarantee								
14	HDFC Bank Limited	BG	15,500.00	11,999.00	**Maturity date** / **Amount** **17 February 2025** 500.00 **17 February 2025** 1,000.00 **19 February 2025** 800.00 **23 March 2025** 600.00 **26 March 2025** 400.00 **20 April 2025** 1,592.00 **20 April 2025** 1,990.00 **14 May 2025** 1,170.000	50% IN THE FORM OF FDR	[ICRA]A (Stable)/[ICRA]A1+	Standard Assets

Sr. No.	Name of Lender	Type of Facility	Amount Sanctioned (₹ in lakhs)	Principal Amount outstanding as on March 31, 2024 (₹ in lakhs)	Repayment Date/ Schedule		Security	Credit Rating, if applicable	Asset Classification
					23 May 2025	1,592.000			
					24 May 2025	206.000			
					16 October 2024	150.000			
					16 January 2025	1,999.000			
15	ICICI Bank Limited	BG	20,000.00	2,245.00	**Maturity date**	**Amount**	50% IN THE FORM OF FDR	[ICRA]A (Stable)/[ICRA]A1+	Standard Assets
					07 April 2024	1,345.00			
					18 April 2024	900.00			
16	Axis Bank	BG	17,500.00	12,510.00	**Maturity Date**	**(Amt in Rs.)**	50% IN THE FORM OF FDR	[ICRA]A (Stable)/[ICRA]A1+	Standard Assets
					15 August 2024	1,400.00			
					21 November 2024	1,010.00			
					04 December 2024	5,000.00			
					18 December 2024	1,100.00			
					21 May 2025	4,000.00			
17	Federal Bank Limited	BG	15,000.00	15,000.00	**Maturity Date**	**(Amt in Rs.)**	50% IN THE FORM OF FDR	[ICRA]A (Stable)/[ICRA]A1+	Standard Assets
					02 February 2025	5000.00			
					27 March 2025	4000.00			
					28 April 2025	700.00			
					09 May 2025	700.00			
					17 May 2025	700.00			
					19 May 2025	700.00			
					24 May 2025	700.00			
					19 December 2024	2500.00			
18	Yes Bank Limited	BG	9,000.00	6,500.00	**Maturity Date**	**(Amt in Rs.)**	50% IN THE FORM OF FDR	[ICRA]A (Stable)/[ICRA]A1+	Standard Assets
					30 July 2024	2000.00			
					10 August 2024	1000.00			
					21 August 2024	1000.00			
					31 August 2024	300.00			

Sr. No.	Name of Lender	Type of Facility	Amount Sanctioned (₹ in lakhs)	Principal Amount outstanding as on March 31, 2024 (₹ in lakhs)	Repayment Date/ Schedule		Security	Credit Rating, if applicable	Asset Classification
					07 September 2024	398.00			
					11 September 2024	399.50			
					13 September 2024	399.50			
					15 September 2024	399.50			
					19 September 2024	201.75			
					25 September 2024	401.75			
19	RBL Bank Limited	BG	7,000.00	4,378.00	**Maturity Date**	**(Amt in Rs.)**	50% IN THE FORM OF FDR	[ICRA]A (Stable)/[ICRA]A1+	Standard Assets
					06 June 2025	398.00			
					26 June 2025	310.00			
					12 July 2024	398.00			
					19 July 2024	88.00			
					26 July 2024	398.00			
					03 August 2024	398.00			
					16 August 2024	398.00			
					25 August 2024	398.00			
					27 August 2024	398.00			
					04 September 2024	398.00			
					12 February 2025	398.00			
					18 March 2025	398.00			
20	AU Small Finance Bank Limited	BG	5,400.00	5,300.00	**Maturity Date**	**(Amt in Rs.)**	50% IN THE FORM OF FDR	[ICRA]A (Stable)/[ICRA]A1+	Standard Assets
					29 March 2025	3,400.00			
					17 May 2024	300.00			
					17 May 2024	300.00			
					17 May 2024	300.00			
					06 September 2024	350.00			
					07 September 2024	350.00			
					13 September 2024	300.00			

Sr. No.	Name of Lender	Type of Facility	Amount Sanctioned (₹ in lakhs)	Principal Amount outstanding as on March 31, 2024 (₹ in lakhs)	Repayment Date/ Schedule		Security	Credit Rating, if applicable	Asset Classification
21	DCB Bank Limited	BG	4,000.00	3,499.00	**Maturity Date**	**(Amt in Rs.)**	50% IN THE FORM OF FDR	[ICRA]A (Stable)/[ICRA]A1+	Standard Assets
					26 September 2024	48.75			
					27 September 2024	50.00			
					14 November 2024	600.00			
					14 November 2024	400.00			
					04 December 2024	400.00			
					26 January 2025	2000.00			
22	IDFC First Bank Limited	BG	10,000.00	10,000.00	**Maturity Date**	**(Amt in Rs.)**	50% IN THE FORM OF FDR	[ICRA]A (Stable)/[ICRA]A1+	Standard Assets
					25 May 2025	1,000.00			
					28 May 2025	4,000.00			
					29 May 2025	3,000.00			
					31 May 2025	2,000.00			
	Sub Total (C)		**103,400.00**	**71,431.00**					
Grand Total (A+B+C)			**204,300.00**	**118,177.46**					

Penalty: The loan documentation executed with respect to the term loans mentioned above set out penalty provisions for compliance with the provisions of the loan documents. Such provisions include but are not limited to penal interest, as under:

Sr. No.	Name of Lender	Type of facility	Non-Payment Penal Interest (% per annum)		
1.	Aditya Birla Finance Limited	Term Loan	a. 2% p.a. - on entire principal outstanding / payable interest in case of delay in repayment of principal/ Interest /charges b. If security is not created and perfected within the stipulated time frame of 120 days, then a penal interest of 18 % p. a. on entire principal o/s c. 2 % p.a. over and above the prevailing interest rates from the due date of submission of any of the stipulated covenants / conditions.		
2.	Federal Bank Limited	Working Capital	**Default Category**	**Penal Interest**	**Additional Penal Interest**
			SMA 0 (Principal or interest payment overdue for not more than 30 days and/or account showing signs of incipient stress like 3 or more cheque returns etc.)	4% p.a. on the overdue portion	Nil
			SMA 1 (Instalment or interest overdue between 31-60 days)	4% p.a. on the overdue portion	0.5% p.a. on the balance outstanding less overdue portion
			SMA 2 (Instalment or interest overdue above 60 days till classification as NPA)	4% p.a. on the overdue portion	1% p.a. on the balance outstanding less overdue portion
			NPA (Instalment or interest overdue above 90 days)	4% p.a. on the entire balance outstanding	-
			Others: i) If the working capital limit is not renewed on/ before the due Date. ii)Delayed submission of stock/ receivables statement iii)Exceeding	4% p.a. penal interest	

<table>
<tr><th>Sr. No.</th><th>Name of Lender</th><th>Type of facility</th><th>Non-Payment Penal Interest (% per annum)</th></tr>
<tr><td></td><td></td><td></td><td>in the account over the permissible Drawing Power.
iv) For violation of terms & conditions of the sanction letter
v) Non-submission of Audited Financials (within 7 months from the closure of Financial Year) & Provisional/ Unaudited Financials (within 2 months from the closure of Financial Year)</td></tr>
<tr><td>3.</td><td>Piramal Enterprise Limited</td><td>Credit facility</td><td>2 % p.a. - on the defaulted amount under the Facility from the due date up to the date of actual payment - any amount under the Financing Documents remains unpaid on due date.

2 % p.a. - any other breach of terms and conditions under the Financing Documents by the obligators (included but not limited to non-creation. and/or non - perfection of Security within the stipulated time.</td></tr>
<tr><td>4.</td><td>Globe Fincap Limited</td><td>Revolving loan facility</td><td>6% p.a. along with applicable taxes shall be payable in case of non-compliances/ non-perfection of security, if any.

6% p.a. along with applicable taxes to be charged extra for first delayed 3 months

9% p.a. along with applicable taxes thereafter.</td></tr>
<tr><td>5.</td><td>Bajaj Finance Limited</td><td>Credit Facilities</td><td>2% per annum - delays in payment of any amounts due under the Facility.</td></tr>
<tr><td>6.</td><td>Tata Capital Financial Services Limited</td><td>Term Loan</td><td>Penalty Charges for Non-Creation of the Security: 2% - delay in respect of delayed/non-submission of security/collateral related documents and non-perfection of security.
<table>
<tr><th>Description</th><th>Periodicity</th><th>Penalty Amount</th></tr>
<tr><td>Delayed/ non submission of stock statement</td><td>To be submitted Quarterly by 10th of every Calendar Quarter</td><td>NA</td></tr>
<tr><td>Delayed of First Insurance</td><td>First Insurance: within 30 days</td><td>Additional one-time charge of Rs</td></tr>
</table></td></tr>
</table>

<table>
<tr><th>Sr. No.</th><th>Name of Lender</th><th>Type of facility</th><th colspan="3">Non-Payment Penal Interest (% per annum)</th></tr>
<tr><td></td><td></td><td></td><td>cover note and non-renewal of Insurance on due date.</td><td>from disbursement date. Renewal: as and when due</td><td>and 20,000/· per financial year</td></tr>
<tr><td></td><td></td><td></td><td>Non adherence of financial covenants of sanction letter</td><td>At the time of Review /Renew of account.</td><td>Additional one-time charge of Rs. 20,000/· per financial year.</td></tr>
<tr><td></td><td></td><td></td><td colspan="3">Penalty to be collected along with applicable GST. Dishonour Charges: Rs. 670/- per dishonour of Payment Instrument and as revised from time to time.</td></tr>
<tr><td>7.</td><td>HDFC Bank Limited</td><td>Credit Facilities</td><td colspan="3">2% p.a. over and above contracted rate of interest, as applicable

Any default in complying with terms of sanction within the stipulated time will attract 1% penal interest from the date of expiry of such time, apart from the withdrawal of the facility.</td></tr>
<tr><td>8.</td><td>Axis Bank Limited</td><td>Credit Facilities</td><td>Particulars</td><td>Timelines</td><td>Penal Rates</td></tr>
<tr><td></td><td></td><td></td><td>Renewal of Credit Facilities</td><td>Annually</td><td>All the documents/ details required for the renewal of the credit facilities sanctioned will have to be submitted with the bank at least one month prior to the due date for renewal of the credit facilities failing which penal interest of 1% p.a. on the outstanding amount of credit facilities will be applicable for the period of default.</td></tr>
<tr><td></td><td></td><td></td><td>Non-submission/ delay in submission of:
a) Audited Balance Sheet</td><td>within stipulated period of One month from the date of regular timeline of filing of the income tax returns as per income tax</td><td>For fund-based facilities, 1% p.a. on the outstanding amount will be applicable for the period of default
For non-fund</td></tr>
</table>

Sr. No.	Name of Lender	Type of facility	Non-Payment Penal Interest (% per annum)		
				guidelines or 6 months from the end of financial year of the company	based facilities, additional commission @0.25% p.a. on the outstanding amount will be applicable
			b) Stock - book debt Statement c) FFR/QIS Statement d) CA certified Receivable statement Certificate e) CA Certificate for shares pledged	b) Within seven days from the end of the fortnightly. c) Within 15 Days the Quarter end d) Within 15 Days from the end of the month e) Within 15 Days from the end of the month	l% p.a. on the outstanding amount of Fund-Based credit facilities will be applicable for the period of default
			Non-creation of security	As per Sanction terms	For fund based facilities, 1% p.a. on the outstanding amount will be applicable for the period of default. For non-fund based facilities, additional commission @ 0.25% p.a. on the outstanding amount will be applicable
			Breach of Financial Covenants	N.A	For fund based facilities, 1% p.a. on the outstanding amount will be applicable for the period of default. For non-fund based facilities, additional commission @ 0.25% p.a. on the outstanding amount will be applicable

Sr. No.	Name of Lender	Type of facility	Non-Payment Penal Interest (% per annum)
9.	ICICI Bank	Working Capital Facilities	2% - Payment default More than 90 days payment default - 6% 1 % p.a. - Non-compliance of sanction terms Pertaining to security creation. 1% p.a.- Breach of financial covenants- Breach continuing beyond 15 days. 2% P.a over the Documented Rate, Payable on excess drawings.
10.	Yes Bank Limited	Credit Facilities	For Fund-Based Facilities: up to 2% per annum of the outstanding Facilities for non-compliance of each condition mentioned in the transaction Documents subject to a maximum of 4% per annum for all non-compliance's. Non-Fund-Based Facilities:16% per annum in case of default/invocation.
11.	IDFC First bank	Fund and non-fund based facilities	2% p.a. p.m plus Applicable Rate of interest due non-payment of interest/principal or any other amount on the due date or breach of terms and conditions under the Facility/Loan Agreement and the Sanction Letter.
12.	Kotak Mahindra Investments Limited	Financial Facilities	2% p.a. – on non- payment of interest/ instalment on either of the loan facility. Default interest Rate will also become applicable on occurrence on any Event of Default.
13.	AU Small Finance Bank Limited	Term loan facility	2% - Penal interest for non-compliance. 24% p. a. -irregularity/ overdue.
14.	Kotak Mahindra Bank Limited	Non-fund based facilities	2.00% p.m. compounded monthly- Overdue Charges/ Default/ Penal Rate All amounts unpaid on due date.
15.	DCB Bank	Credit Facility	a. Invocation of BG-11 .25% p.a. over the prevailing 1-year EBLR on uncovered portion of BG, Appropriation of cash margin, balance amount will attract penal interest b. Submission of audited financials- 2% of sanctioned limit c. Non submission or delayed submission of financial statements/renewal data- 0.1% pm of the sanctioned limit d. Non-Compliance of sanctioned terms- 2% p.a e. Penal Charges-If you continue to utilize the facilities as sanctioned post the Expiry Date and close the facilities after its expiry Date: 2% f. Annual Charges: Continue to utilize the facilities after expiry of 15 days from the Expiry date – 1%
16.	RBL Bank	Credit facilities	Additional interest of 2% in case of : Non submission or delayed submission of stock statements , Non submission of financials and other data as may be called for, non-perfection of security within permitted timelines, other non-compliances if any, irregularity/overdrawing in the A/c.

Events of Default: The facility documents executed by the Company stipulates certain events as "**Events of Defaults**", pursuant to which the Company may be required to immediately repay the entire loan facility availed by it and be subject additional penalties by the relevant lenders. Such events include, but are not limited to:

i. Failure to pay on the due date any amount payable pursuant to a facility document (including but not limiting to principal and interest payable with respect to any loan), at the place and in the currency in which it is expressed to be payable.

ii. A receiver being appointed in respect of the whole or any part of the property of the Company.

iii. The Company suspends or ceases to carry on (or threatens to suspend or cease to carry on) its business.

iv. Revocation/withdrawal of any critical approval/license/permission critical for the operation of the Company by any authority or agency.

v. Any execution or distress being enforced or levied against the whole or any part of the Company's property and any order relating thereto is not discharged or stayed.

vi. Any representation, warranty or statement made by the Company in the financing documents to which it is a party, or any other document delivered by or on behalf of it under or in connection with any financing document, is or proves to have been materially incorrect or misleading when made or deemed to be made or the Company is unable to make a representation or warranty required to be made under the financing documents of the lenders;

vii. The Company fails to create and/or perfect security within such period as stipulated in the financing documents.

viii. non-adherence to the terms and conditions of the facility documents resulting into a material adverse effect.

ix. Any application or petition has been admitted by any relevant governmental agency under the Insolvency and the Bankruptcy Code, 2016 (as may be amended, modified, or supplemented from time to time) in relation to the Company, its subsidiaries, affiliates or group companies.

x. If: (i) an event occurs which is likely to impair, depreciate or jeopardize the security given by the Company; (ii) any security document pertaining to it, executed, or furnished by or on behalf of the Company becomes illegal, invalid, or unenforceable; or (iii) the Company fails to provide additional cash covers/ securities for any or all the facilities/loan, when called upon to do so by the Bank (iv) or if any such security document shall be assigned or otherwise transferred, amended or terminated, repudiated or revoked without the approval of the lenders.

xi. The Company is unable or has admitted in writing, its inability to pay any of its indebtedness as they mature or when due; and

xii. Any legal, quasi legal, administrative, arbitration, mediation, conciliation or other proceedings, claims, actions, or governmental investigations of any nature pending against the Company or its affiliates and/or its promoters, directors in management of the Company or any of its assets which individually or in aggregate would, if adversely determined, have a material adverse effect.

(c) Details of External Commercial Borrowings:

Our Company has not availed external commercial borrowings as on the date of Prospectus.

(d) Details of Outstanding Non-Convertible Securities as on March 31, 2024:

As on date of this Prospectus, our Company does not have any outstanding non-convertible securities.

(e) List of Top 10 holders of non-convertible securities in terms of value (in cumulative basis) as on last quarter and Financial Year ended on March 31, 2024:

Not Applicable since the Company does not have any outstanding non-convertible securities.

(f) Details of Outstanding Commercial Paper as at on March 31, 2024:

Our Company has not issued any commercial paper.

(g) List of Top 10 holders of Commercial Papers in terms of value (in cumulative basis) as on last quarter and Financial Year ended on March 31, 2024:

Not Applicable, since the Company has not issued any commercial paper.

(h) Details of the bank fund-based facilities/ rest of the borrowing (if any including hybrid debt like foreign currency convertible bonds, optionally convertible debentures/preference shares) from financial institutions or financial creditors, as of March 31, 2024, are as follows:

Nil.

(i) Restrictive Covenants:

The loans availed by our Company contain certain restrictive covenants, including requirement for the Company to obtain prior written consent of the lenders for:

i. Change in capital structure of our Company without the prior approval of/intimation to the lender.

ii. Change in management control of our Company without the prior approval of/intimation to the lender.

iii. Change in the constitutional documents of our Company which are adverse to the interest of lenders, without the prior approval of/intimation to the lender.

iv. Undertaking or permitting any merger, de-merger, consolidation, reorganization, scheme of arrangement or compromise between our Company and its creditors or shareholders or effecting any scheme of amalgamation or reconstruction including creation of any subsidiary or permitting any company to become a subsidiary of our Company without the prior approval of the lender.

v. Declaration or payment of dividends, or authorizing or making any distribution to the Shareholders pending repayment of the outstanding dues to lenders without the prior approval of the lender; and

vi. Making any equity investments in the primary or secondary markets.

This is an indicative list and there may be other additional terms under the various borrowing arrangements entered into by our Company.

For the purpose of the Issue, our Company has obtained the necessary consent from our lenders, wherever required under the relevant borrowing arrangements for undertaking activities relating to the Issue.

(j) The amount of corporate guarantee or letter of comfort issued by the Company along with details of the counterparty (viz. name and nature of the counterparty, whether a subsidiary, Joint Venture entity, group company etc.) on behalf of whom it has been issued, contingent liability including debt service reserve account guarantees/ any put option etc.:

The Company had given corporate guarantee towards credit facility on behalf of one of the subsidiary M/s Moneywise Financial Services Private Limited for ₹ Nil as at March 31, 2024 (PY: ₹1,938 Lakhs). Pursuant to the requirement of NSE circular number NSE/COMP/50957 dated 8th January 2022, the company was required to unwind all corporate guarantees and accordingly it has withdrawn the same.

(k) Details of inter corporate loans and deposits:

1. The Company has availed inter-corporate loans or deposits sanctioned amounting to Rs. 5,897.17 Lakhs from SMC Insurance Brokers Private Limited, and there is no amount outstanding thereunder as on March 31, 2024.
2. The Company has availed inter-corporate loans or deposits sanctioned amounting to Rs.11,143. 83 Lakhs from Moneywise Financial Services Private Limited, and there is no amount outstanding thereunder as on March 31, 2024.
3. The Company has availed inter-corporate loans or deposits sanctioned amounting to Rs.20 Lakhs from Moneywise Finvest Private Limited, and there is no amount outstanding thereunder as on March 31, 2024.

(l) Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities, commercial paper (including technical delay) and other financial indebtedness including corporate guarantee or letters of comfort issued by the company, in the preceding three years and the current financial year.

As on the date of this Prospectus, our Company has not rescheduled, incurred any penalty, delayed and/or defaulted in payment of principal or interest on any kind of term loans, debt securities, commercial papers (including due to technical delay) and other financial indebtedness of the Company (including corporate guarantee or letters of comfort issued by the company), in the preceding three financial years and the current financial year till the date of this Prospectus.

(m) Details of default and non-payment of statutory dues in the preceding three financial years.

As on the date of this Prospectus, there are no defaults and non-payment of statutory dues by our Company in the preceding three financial years till the date of this Prospectus.

(n) Details of any outstanding borrowings taken/ debt securities issued for consideration other than cash; whether (i) in whole or part; (ii) at a premium or discount, or (iii) in pursuance of an option or not:

As on date of this Prospectus, our Company has no outstanding borrowings taken / debt securities issued for consideration other than cash; whether (i) in whole or part; (ii) at a premium or discount, or (iii) in pursuance of an option or not.

MATERIAL DEVELOPMENTS

Except as disclosed below and in this Prospectus, since March 31, 2024 till the date of filing this Prospectus, there has been no material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Company/ Promoter, litigations resulting in material liabilities, corporate restructuring event etc.) as on date of this Prospectus which may affect the Issue or the investor's decision to invest / continue to invest in the debt securities.

I. The Board of Directors in their meeting held on May 13, 2024 had approved the appointment of M/s. P.C. Bindal & Co., Chartered Accountants as the Statutory Auditors of the Company for a tenure of 5 consecutive years from FY 2024-25 to FY 2029-30 which was subsequently approved by the shareholders of the Company in their AGM held on June 22, 2024, due to completion of tenure of the Erstwhile Statutory Auditors.

II. The Board of Directors of SMC Investments and Advisors Limited, Wholly Owned Subsidiary at its meeting held on Wednesday, June 26, 2024, has approved the dissolution of SMC & IM Capitals Investment Manager LLP, a joint venture of SMC Global Securities Limited. Consequently, SMC & IM Capitals Investment Manager LLP will cease to be a joint venture of the Company upon completion of the dissolution process.

III. The shareholders of the Company in the AGM held on June 22, 2024, has approved the reappointment of Subhash Chanda Aggarwal as the Chairman and Managing Director for another term of five years from January 29, 2025 till January 28, 2030.

IV. The shareholders of the Company in the AGM held on June 22, 2024 has approved and fixed the overall limit of remuneration payable to Subhash Chand Aggarwal, Chairman and Managing Director and Mahesh C Gupta, Vice Chairman and Managing Director upto ₹20/- Lakhs per month, plus one month's salary as bonus, which shall be within the limits specified under Section 197 and Schedule V of the Act. Also, the existing monthly remuneration drawn by Subhash Chand Aggarwal, Chairman and Managing Director and Mahesh C Gupta, Vice Chairman and Managing Director is has been approved at ₹15.50/- Lakhs per month, plus one month's salary as bonus.

V. Neeru Abrol was appointed as an Additional Director by the Board of Directors on March 30, 2024 and recommended the shareholders for approval. At the AGM held on June 22, 2024, the shareholders approved the appointment of Ms. Neeru Abrol as Non-Executive Independent Director of the Company effective from March 30, 2024.

SECTION VI: ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

Authority for this Issue

Our Board of Directors in their meeting held on March 30, 2024 have approved the proposal of raising of funds through public issue secured, rated, listed, redeemable, of NCDs of the face value ₹1,000 each ("NCDs"), for an amount aggregating up to ₹ 7,500 Lakhs ("**Base Issue Size**") with an option to retain oversubscription up to ₹ 7,500 lakhs ("**Green Shoe Option**"), aggregating up to 15,00,000 NCDs for an aggregate amount up to ₹ 15,000 Lakhs ("**Issue Size**" or "**Issue Limit**"). Pursuant to a Special resolution passed by our Shareholders on June 30, 2023, our Board has been authorized to borrow any sum or sums of monies, which together with the monies already borrowed (apart from temporary loans obtained or to be obtained in the ordinary course of business), in excess of our Company's aggregate paid-up capital and free reserves, provided that the total amount which may be so borrowed and outstanding shall not exceed a sum of ₹30,000 lakhs. The NCDs pursuant to this Issue will be issued on terms and conditions as set out in this Prospectus.

Further, the Non-Convertible Debenture Committee of our Company has approved the Draft Prospectus in their meeting held on June 19, 2024 and this Prospectus in their meeting held on July 11, 2024.

Principal terms and conditions of this Issue

The NCDs being offered as part of this Issue are subject to the provisions of the SEBI NCS Regulations and the SEBI Master Circular, the relevant provisions of the Companies Act, our Memorandum and Articles of Association, the terms of this Prospectus, the Application Forms, the Abridged Prospectus, the terms and conditions of the Debenture Trustee Agreement and the Debenture Trust Deed, other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI, the Government of India, the RBI, the Stock Exchanges, and/or any other statutory or regulatory authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the NCDs.

Ranking of the NCDs

The NCDs would constitute secured and senior obligations of our Company and subject to any obligations under applicable statutory and/or regulatory requirements, shall also with regard to amount invested, thereof shall be secured by way of a *pari passu* charge by way of hypothecation of the Trade Receivables and MTF under the Debenture Trust Deed. The NCDs proposed to be issued under this Issue and all earlier issues of debentures, bond issuances and loans outstanding in the books of our Company having corresponding assets as security, shall rank *pari passu* without preference of one over the other except that priority for payment shall be as per applicable date of redemption/ repayment. We have received the necessary permissions from the relevant lenders, debenture trustees and security trustees for creating a pari passu charge over Trade Receivables and MTF in favour of the Debenture Trustee in relation to the NCDs required in terms of the SEBI Master Circular for Debenture Trustees.

Security

The principal amount of the NCDs to be issued in terms of this Prospectus together with all interest due and payable on the NCDs, subject to any obligations under applicable statutory and/or regulatory requirements shall be secured by way of a *pari passu* charge over the Trade Receivables and MTF, created in favour of the Debenture Trustee, as specifically set out in and fully described in the Debenture Trust Deed, such that the security cover to the extent of at least 110% of the outstanding principal amounts of NCDs and all interest due and payable thereon in respect of the NCDs maintained at all times as security until the Final Settlement Date, issued pursuant to the Issue. The Security shall be created prior to the listing of the NCDs with the Stock Exchange.

Further, NCDs shall be considered as secured only if the charged asset is registered with sub-registrar and RoC or Central Registry of Securitisation Asset Reconstruction and Security Interest ("**CERSAI**") or Depository etc., as applicable, or is independently verifiable by the Debenture Trustee.

Our Company will create the security for the NCDs in favour of the Debenture Trustee for the Debenture Holders holding the NCDs on the assets to ensure 110% security cover or higher of the amount outstanding including interest in respect of the NCDs at any time.

In terms of the SEBI Master Circular for Debenture Trustees, our Company has entered into the Debenture Trustee Agreement with the Debenture Trustee and proposes to complete the execution of the Debenture Trust Deed before making the application for listing of the NCDs for the benefit of the NCD Holders, the terms of which shall govern the appointment of the Debenture Trustee and the issue of the NCDs.

Under the terms of the Debenture Trust Deed, our Company will covenant with the Debenture Trustee that it will pay the NCD Holders, the principal amount on the NCDs on the relevant redemption date and also that it will pay the interest due on NCDs on the rate specified in this Prospectus and in the Debenture Trust Deed.

The Debenture Trust Deed will also provide that our Company may withdraw any portion of the security and replace with another asset of the same or higher value ensuring the minimum security cover is maintained till the Final Settlement Date of the NCDs.

Without prejudice to the aforesaid, in the event our Company fails to execute the Debenture Trust Deed within the period specified in Regulation 18(1) of the SEBI NCS Regulations (i.e., prior to the filing of the application for listing the NCDs with the RoC, Stock Exchange and SEBI) or such other time frame as may be stipulated from time-to-time, our Company shall also pay interest of at least 2% (two per cent) per annum to the NCD holders, over and above the interest rate on the NCDs specified in this Prospectus, till the execution of the Debenture Trust Deed and in accordance with applicable laws.

Debenture Redemption Reserve

Pursuant to the amendment to the Companies (Share Capital and Debentures) Rules, 2014, notified on August 16, 2019, and as on the date of filing this Prospectus, our Company is not required to create DRR for the purpose of redemption of the NCDs. Accordingly, no debenture redemption reserve shall be created by our Company for the purpose of redemption of the NCDs or in connection with the Issue. The Company shall, as per the Companies (Share Capital and Debentures) Rules 2014 and other laws applicable from time to time, invest or deposit, as the case may be, the applicable amounts, within the specified timelines, in respect of debentures maturing during the year ending on the 31st day of March of the next year, in any one or more methods of investments or deposits stipulated under the applicable law. Provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below the specified percentage, which is presently stipulated at 15% (fifteen percent) of the amount of the debentures maturing during the year ending on March 31 of the next year, in any of the following instruments or such other instruments as may be permitted under the applicable laws.

1. in deposits with any scheduled bank, free from any charge or lien;
2. in unencumbered securities of the Central Government or any State Government;
3. in unencumbered securities mentioned in sub-clause (a) to (d) and (ee) of section 20 of the Indian Trusts Act, 1882;
4. in unencumbered bonds issued by any other company which is notified under sub-clause (f) of section 20 of the Indian Trusts Act, 1882:

Provided further that the amount invested or deposited as above shall not be used for any purpose other than for redemption of debentures maturing during the year referred above.

Face Value

The face value of each of the NCDs shall be ₹ 1,000 each.

Recovery Expense Fund

A fund created by our Company with the Designated Stock Exchange for an amount equal to 0.01% of the issue size, subject to a maximum of deposit of ₹2,500,000 at the time of making the application for listing of NCDs, created in the manner as specified by SEBI in the SEBI Master Circular for Debenture Trustees and Regulation 11 of SEBI NCS Regulations. The recovery expense fund may be utilised by the Debenture Trustee, in the event

of default by our Company under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security.

Debenture Holder not a shareholder

The NCD Holders will not be entitled to any of the rights and privileges available to the equity and/or preference shareholders of our Company, except to the extent as may be prescribed under the Companies Act, 2013, and the rules prescribed thereunder the SEBI LODR Regulations and any other applicable law.

Rights of the NCD Holders

Some of the significant rights available to the NCD Holders are as follows:

1. The NCDs shall not, except as provided in the Companies Act, 2013, our Memorandum and Articles of Association and/or the Debenture Trust Deed confer upon the NCD Holders thereof any rights or privileges available to our members/shareholders including, without limitation the right to receive notices, or to attend and/or vote, at any general meeting of our Company's members/shareholders. However, if any resolution affecting the rights attached to the NCDs is to be placed before the members /shareholders of our Company, the said resolution will first be placed before the concerned registered NCD Holders for their consideration. In terms of Section 136 of the Companies Act, 2013, the NCD Holders shall be entitled to inspect a copy of the financial statements, auditor's report and every other document required by law to be annexed or attached to the financial statements, and copy of the Debenture Trust Deed at the Corporate Office of our Company during business hours on a specific request made to the Company.

2. Subject to applicable statutory/ regulatory requirements and terms of Debenture Trust Deed, including requirements of the RBI, the rights, privileges and conditions attached to the NCDs may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution passed at a meeting of the concerned NCD Holders, provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the NCDs, if the same are not acceptable to us.

3. Subject to applicable statutory/ regulatory requirements and terms of Debenture Trust Deed, in case of NCDs held in (i) dematerialised form, the person for the time being appearing in the register of beneficial owners of the Depositories; and (ii) physical form on account of re-materialization, the registered NCD Holders or in case of joint-holders, the one whose name stands first in the register of debenture holders shall be entitled to vote in respect of such NCDs, either in person or by proxy, at any meeting of the concerned NCD Holders and every such NCD Holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights on every resolution placed before such meeting of the NCD Holders shall be in proportion to the outstanding nominal value of NCDs held by him/her.

4. The NCDs are subject to the provisions of the SEBI NCS Regulations and the SEBI Master Circular, provisions of the Companies Act, 2013, our Memorandum and Articles of Association, the terms of this Prospectus, the terms and conditions of the Debenture Trust Deed, requirements of the RBI, other applicable statutory and/or regulatory requirements relating to this issue and listing, of securities and any other documents that may be executed in connection with the NCDs.

5. Subject to the SEBI RTA Master Circular, for NCDs in physical form on account of re-materialization, a register of debenture holders will be maintained in accordance with Section 88 and Section 94 of the Companies Act, 2013 and all interest and principal sums becoming due and payable in respect of the NCDs will be paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the register of debenture holders as on the Record Date. For NCDs in dematerialized form, all interest and principal sums becoming due and payable in respect of the NCDs will be paid to the person for the time being appearing in the register of beneficial owners of the Depositories. In terms of Section 88(3) of the Companies Act, 2013, the register of beneficial owners maintained by a Depository for any NCDs in dematerialized form under Section 11 of the Depositories Act shall be deemed to be a register of debenture holders for this purpose. The same shall be maintained

at the Registered Office of our Company under Section 94 of the Companies Act, 2013 unless the same has been moved to another location after obtaining the consent of the NCD Holders as given thereunder.

6. Subject to compliance with RBI, NCDs can be rolled over only with the consent of the NCD Holders of at least 75% of the outstanding amount of the NCDs after providing at least 15 days prior notice for such roll over and in accordance with the SEBI NCS Regulations. Our Company shall redeem the debt securities of all the debt securities holders, who have not given their positive consent to the roll-over.

The aforementioned rights of the NCD Holders are merely indicative. The final rights of the NCD Holders will be as per the terms of this Prospectus and the Debenture Trust Deed.

Debenture Trustees for the NCD holders

We have appointed IDBI Trusteeship Services Limited to act as the Debenture Trustee for the NCD Holder(s) in terms of Regulation 8 of the SEBI NCS Regulations and Section 71(5) of the Companies Act, 2013 and the rules prescribed thereunder.

Our Company and the Debenture Trustee will execute a Debenture Trust Deed, inter alia, specifying the powers, authorities and obligations of the Debenture Trustee and us with respect to NCDs. The NCD Holders shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorised officials to do all such acts, deeds, matters and things in respect of or relating to the NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the NCD Holder(s). Any payment made by us to the Debenture Trustee on behalf of the NCD Holders shall discharge us pro tanto to the NCD Holder(s).

The Debenture Trustee will protect the interest of the NCD Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost. It is the duty of the debenture trustee to monitor the security cover is maintained, however, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.

Our Company shall not create any further encumbrances on the Security except with the prior approval of the Debenture Trustee. In the event of such request by our Company, the Debenture Trustee shall provide its approval for creation of further charges provided that our Company provides a certificate from a chartered accountant stating that after creation of such further charges, the required Security cover is maintained.

At any time before the Security constituted hereunder becomes enforceable, the Debenture Trustee, may, at the request of our Company and without any consent of the NCD Holders, do or concur our Company in doing all or any of the things which our Company might have done in respect of the Security as if no security had been created and particularly, but not by way of limitation, the following assent to any modification of any contracts or arrangements which may be subsisting in relation to the Security.

Regulation 16 of DT Regulations states as below:

"Every debenture trustee shall abide by the Code of Conduct as specified in Schedule III".
Clause 3 and Clause 4 of Code of Conduct specified in third schedule of DT Regulations sates as below:

a) A Debenture Trustee shall fulfil its obligations in a prompt, ethical and professional manner.
b) A Debenture Trustee shall at all times exercise due diligence, ensure proper care and exercise independent professional.

Events of Default (including manner of voting/conditions of joining Inter Creditor Agreement)

Subject to the terms of the Debenture Trust Deed, the Debenture Trustee at its discretion may, or if so requested in writing by such majority of the holders of the outstanding amount of the NCDs at each ISIN level or otherwise as specified under the Debenture Trust Deed (subject to being indemnified and/or secured by the NCD Holders to its satisfaction) or with the sanction of a resolution, passed at a meeting of the Debenture Holders in the manner provided in the Debenture Trust Deed shall, give notice to our Company specifying that the NCDs and/or any particular series of NCDs, in whole but not in part are and have become due and repayable on such date as may be specified in such notice, *inter alia*, if any of the events listed below occurs.

Notwithstanding anything to the contrary contained herein, on occurrence of any event of default specifically identified under the Debenture Trust Deed, the Debenture Holder shall be entitled, in the manner provided in the Debenture Trust Deed, to instruct the Debenture Trustee to issue notice and/or to take actions as stipulated under the Debenture Trust Deed.

The description below is indicative and a complete and detailed list of events of defaults and the terms of occurrence of such events of default and related consequences will be specified in the Debenture Trust Deed. The indicative list of events of default as set out below is subject to finalisation, as may be mutually agreed between the Company and the Debenture Trustee under the Debenture Trust Deed, in accordance with the applicable laws.

Indicative list of Events of Default:

(i) Default in redemption of the debentures together with redemption premium, if any, interest accrued thereon as and when the same shall have become due and payable or payment of any other amounts in terms of the Debenture Trust Deed;

(ii) Default is committed in payment of the principal amount of the NCDs on the due date(s);

(iii) Default is committed in payment of any interest on the NCDs on the due date(s);

(iv) Default is committed in payment of any other amounts outstanding on the NCDs;

(v) Default is committed if any information given by the Company in this Prospectus, the Transaction Documents and/or other information furnished and/or the representations and warranties given/deemed to have been given by the Company to the Debenture Holder(s)/ Beneficial Owner(s) for financial assistance by way of subscription to the Debenture is or proves to be misleading or incorrect in any material respect or is found to be incorrect;

(vi) Defaults in performance or compliance with one or more of its material obligations, covenant, condition or provisions in relation to the NCDs and/or the Transaction Documents;

(vii) If the Company creates any additional charge on the secured assets or any part thereof without the prior approval of the Debenture Trustee, other than as permitted under the Debenture Trust Deed;

(viii) If in the opinion of the Debenture Trustee, the security is in jeopardy;

(ix) If the security cover ratio falls below the required security cover in the manner set out in the Debenture Trust Deed

(x) If (A) an attachment or distraint is levied on the Receivables or any part thereof; or (B) an encumbrancer, receiver or liquidator has been appointed or allowed to be appointed to take possession of the receivables or any part thereof;

(xi) An order is made or an effective resolution passed for the winding-up or dissolution, judicial management or administration of the Company, or the Company ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by a Special Resolution of the NCD Holders;

(xii) The Company commences, or enters into any amalgamation, reorganisation or reconstruction (other than as permitted in terms of the Debenture Trust Deed) without the prior written consent of the Debenture Trustee;

(xiii) If (a) the Company admits in writing its inability to pay its debts as they mature, or (b) it is contended by any person that the Company is unable to pay its debt and the Company has not exercised its right to contest the claim of such person, or (c) a special resolution has been passed by the shareholders for winding up of the Company or for filing an application to initiate insolvency resolution process of the

Company, or (d) the Company consents to the entry of an order for relief in an involuntary proceeding under any such law;

(xiv) A resolution professional or receiver or liquidator has been appointed in respect of all or any part of the undertaking of the Company;

(xv) The Company commences a voluntary proceeding under any applicable bankruptcy, insolvency, winding up or other similar law now or hereafter in effect, or consent to the entry of an order for relief in an involuntary proceeding under any such law, or consent to the appointment or taking possession by a receiver, liquidator, assignee (or similar official) for any or a substantial part of its property or take any action towards its reorganisation, liquidation or dissolution;

(xvi) Any step is taken by a governmental authority or agency or any other competent authority, with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or (in the opinion of the Debenture Trustee) a material part of the assets of the Company;

(xvii) The Company without the consent of Debenture Trustee ceases to carry on its business or gives notice of its intention to do so;

(xviii) If it is certified by an accountant or a firm of accountants appointed by the Debenture Trustee that the liabilities of the Company exceed its assets;

(xix) Default is committed if any extraordinary circumstances have occurred which makes it impossible for the Company to fulfil its obligations under the Debenture Trust Deed and/or the NCDs;

(xx) If the Company is unable to pay its debts;

(xxi) The occurrence of any other event or condition which leads to occurrence of a material adverse effect, as set out in the Debenture Trust Deed;

(xxii) If it becomes unlawful for the Company to perform any of its obligations under any Transaction Document;

(xxiii) Any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs;

(xxiv) Revocation of business, operating license and/or any other material contract of the Company;

(xxv) Cross default where other lender(s) have declared the Company to be in default, as set out under the Debenture Trust Deed;

(xxvi) Any expropriation, attachment, sequestration, distress, execution or any other creditors' process affects the secured assets of the Company; and

(xxvii) The Company fails to maintain any of the financial ratios as required in terms of the applicable guidelines of the Reserve Bank of India.

Any other event described as an Event of Default in this Prospectus, Debenture Trust Deed and other Transaction Documents.

Any event of default shall be called by the Debenture Trustee, upon request in writing of or by way of resolution passed by such majority of holders of such Debentures at ISIN level as set out in the Debenture Trust Deed, except for any default relating to points (i) and (ii) under the "Indicative list of Events of Default" given above, where no such consent/ resolution of NCD holders will be required for calling of event of default.

Subject to the approval of the debenture holders and the conditions as may be specified by the SEBI from time to time, the Debenture Trustee, on behalf of the debenture holders, may enter into inter-creditor agreements provided under the framework specified by the Reserve Bank of India.

In accordance with the SEBI Master Circular for Debenture Trustees issued by SEBI on "Standardisation of procedure to be followed by Debenture Trustee(s) in case of 'Default' by Issuers of listed debt securities, post the occurrence of a "default", the consent of the NCD Holders for entering into an inter-creditor agreement (the "**ICA**")/ enforcement of security shall be sought by the debenture trustee after providing a notice to the investors in the manner stipulated under applicable law. Further, the meeting of the NCD Holders shall be held within the period stipulated under applicable law. In case(s) where majority of investors express their consent to enter into the ICA, the debenture trustee shall enter into the ICA on behalf of the investors upon compliance with the conditions as stipulated in the abovementioned circular. In case consents are not received for signing the ICA, the debenture trustee shall take further action, if any, as per the decision taken in the meeting of the investors. The consent of the majority of investors shall mean the approval of not less than 75% of the investors by value of the outstanding debt and 60% of the investors by number at the ISIN level.

Regulation 49 read with the Explanation to Clause A (11) in Part B of Schedule III of the SEBI Listing Regulations, defines "default" as non-payment of interest or principal amount in full on the pre-agreed date which shall be recognized at the first instance of delay in the servicing of any interest or principal on debt.

It is hereby confirmed, in case of an occurrence of a "default", the Debenture Trustee shall abide and comply with the procedures mentioned in the SEBI Master Circular for Debenture Trustees.

Market Lot and Trading Lot

The NCDs shall be allotted in dematerialized form. As per the SEBI NCS Regulations, the trading of the NCDs is in dematerialized form and the tradable lot is one NCD.

Please note that the NCDs shall cease to trade from the Record Date (for payment of the principal amount and the applicable interest for such NCDs) prior to redemption of the NCDs.

Allotment in this Issue will be in electronic form multiples of one NCD. For further details of Allotment, see the "***Issue Procedure***" on page 230 of this Prospectus.

Nomination facility to NCD Holders

In accordance with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014 ("**Rule 19**") and Section 72 of the Companies Act, 2013, the sole Debenture Holder, or first Debenture Holder, along with other joint Debenture Holders' (being individual(s)), may nominate, in the **Form No. SH.13**, any one person in whom, in the event of the death of Applicant the NCDs Allotted, if any, will vest. Where the nomination is made in respect of the NCDs held by more than one person jointly, all joint holders shall together nominate in **Form No. SH.13** any person as nominee. A nominee entitled to the NCDs by reason of the death of the original holder(s), will, in accordance with Rule 19 and Section 56 of the Companies Act, 2013, be entitled to the same benefits to which he or she will be entitled if he or she were the registered holder of the NCDs. Where the nominee is a minor, the holder(s) may make a nomination to appoint, in **Form No. SH.14**, any person to become entitled to NCDs in the event of the holder's death during minority. A nomination will stand rescinded on a sale/transfer/alienation of NCDs by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office, Corporate Office or with the Registrar to the Issue.

Debenture Holder(s) are advised to provide the specimen signature of the nominee to us to expedite the transmission of the NCD(s) to the nominee in the event of demise of the Debenture Holder(s). The signature can be provided in the Application Form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.

In accordance with the Section 72 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, any person who becomes a nominee by virtue of the above said Section, shall upon the production of such evidence as may be required by our Board, elect either:

(a) To register himself or herself as the holder of the NCDs; or
(b) To make such transfer of the NCDs, as the deceased holder could have done.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the NCDs, and if the notice is not complied with, within a period of 90 days, the Board may thereafter withhold payment of all interests or redemption amounts or other monies payable in respect of the NCDs, until the requirements of the notice have been complied with.

For all NCDs held in the dematerialized form, nominations registered with the respective Depository Participant of the Applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective Depository Participant in connection with NCDs held in the dematerialized form.

A nomination may be cancelled or varied by nominating any other person in place of the present nominee, by the Debenture Holder who has made the nomination, by giving a notice of such cancellation or variation in the prescribed manner as per 306 applicable laws. The cancellation or variation shall take effect from the date on which the notice of such variation or cancellation is received.

Applicants who have opted for rematerialisation of NCDs and are holding the NCDs in the physical form should provide required details in connection with their nominee to our Company at the time of submitting rematerialisation request.

Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts of jurisdiction in New Delhi.

Application in the Issue

Applicants shall apply in this Issue in dematerialized form only, through a valid Application Form filled in by the Applicant along with attachment, as applicable. Further, Applications in this Issue shall be made through the ASBA facility only (including Applications made by UPI Investors under the UPI Mechanism).

In terms of Regulation 7 of the SEBI NCS Regulations, our Company will make public issue of the NCDs in the dematerialized form only.

However, in terms of Section 8(1) of the Depositories Act, our Company, at the request of the Investors who wish to hold the NCDs in physical form will rematerialize the NCDs. However, any trading of the NCDs shall be compulsorily in dematerialized form only.

Form of Allotment and Denomination of NCDs

As per the SEBI NCS Regulations, the trading of the NCDs on the Stock Exchange shall be in dematerialized form only in multiples of one (1) NCD ("Market Lot"). Allotment in this Issue to all Allottees, will be in electronic form i.e., in dematerialized form and in multiples of one NCD.

For details of allotment please see "***Issue Procedure***" on page 230 of this Prospectus.

Transfer/Transmission of NCD(s)

The NCDs shall be transferred or transmitted freely in accordance with the applicable provisions of the Companies Act, 2013. The NCDs shall be transferred subject to and in accordance with the rules/procedures as prescribed by the Depositories and the relevant DPs of the transferor or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date.

In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer or Registrar. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant.

For further details, see "***Issue Structure***" on page 219 of this Prospectus, for the implications on the interest applicable to NCDs held by individual NCD Holders on the Record Date and NCDs held by non-individual NCD Holders on the Record Date.

NCDs held in physical form, pursuant to any rematerialization, as above, cannot be transferred. Any trading of the NCDs issued pursuant to this Issue shall be compulsorily in dematerialized form only. The procedure for transmission of securities has been further simplified vide the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2022 Gazette Notification no. SEBI/LAD-NRO/GN/2022/80 dated April 25th, 2022.

Title

In case of:

- NCDs held in the dematerialized form, the person for the time being appearing in the register of beneficial owners maintained by the Depositories; and
- the NCDs held in physical form pursuant to rematerialization, the person for the time being appearing in the register of NCD Holders shall be treated for all purposes by our Company, the Debenture Trustee, the Depositories and all other persons dealing with such person, as the holder thereof and its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, theft or loss of the consolidated NCD certificates issued in respect of the NCDs and no person will be liable for so treating the NCD holder.

No transfer of title of an NCD will be valid unless and until entered on the register of NCD holders or the register of beneficial owners maintained by the Depositories prior to the Record Date. In the absence of transfer being registered, interest and/or maturity amount, as the case may be, will be paid to the person, whose name appears first in the register of the NCD Holders maintained by the Depositories and/or our Company and/or the Registrar, as the case may be. In such cases, claims, if any, from the purchasers of the NCDs will need to be settled with the seller of the NCDs and not with our Company or the Registrar. The provisions relating to transfer and transmission and other related matters in respect of our Company's Equity Shares contained in the Articles of Association of our Company and the relevant provisions of the Companies Act, 2013, shall apply, mutatis mutandis (to the extent applicable) to the NCDs as well.

Succession

Where NCDs are held in joint names and one of the joint NCD Holder dies, the survivor(s) will be recognized as the NCD Holder(s). It will be sufficient for our Company to delete the name of the deceased NCD Holder after obtaining satisfactory evidence of his death. Provided, a third person may call on our Company to register his name as successor of the deceased NCD Holder after obtaining evidence such as probate of a will for the purpose of proving his title to the NCDs. In the event of demise of the sole or first holder of the NCDs, our Company will recognise the executors or administrator of the deceased NCD Holders, or the holder of the succession certificate or other legal representative as having title to the NCDs only if such executor or administrator obtains and produces probate or letter of administration or is the holder of the succession certificate or other legal representation, as the case may be, from an appropriate court in India. Our Board of Directors or any other person authorised by our Board of Directors in their absolute discretion may, in any case, dispense with production of probate or letter of administration or succession certificate or other legal representation. In case of death of NCD Holders who are holding NCDs in dematerialised form, third person is not required to approach our Company to register his name as successor of the deceased NCD Holder. The successor of the deceased NCD Holder shall approach the respective Depository Participant for this purpose and submit necessary documents as required by the Depository Participant.

Where a non-resident Indian becomes entitled to the NCDs by way of succession, the following steps have to be complied with:

1. Documentary evidence to be submitted to the legacy cell of the RBI to the effect that the NCDs were acquired by the non-resident Indian as part of the legacy left by the deceased NCD Holder.
2. Proof that the non-resident Indian is an Indian national or is of Indian origin.
3. Such holding by a non-resident Indian will be on a non-repatriation basis.

Joint holders

Where two or more persons are holders of any NCDs, they shall be deemed to hold the same as joint holders with benefits of survivorship subject to other provisions contained in the Articles of Association.

Procedure for re-materialisation of NCDs

Debenture Holders who wish to hold the NCDs in physical form may do so by submitting a request to their DP at any time after Allotment in accordance with the applicable procedure stipulated by the DP, in accordance with the Depositories Act and/or rules as notified by the Depositories from time to time. **Holders of NCDs who propose to rematerialize their NCDs, would have to mandatorily submit details of their bank mandate along with a copy of any document evidencing that the bank account is in the name of the holder of such NCDs and their Permanent Account Number to the Company and the DP. No proposal for rematerialization of NCDs would be considered if the aforementioned documents and details are not submitted along with the request for such rematerialization.**

Register of NCD Holders

No transfer of title of a NCD will be valid unless and until entered on the Register of NCD Holders (for re materialized NCDs) or the register and index of NCD Holders maintained by the Depository prior to the Record Date. In the absence of transfer being registered, interest and/or Redemption Amount, as the case may be, will be paid to the person, whose name appears first in the Register of NCD Holders maintained by the Depositories and/or our Company and/or the Registrar, as the case may be as on the Record Date. In such cases, claims, if any, by the purchasers of the NCDs will need to be settled with the seller of the NCDs and not with our Company or the Registrar. The provisions relating to transfer and transmission and other related matters in respect of our Company's Equity Shares contained in the Articles of Association of our Company, SEBI Listing Regulations and the Companies Act shall apply, mutatis mutandis (to the extent applicable) to the NCDs as well.

Restriction on transfer of NCDs

There are no restrictions on transfers and transmission of NCDs allotted pursuant to this Issue. Pursuant to the SEBI Listing Regulations and SEBI RTA Master Circular, NCDs held in physical form, pursuant to any rematerialization, as above, cannot be transferred except in dematerialised form. Any trading of the NCDs issued pursuant to this Issue shall be compulsorily in dematerialised form only.

Period of subscription

ISSUE SCHEDULE	
ISSUE OPENING DATE	Friday, July 19, 2024
ISSUE CLOSING DATE	Thursday, August 01, 2024
PAY IN DATE	Application Date. The entire Application Amount is payable on Application.
DEEMED DATE OF ALLOTMENT	The date on which the Board of Directors or Non-Convertible Debenture Committee authorised by the Board approves the Allotment of the NCDs for the Issue or such date as may be determined by the Board of Directors/ Non- Convertible Debentures Committee authorised by the Board thereof and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs shall be available to the Debenture Holders from the Deemed Date of Allotment.

Note:

(1) This Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) during the period indicated above, except that this Issue may close on such earlier date or extended date (subject to a minimum period of three Working Days and a maximum period of ten Working Days from the date of opening of the Issue and subject to not exceeding thirty days from filing the Prospectus with ROC) as may be decided by the Board of Directors of our Company or Non-Convertible Debenture Committee subject to compliance with Regulation 33A of the SEBI NCS Regulations. In the event of an early closure or extension of this Issue our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in all the newspapers in which pre-issue advertisement for opening of this Issue has been given on or before such earlier or initial date of Issue closure. Application Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchanges, on Working Days during the Issue Period. On the Issue Closing Date, the Application Forms will be accepted only between 10:00 a.m. and 3:00 p.m. (Indian Standard Time) and uploaded until 5:00 p.m. or such extended time as may be permitted by the Stock Exchanges. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5:00 p.m.

*(Indian Standard Time) on one Working Day after the Issue Closing Date. For further details please refer to the chapter titled "**Issue Related Information**" on page 200 of this Prospectus.*

(2) Application Forms for the Issue will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchanges, during the Issue Period as mentioned above on all days between Monday and Friday (both inclusive barring public holiday), (i) by the Consortium or the Trading Members of the Stock Exchanges, as the case maybe, at the centres mentioned in Application Form through the ASBA mode, (ii) directly by the Designated Branches of the SCSBs or (iii) by the centres of the Consortium, or the Trading Members of the Stock Exchanges, as the case maybe, only at the selected cities. Additionally, an Investor may also submit the Application Form through the app or web interface of the Stock Exchanges. It is clarified that the Applications not uploaded in the Stock Exchanges platform would be rejected.

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, no later than 3.00 p.m. (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Application Forms will only be accepted on Working Days during the Issue Period. Neither our Company, nor the Lead Manager or Trading Members of the Stock Exchanges are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that, within each category of investors the Basis of Allotment under the Issue will be on a date priority basis.

(3) In case of an oversubscription in any of the Categories, Allotments to the maximum extent, as possible, will be made on a first-come first-serve basis and thereafter on proportionate basis, i.e. full Allotment of NCDs to the Applicants on a first come first basis up to the date falling 1 (one) day prior to the date of oversubscription and proportionate allotment of NCDs to the Applicants on the date of oversubscription (based on the date of upload of each Application on the online Application platform of the relevant stock exchanges, in each Portion)

Taxation

Income Tax is deductible at source at the rate of 10% on interest on debentures held by resident Indians as per the provisions of Section 193 of the IT Act (in case where interest is paid to Individual or HUF, no TDS will be deducted where interest paid is less than ₹ 5,000 and interest is paid by way of account payee cheque).

Further, Tax will be deducted at source at reduced rate, or no tax will be deducted at source in the following cases:

a. When the Assessing Officer issues a certificate on an application by a Debenture Holder on satisfaction that the total income of the Debenture holder justifies no/lower deduction of tax at source as per the provisions of Section 197(1) of the IT Act; and that a valid certificate is filed with the Company before the prescribed date of closure of books for payment of debenture interest;

b. When the resident Debenture Holder with Permanent Account Number **("PAN")** (not being a company or a firm) submits a declaration as per the provisions of section 197A(1A) of the IT Act in the prescribed Form 15G verified in the prescribed manner to the effect that the tax on his estimated total income of the financial year in which such income is to be included in computing his total income will be NIL. However, under section 197A(1B) of the IT Act, Form 15G cannot be submitted nor considered for exemption from tax deduction at source if the dividend income referred to in section 194, interest on securities, interest, withdrawal from NSS and income from units of mutual fund or of 236 Unit Trust of India as the case may be or the aggregate of the amounts of such incomes credited or paid or likely to be credited or paid during the financial year in which such income is to be included exceeds the maximum amount which is not chargeable to income tax;

c. Senior citizens, who are 60 or more years of age at any time during the financial year, enjoy the special privilege to submit a self-declaration in the prescribed Form 15H for non-deduction of tax at source in accordance with the provisions of section 197A(1C) of the Act even if the aggregate income credited or paid or likely to be credited or paid exceeds the maximum amount not chargeable to tax, provided that the tax due on the estimated total income of the year concerned will be Nil; and

d. In all other situations, tax would be deducted at source as per prevailing provisions of the IT Act.

Form No.15G with PAN / Form No.15H with PAN / Certificate issued u/s 197(1) has to be filed with the Company before the prescribed date of closure of books for payment of debenture interest without any withholding tax.

The aforesaid documents, as may be applicable, should be submitted at the office of the Registrar to the Issue quoting the name of the sole/ first NCD Holder, NCD folio number and the distinctive number(s) of the NCD

held, at least seven days prior to the Record Date to ensure non-deduction/lower deduction of tax at source from interest on the NCD. The investors need to submit Form 15H/ 15G/certificate in original with the Assessing Officer for each Fiscal during the currency of the NCD to ensure non-deduction or lower deduction of tax at source from interest on the NCD.

Tax exemption certificate/document, if any, must be lodged at the office of the Registrar to the Issue at least seven days prior to the Record Date or as specifically required, failing which tax applicable on interest will be deducted at source on accrual thereof in our Company's books and/or on payment thereof, in accordance with the provisions of the IT Act and/or any other statutory modification, enactment or notification as the case may be. A tax deduction certificate will be issued for the amount of tax so deducted.

Please also see, "***Statement of Possible Tax Benefits***" on page 79 of this Prospectus. Subject to the terms and conditions in connection with computation of applicable interest on the Record Date, please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this Prospectus read with the provisions of the Articles of Association of our Company, the transferee of such NCDs or the deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs. Subject to the terms and conditions in connection with computation of applicable interest on the Record Date as stated in the section titled "***Issue Procedure***" on page 230 of this Prospectus. Please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this Prospectus read with the provisions of the Articles of Association of our Company, the transferee of such NCDs or the transferee of the deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs.

Payment of Interest

The amount of interest payable shall be rounded off to the nearest Rupee. In the event, the interest/ payout of total coupon /redemption amount is a fraction and not an integer, such amount will be rounded off to the nearest integer. By way of illustration if the redemption amount is ₹1,837.50 then the amount shall be rounded off to ₹1,838. If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day, however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Redemption Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest on the NCDs until but excluding the date of such payment.

Basis of payment of Interest

NCDs once Allotted under any particular category of NCDs shall continue to bear the applicable tenor, coupon/yield and Redemption Amount as at the time of original Allotment irrespective of the category of Debenture Holder on any Record Date, and such Tenor, Coupon/Yield and Redemption Amount as at the time of original Allotment will not be impacted by trading of any options of NCDs between the categories of persons or entities in the secondary market.

Payment of Interest/Maturity Amount will be made to those Debenture Holders whose names appear in the Register of Debenture Holders (or to first holder in case of joint-holders) as on Record Date.

We may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the Investors. In such cases, interest, on the Interest Payment Date, would be directly credited to the account of those Investors who have given their bank mandate.

We may offer the facility of NACH, NEFT, RTGS, Direct Credit and any other method permitted by RBI and SEBI from time to time to help Debenture Holders. The terms of this facility (including towns where this facility would be available) would be as prescribed by RBI. Please see, "***Terms of the Issue - Manner of Payment of Interest / Redemption Amounts***" on page 212 of this Prospectus.

Day Count Convention

Interest shall be computed on an actual/actual basis i.e., on the principal outstanding on the NCDs as per the SEBI Master Circular.

Effect of holidays on payments

If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day (the "**Effective Date**"), however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Maturity Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment.

Illustration for guidance in respect of the day count convention and effect of holidays on payments

The illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by SEBI Master Circular is as disclosed in **"Annexure D"** of this Prospectus.

Maturity and Redemption

The manner of payment of interest / refund / redemption in connection with the NCDs is set out below:

The bank details will be obtained from the Depositories for payment of interest / refund / redemption as the case may be. Applicants who have applied for or are holding the NCDs in electronic form, are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in credit of interest / refund / redemption amounts to the Applicant at the Applicant's sole risk, and neither the Lead Manager, our Company nor the Registrar to the Issue shall have any responsibility and undertake any liability for the same.

Application Size

Each application should be for a minimum of 10 NCDs across all series collectively and multiples of 1 NCD thereafter (for all series of NCDs taken individually or collectively).

The minimum application size for each application for NCDs would be ₹10,000 across all series collectively and in multiples of ₹1,000 thereafter. Applicants can apply for any or all series of NCDs offered hereunder provided the Applicant has applied for minimum application size using the same Application Form.

Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

Terms of Payment

The entire issue price of ₹1,000/- per NCD, is blocked in the ASBA Account on application itself. In case of allotment of lesser number of NCDs than the number of NCDs applied for, our Company shall unblock the excess amount paid on application to the applicant in accordance with the terms of this Prospectus.

Manner of Payment of Interest / Redemption Amounts

The manner of payment of interest / redemption in connection with the NCDs is set out below:

For NCDs held in dematerialised form:

The bank details will be obtained from the Depositories for payment of interest / redemption amount as the case may be. Holders of the NCDs, are advised to keep their bank account details as appearing on the records of the Depository Participant updated at all points of time. Please note that failure to do so could result in delays in credit

of interest/redemption amounts at the Applicant's sole risk, and the Lead Manager, our Company or the Registrar shall have no responsibility and undertake no liability for the same.

For NCDs held in physical form on account of re-materialization:

In case of NCDs held in physical form, on account of rematerialization, the bank details will be obtained from the documents submitted to the Company along with the rematerialization request. For further details, please see "***Terms of the Issue - Procedure for Re-materialization of NCDs***" on page 209 of this Prospectus.

The Registrar to the Issue will issue requisite instructions to the relevant SCSBs to un-block amounts in the ASBA Accounts of the Applicants representing the amounts to unblocked for the Applicants.

The mode of payment of interest/redemption amount shall be undertaken in the following order of preference:

1. **Direct Credit/ NACH/RTGS:**

i. **Direct Credit:** interest / redemption amount would be credited directly to the bank accounts of the Investors, if held with the same bank as the Company.

ii. **NACH:** National Automated Clearing House which is a consolidated system of ECS. Payment of interest / redemption amount would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to the availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of interest/ redemption amount through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the interest / redemption amount through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get interest / redemption amount through NEFT or Direct Credit or RTGS.

iii. **RTGS:** Applicants having a bank account with a participating bank and whose interest / redemption amount exceeds ₹2 lakhs, or such amount as may be fixed by RBI from time to time, have the option to receive the interest / redemption amount through RTGS. Such eligible Applicants who indicate their preference to receive interest / redemption amount through RTGS are required to provide the IFSC code in the Application Form or intimate our Company and the Registrar to the Issue at least 7 (seven) days before the Record Date. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant. In the event the same is not provided, interest / redemption amount shall be made through NECS subject to availability of complete bank account details for the same as stated above.

iv. **NEFT:** Payment of interest / redemption amount shall be undertaken through NEFT wherever the Applicants' bank has been assigned the Indian Financial System Code ("IFSC"), which can be linked to a Magnetic Ink Character Recognition, if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI on a date immediately prior to the date of payment of the interest / redemption amounts, duly mapped with MICR numbers. Wherever the Applicants have registered their nine-digit MICR number and their bank account number while opening and operating the de-mat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of interest / redemption amount will be made to the Applicants through this method.

2. Registered Post/ Speed Post: For all other Debenture Holders, including those who have not updated their bank particulars with the MICR code, the interest payment / redemption amount shall be paid by way of interest/ redemption warrants dispatched through speed post/ registered post only to Applicants that have provided details of a registered address in India.

Printing of bank particulars on interest / redemption warrants

As a matter of precaution against possible fraudulent encashment of refund orders and interest/ redemption warrants due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be given for printing on the orders/ warrants. In relation to NCDs applied and held in dematerialized form, these

particulars would be taken directly from the Depositories. In case of NCDs held in physical form on account of re-materialisation, the NCD Holders are advised to submit their bank account details with our Company/ Registrar to the Issue at least seven days prior to the Record Date failing which the orders/ warrants will be dispatched to the postal address of the NCD Holders as available in the records of our Company either through speed post, registered post.

Bank account particulars will be printed on the orders/ warrants which can then be deposited only in the account specified.

Buy Back of NCDs

Our Company may, at its sole discretion, from time to time, consider, subject to applicable statutory and/or regulatory requirements, buy-back the NCDs, upon such terms and conditions as may be decided by our Company.

Our Company may from time to time invite the NCD Holders to offer the NCDs held by them through one or more buy-back schemes and/or letters of offer upon such terms and conditions as our Company may from time to time determine, subject to applicable statutory and/or regulatory requirements. Such NCDs which are bought back may be extinguished, re-issued and/or resold in the open market with a view of strengthening the liquidity of the NCDs in the market, subject to applicable statutory and/or regulatory requirements.

Loan against NCDs

Pursuant to RBI Circular dated June 27, 2013, our Company, being an NBFC, is not permitted to extend any loans against the security of its NCDs.

Procedure for Redemption by NCD holders

The procedure for redemption is set out below:

NCDs held in physical form on account of re-materialisation of NCDs

No action would ordinarily be required on the part of the NCD Holder at the time of redemption and the redemption proceeds would be paid to those NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of Redemption. However, our Company may require that the NCD certificate(s), duly discharged by the sole holder/all the joint-holders (signed on the reverse of the NCD certificates) be surrendered for redemption on maturity and should be sent by the NCD Holders by Registered Post with acknowledgment due or by hand delivery to our office or to such persons at such addresses as may be notified by us from time to time. NCD Holders may be requested to surrender the NCD certificates in the manner as stated above, not more than three months and not less than one month prior to the redemption date so as to facilitate timely payment. We may at our discretion redeem the Secured NCDs without the requirement of surrendering of the NCD certificates by the holder(s) thereof. In case we decide to do so, the holders of NCDs need not submit the NCD certificates to us and the redemption proceeds would be paid to those NCD holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of redemption of NCDs. In such case, the Secured NCD certificates would be deemed to have been cancelled. Also see "- *Payment on Redemption*" given below.

Secured NCDs held in electronic form

No action is required on the part of Secured NCD holder(s) at the time of redemption of NCDs.

Payment on Redemption

The manner of payment of redemption is set out below:

NCDs held in physical form on account of rematerialization

The payment on redemption of the NCDs will be made by way of cheque/pay order/ electronic modes. However, if our Company so requires, the aforementioned payment would only be made on the surrender of NCD

certificates, duly discharged by the sole holder/ all the joint-holders (signed on the reverse of the NCD certificates). Dispatch of cheques/ pay orders, etc. in respect of such payment will be made on the redemption date or (if so requested by our Company in this regard) within a period of 30 days from the date of receipt of the duly discharged NCD certificate.

In case we decide to do so, the redemption proceeds in the manner stated above would be paid on the redemption date to those NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of Redemption. Hence the transferees, if any, should ensure lodgment of the transfer documents with us at least seven days prior to the Record Date. In case the transfer documents are not lodged with us at least seven days prior to the Record Date and we dispatch the redemption proceeds to the transferor, claims in respect of the redemption proceeds should be settled amongst the parties inter se and no claim or action shall lie against us or the Registrar to the Issue.

Our liability to NCD Holder(s) towards their rights including for payment or otherwise shall stand extinguished from the redemption in all events and when we dispatch the redemption amounts to the NCD Holder(s).

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCDs.

NCDs held in electronic form

On the redemption date, redemption proceeds would be paid by cheque/ pay order/ electronic mode to those NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us. These names would be as per the Depositories' records on the Record Date fixed for the purpose of redemption. These NCDs will be simultaneously extinguished to the extent of the amount redeemed through appropriate debit corporate action upon redemption of the corresponding value of the NCDs. It may be noted that in the entire process mentioned above, no action is required on the part of NCD Holders.

Our liability to NCD Holders towards his/their rights including for payment/ redemption in all events shall end when we dispatch the redemption amounts to the NCD Holders.

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCDs.

Right to reissue NCD(s)

Subject to the provisions of the Companies Act, 2013, as applicable, on the date of this Prospectus, where we have fully redeemed or repurchased any NCDs, we shall have and shall be deemed always to have had the right to keep such NCDs in effect without extinguishment thereof, for the purpose of resale or re-issue and in exercising such right, we shall have and be deemed always to have had the power to resell or reissue such NCDs either by reselling or re-issuing the same NCDs or by issuing other NCDs in their place. The aforementioned right includes the right to reissue original NCDs.

Sharing of information

We may, at our option, use on our own, as well as exchange, share or part with any financial or other information about the NCD Holders available with us, with our Subsidiaries, if any and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither we or our affiliates nor their agents shall be liable for use of the aforesaid information.

Notices

All notices to the NCD Holder(s) required to be given by us or the Debenture Trustee shall be published in one English language newspaper having wide circulation and one regional language daily newspaper at the place where the registered office of the Company is situated and/or will be sent by post/ courier or through email or other electronic media to the Registered Holders of the NCD(s) from time to time.

Issue of duplicate NCD certificate(s)

If NCD certificate(s), issued pursuant to re-materialisation, is/ are mutilated or defaced or the cages for recording transfers of NCDs are fully utilised, the same may be replaced by us against the surrender of such certificate(s). Provided that where the NCD certificate(s) are mutilated or defaced, the same will be replaced as aforesaid only if the certificate numbers and the distinctive numbers are legible.

If any NCD certificate is destroyed, stolen or lost then upon production of proof thereof to our satisfaction and upon furnishing such indemnity/ security and/or documents as we may deem adequate, duplicate NCD certificates shall be issued. Upon issuance of a duplicate NCD certificate, the original NCD certificate shall stand cancelled.

Future Borrowings

We shall be entitled to make further issue of secured debentures and/or raise term loans or raise further funds from time to time from any persons, banks, financial institutions or bodies corporate or any other agency by creating a charge on any assets, (a) subject to such consents and approvals and other conditions, as may be required under applicable law or existing financing agreements, including any intimation, if applicable under the Transaction Documents (b) provided the stipulated security cover for the Issue is maintained and compliance with other terms of the Transaction Documents (c) Non-violation of any SEBI Regulations and other applicable law.

Provided that such future borrowings shall not be detrimental to the interest of the debenture holders.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"*Any person who:*

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act 2013 for fraud involving an amount of at least ₹10 lakhs or 1.00% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹10 lakhs or 1.00% of the turnover of the Company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹50 lakhs or with both.

Pre-closure

Our Company, in consultation with the Lead Manager reserves the right to close this Issue at any time prior to the Issue Closing Date, subject to receipt of minimum subscription or as maybe specified in this Propectus. Our Company shall allot NCDs with respect to the Application Forms received at the time of such pre-closure in accordance with the Basis of Allotment as described herein and subject to applicable statutory and/or regulatory requirements. In the event of such early closure of this Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure or the Issue Closing Date for this Issue, as applicable, through advertisement(s) in all those newspapers in which pre-issue advertisement and advertisement for opening or closure of the Issue have been given.

Minimum Subscription

In terms of the SEBI NCS Regulations for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size in this case being ₹5,625 lakhs. If our Company does not receive the minimum subscription of 75% of the Base Issue Size being ₹5,625 lakhs, prior to the Issue Closing Date, the entire Application Amount shall be unblocked in the relevant ASBA Accounts of the Applicants within eight Working Days from the Issue Closing Date. In the event there is delay in unblocking of funds, our Company shall be liable to pay interest at the rate of 15% per annum for the delayed period.

Under Section 39(3) of the Companies Act read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. Our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard included in the SEBI Master Circular.

Pre-Issue Advertisement

Subject to Regulation 30(1) of SEBI NCS Regulations, our Company will issue a statutory advertisement on or before the Issue Opening Date. This advertisement will contain the information as prescribed in Schedule V of SEBI NCS Regulations in compliance with Section 30 of Companies Act. Material updates, if any, between the date of filing of the Prospectus with RoC and the date of release of the statutory advertisement will be included in the statutory advertisement information as prescribed under SEBI NCS Regulations.

Listing

The NCDs proposed to be offered in pursuance of this Prospectus will be listed on the Stock Exchange. Our Company has received an 'in-principle' approval from BSE by way of its letter bearing reference number DCS/BM/PI-BOND/10/24-25 dated July 08, 2024. The application for listing the NCDs will be made to the Stock Exchange at an appropriate stage. For the purposes of the Issue, BSE shall be the Designated Stock Exchange.

If permissions to deal in and for an official quotation of our NCDs are not granted by the Stock Exchange, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of this Prospectus. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange are taken within six Working Days from the Issue Closing Date. For the avoidance of doubt, it is hereby clarified that in the event of non-subscription to any one or more of the series, such series(s) of NCDs shall not be listed.

Guarantee/Letter of Comfort

This Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent.

Monitoring and Reporting of Utilization of Issue Proceeds

There is no requirement for appointment of a monitoring agency in terms of the SEBI NCS Regulations. Our Board shall monitor the utilization of the proceeds of the Issue. For the relevant quarters, our Company will disclose in our quarterly financial statements, the utilization of the net proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue.

Lien or pledge of NCDs

Our Company may, at its discretion, note a lien or pledge of NCDs if such pledge of NCD is accepted by any third party bank/institution or any other person for any loan provided to the NCD Holder against pledge of such NCDs as part of the funding, subject to applicable law.

Record Date

The date for payment of interest in connection with the NCDs or repayment of principal in connection therewith which shall be 15 (fifteen) days prior to the date of payment of interest, and/or the date of redemption under this Prospectus. In case the Record Date falls on a day when the Stock Exchanges are having a trading holiday, the immediate subsequent trading day or a date notified by our Company to the Stock Exchanges, will be deemed as the Record Date Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchanges, as the case may be.

Loan against securities

As per the RBI circular dated June 27, 2013, the Company is not permitted to extend loans against the security of its debentures issued by way of private placement or public issues. The Company shall have the right of set-off and lien, present as well as future on the moneys due and payable to the NCD holders or deposits held in the account of the NCD holders, whether in single name or joint name, to the extent of all outstanding dues by the NCD holders to the Company, subject to applicable law.

ISSUE STRUCTURE

The following are the key terms of the NCDs. This section should be read in conjunction with and is qualified in its entirety by more detailed information in "***Terms of the Issue***" on page 200 of this Prospectus.

The NCDs being offered as part of the Issue are subject to the provisions of the SEBI NCS Regulations, the Debt Listing Agreement, SEBI Listing Regulations, and the Companies Act, 2013, the RBI Act, the terms of this Prospectus, the Application Form, the terms and conditions of the Debenture Trustee Agreement and the Debenture Trust Deed, and other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI, RBI, the Government of India, and other statutory/regulatory authorities relating to the offer, issue and listing of NCDs and any other documents that may be executed in connection with the NCDs.

The key common terms and conditions of the Term Sheet are as follows:

Particulars	Terms and Conditions
Security Name (Name of the non-convertible securities which includes coupon/dividend, Issuer Name and maturity year)	Series I- 10%SMCI2026; Series II- 10%SMCII2026; Series III-10.20%SMCIII2027; Series IV- 10.20%SMCIV2027; Series V- 10.40%SMCV2029; Series VI-10.40%SMCVI2029.
Issuer	SMC Global Securities Limited
Type and Nature of instrument	Secured, Rated, Listed, Redeemable, Non-Convertible Debentures
Seniority (Senior or subordinated)	Senior
Eligible Investors	**Category I Investors- Institutional Investors** • Public financial institutions, scheduled commercial banks, and Indian multilateral and bilateral development financial institutions which are authorized to invest in the NCDs; • Provident funds and pension funds each with a minimum corpus of ₹25 crores, superannuation funds and gratuity funds, which are authorized to invest in the NCDs; • Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012; • Resident Venture Capital Funds registered with SEBI; • Insurance companies registered with the IRDAI; • State industrial development corporations; • Insurance funds set up and managed by the army, navy, or air force of the Union of India; • Insurance funds set up and managed by the Department of Posts, the Union of India; • Systemically Important Non-Banking Financial Company registered with the RBI and having a net-worth of more than ₹500 crores as per the last audited financial statements; • National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and • Mutual funds registered with SEBI. **Category II Investors- Non-Institutional Investors** • Companies within the meaning of Section 2(20) of the Companies Act, 2013; • Statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs;

	• Co-operative banks and regional rural banks; • Trusts including public/private charitable/religious trusts which are authorised to invest in the NCDs; • Scientific and/or industrial research organisations, which are authorised to invest in the NCDs; • Partnership firms in the name of the partners; • Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); • Association of Persons; and • Any other incorporated and/ or unincorporated body of persons. **Category III Investors– High Net-Worth Individual Investors** • High net-worth individual investors - resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 1,000,000 across all options of NCDs in this Issue. **Category IV Investors – Retail Individual Investors** • Retail individual investors – resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹1,000,000 across all options of NCDs in this Issue and shall include retail individual investors, who have submitted bid for an amount not more than UPI Application Limit in any of the bidding options in the Issue (including Hindu Undivided Families applying through their Karta and does not include NRIs) through UPI Mechanism
Listing and timeline for Listing	The NCDs are proposed to be listed on the BSE Limited. The NCDs shall be listed within six Working Days from the date of Issue Closure. For more information, see "***Other Regulatory and Statutory Disclosures***" on page 292 of the Prospectus.

Rating of the Instrument

Rating Agency	Instrument	Rating Symbol	Date of credit rating letter	Amount rated (in Rs. Lakh)	Rating Definition
CRISIL	Non Convertible Debenture	CRISIL A Stable	November 24, 2023, revalidated vide letter dated May 21, 2024	17,500	Securities with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligation. Such securities carry low credit risk.
ICRA	Non Convertible Debenture	ICRA A Stable	July 24, 2023, revalidated vide letter dated June	40,000	Instruments with this rating indicate adequate

	12, 2024	degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.
Base Issue Size	Upto ₹ 7,500 Lakhs	
Green Shoe Option / Option to retain oversubscription (Amount)	Upto ₹7,500 Lakhs	
Minimum Subscription	Minimum subscription is 75% of the Base Issue size, i.e., ₹ 5,625 Lakhs	
Option to retain oversubscription (Amount)	Upto ₹ 7,500 Lakhs	
Objects of the Issue / Purpose for which there is requirement of funds	To meet the working capital requirements of the Company and general corporate purposes.	
In case the issuer is an NBFC and the objects of the issue entail loan to any entity who is a 'group company' then disclosures shall be made in the following format:	Not Applicable	
Details of Utilization of the Proceeds	Please refer to the section titled "***Objects of the Issue***" on page 72 of this Prospectus	
Lead Manager	Corporate Professionals Capital Private Limited	
Debenture Trustee	IDBI Trusteeship Services Limited	
Registrar to the Issue	Link Intime India Private Limited	
Face Value of the NCDs (₹ /NCD)	Rs. 1,000 (Rupees one thousand only)	
Issue Price (₹ /NCD)	Rs. 1,000 (Rupees one thousand only)	
Minimum Application size and in multiples of NCD thereafter	Rs. 10,000 (10 NCDs) and in multiples of Rs. 1,000 (1 NCD) thereafter.	
Mode of the Issue	Public Issue	
Mode of Allotment	In dematerialized form	
Mode of Trading	NCDs will be traded in dematerialized form.	
Issue	Public issue by our Company of secured, rated, listed, redeemable, non-convertible debentures of face value of ₹1,000 each ("**NCDs**") for an amount up to ₹7,500 Lakhs ("**Base Issue Size**") with an option to retain oversubscription up to ₹7,500 Lakhs ("**Green Shoe Option**"), aggregating up to 15,00,000 NCDs for an aggregate amount of up to ₹15,000 Lakhs.	
Details of the utilization of the Proceeds	Please refer to the section titled "***Objects of the Issue***" on page 72 of the Prospectus.	
Coupon Rate/ Dividend Rate	Please refer to the section titled "***Issue Structure – Specific terms of NCDs***" on page 200 of the Prospectus.	
Step Up/ Step Down Interest Rates	Not Applicable	
Coupon/ Dividend payment frequency	Please refer to the section titled " ***Issue Structure – Specific terms of NCDs***" on page 200 of the Prospectus.	
Coupon Payment Date	Please refer to the section titled " ***Issue Structure – Specific terms of NCDs***" on page 200 of the Prospectus.	

Coupon Type (Fixed, floating or other structure)	Please refer to the section titled " ***Issue Structure – Specific terms of NCDs***" on page 200 of the Prospectus.
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc).	Not Applicable
Day Count Basis (Actual/Actual)	Actual
Interest on Application Money	Not Applicable
Default Interest Rate	The Issuer shall pay interest, over and above the agreed coupon rate, in connection with any delay in allotment, refunds, dematerialized credit, execution of Debenture Trust Deed, payment of interest, redemption of principal amount beyond the time limits prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated/ prescribed under applicable laws. Our Company shall pay at least two percent per annum to the debenture holder, over and above the agreed coupon rate, till the execution of the trust deed if our Company fails to execute the trust deed within such period as prescribed under applicable law
Tenor	**Security Name** / **Tenor** Series I- 10%SMCI2026 / 24 Months Series II- 10%SMCII2026 / 24 Months Series III-10.20%SMCIII2027 / 36 Months Series IV- 10.20%SMCIV2027 / 36 Months Series V- 10.40%SMCV2029 / 60 Months Series VI-10.40%SMCVI2029 / 60 Months
Redemption Date	Please refer to the section titled " ***Issue Structure – Specific terms of NCDs***" on page 200 of the Prospectus.
Redemption Amount	Please refer to the section titled " ***Issue Structure – Specific terms of NCDs***" on page 200 of the Prospectus.
Redemption Premium /Discount	Please refer to the section titled " ***Issue Structure – Specific terms of NCDs***" on page 200 of the Prospectus.
Discount at which security is issued and the effective yield as a result of such discount.	Not Applicable
Premium/Discount at which security is redeemed and the effective yield as a result of such premium/discount.	Please refer to the section titled " ***Issue Structure – Specific terms of NCDs***" on page 200 of the Prospectus.
Put Date	Not Applicable
Put Price	Not Applicable
Call Date	Not Applicable
Call Price	Not Applicable
Put Notification Time (Timelines by which the investor need to intimate Issuer before exercising the put)	Not Applicable
Call Notification Time (Timelines by which the Issuer need to intimate investor before exercising the call)	Not Applicable
Issue Timing	The Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during the period indicated in this Prospectus, except that the Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company or the Non-

	Convertible Debenture Committee, subject to relevant approvals (subject to a minimum period of three working days and a maximum period of 10 working days from the date of opening of this Issue). In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in an English daily national newspaper with wide circulation and a regional daily with wide circulation where the registered office of the Company is located. Applications Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE.
Issue Opening Date	Friday, July 19, 2024
Issue Closing date	Thursday, August 01, 2024
Date of earliest closing of the issue, if any.	Not earlier than 3 working days from the date of opening of the Issue.
Pay-in Date	Application date. The entire application amount is payable on Application.
Deemed Date of Allotment	The date on which the Board of Directors or Non-Convertible Debentures Committee authorized by the Board approves the Allotment of the NCDs for the Issue or such date as may be determined by the Board of Directors/ or the Non-Convertible Debentures Committee authorized by the Board thereof and notified to the BSE. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs shall be available to the Debenture Holders from the Deemed Date of Allotment.
Settlement mode of the Instrument Depository	Redemption
Disclosure of Interest/Dividend / redemption dates	Please refer to the section titled " ***Issue Structure – Specific terms of NCDs***" on page 200 of the Prospectus.
Record Date	The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 (fifteen) days prior to the relevant interest payment date or relevant Redemption Date for NCDs issued under this Prospectus. In case of redemption of NCDs, the trading in the NCDs shall remain suspended between the Record Date and the Date of Redemption. In case the Record Date falls on a day when the Stock Exchanges are having a trading holiday, the immediately preceding trading day or a date notified by our Company to the Stock Exchanges, will be deemed as the Record Date.
All covenants of the issue (including side letters, accelerated payment clause, etc.)	The Issuer shall, inter alia, supply to the Debenture Trustee: ▪ Quarterly financial results within 45 (forty-five) days of the end of each quarter, half yearly financial results within 45 (forty five) days from the end of each half year, and the audited financial statements for a financial year (including statutory auditors report, directors' annual report, profit and loss accounts and a balance sheet) by no later than 60 (sixty) days from the end of the relevant financial year; ▪ A one-time certificate from the statutory auditor of the Company with respect to the use of the proceeds raised through the issue of Debentures as and when such proceeds have been completely deployed toward the proposed end-uses; ▪ The Issuer shall intimate the Debenture Trustee, of any amalgamation, demerger, merger or corporate restructuring or reconstruction scheme proposed by the Issuer; ▪ The Company shall not make any material modification to the structure of the Debentures in terms of coupon, conversion, Redemption, or otherwise without the prior approval of the stock exchange and such prior approval

	of the stock exchange would be obtained only after: (a) approval of the Board and the Debenture Trustee; and (b) complying with the provisions of Companies Act, 2013 including approval of the requisite majority of Debenture Holder(s). Further, any proposal of restructuring received by Debenture Trustee shall be communicated to Debenture Holder(s) immediately. and such other covenants as set out in the Debenture Trust Deed.
Description regarding Security (where applicable) including type of security (movable/immovable/tangible etc.), type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation	The principal amount of the NCDs to be issued together with all interest due and payable on the NCDs, thereof shall be secured by a pari passu charge over the Trade Receivables and MTF of the Company, created in favour of the Debenture Trustee, in terms of and as specifically set out in and fully described in the Debenture Trust Deed, such that a security cover to the extent of at least 110% of the outstanding principal amounts of NCDs and all interest due and payable thereon in respect of the NCDs maintained at all times as security until the Final Settlement Date, issued pursuant to the Issue. The NCDs proposed to be issued shall rank pari passu without preference of one over the other except that priority for payment shall be as per applicable date of redemption / repayment. The Company shall execute Debenture Trust Deed and Deed of Hypothecation prior to listing of the Debentures and perfect the same by filing requisite forms with ROC within 30 days of creation of charge in favour of Debenture Trustee. The Company hereby undertakes that the assets on which the charge or security has been created to meet the hundred and ten percent security cover or higher security cover is free from any encumbrances and in case the assets are encumbered, the permissions or consent to create any further charge on the assets has been obtained from the existing creditors to whom the assets are charged, prior to creation of the charge.
Replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the issue document	The principal amount of the NCDs to be issued together with all interest due and payable on the NCDs, thereof shall be secured by a pari passu charge over the Trade Receivables and MTF of the Company, created in favour of the Debenture Trustee, in terms of and as specifically set out in and fully described in the Debenture Trust Deed, such that a security cover to the extent of at least 110% of the outstanding principal amounts of NCDs and all interest due and payable thereon in respect of the NCDs maintained at all times as security until the Final Settlement Date, issued pursuant to the Issue. The NCDs proposed to be issued shall rank pari passu without preference of one over the other except that priority for payment shall be as per applicable date of redemption / repayment. The Company shall execute Debenture Trust Deed and Deed of Hypothecation prior to listing of the Debentures and perfect the same by filing requisite forms with ROC within 30 days of creation of charge in favour of Debenture Trustee. The Company hereby undertakes that the assets on which the charge or security has been created to meet the hundred and ten percent security cover or higher security cover is free from any encumbrances and in case the assets are encumbered, the permissions or consent to create any further charge on the assets has been obtained from the existing creditors to whom the assets are charged, prior to creation of the charge.
Transaction Documents	Transaction Documents shall mean the Draft Prospectus, this Prospectus, Abridged Prospectus read with any notices, corrigenda, addenda thereto, the Debenture Trust Deed and other documents, if applicable, the letters issued by the Rating Agency, the Debenture Trustee and/or the Registrar; and various

	other documents/ agreements/ undertakings, entered or to be entered by our Company with Lead Manager and/or other intermediaries for the purpose of the Issue including but not limited to the Issue Agreement, the Debenture Trustee Agreement, the Tripartite Agreements, the Public Issue Account and Sponsor Bank Agreement, the Registrar Agreement and the Consortium Agreement, and any other document that may be designated as a Transaction Document by the Debenture Trustee. For further details see, "***Material Contracts and Documents for Inspection***" on page 333 of the Prospectus.
Conditions Precedent to Disbursement	The Issuer shall provide/ confirm to the Debenture Trustee: ▪ A certified true copy of the latest charter documents of the Issuer, certified as correct, complete and in full force and effect by the appropriate officer; ▪ Certified true copies of relevant board resolutions; ▪ The Company shall have obtained the Debenture Trustee consent letter from the Debenture Trustee; ▪ The Issuer shall have obtained in-principle approval from the Stock Exchanges for listing of the Debentures; and such other conditions as set out in the Debenture Trust Deed and as specified in the SEBI NCS Regulations.
Condition Subsequent to Disbursement	The Issuer shall provide/ confirm to the Debenture Trustee: ▪ A one-time certificate from the statutory auditor of the Company with respect to the use of the proceeds raised through the issue of Debentures as and when such proceeds have been completely deployed toward the proposed end-uses; ▪ Obtaining the final listing approval from the Stock Exchange in respect of the Issue; and such other conditions as set out in the Debenture Trust Deed and as specified in the SEBI NCS Regulations.
Event of Default (including manner of voting /conditions of joining Inter Creditor Agreement)	Upon occurrence of any default in the performance or observance of any term, covenant, condition or provision contained in the Prospectus and the Debenture Trust Deed and, except where the Debenture Trustee certifies that such defaults is in its opinion incapable of remedy within the cure period, as set out in the Debenture Trust Deed (in which case no notice shall be required), it shall constitute an event of default. See "***Terms of the Issue – Events of Default***" on page 203 of this Prospectus.
Creation of recovery expense fund	A fund created by our Company with the Designated Stock Exchange for an amount equal to 0.01% of the issue size, subject to a maximum of deposit of ₹25,00,000 at the time of making the application for listing of NCDs, created in the manner as specified by SEBI in the SEBI Master Circular for Debenture Trustees and Regulation 11 of SEBI NCS Regulations. The recovery expense fund may be utilized by Debenture Trustee, in the event of default by our Company under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security.
Conditions for breach of covenants (as specified in Debenture Trust Deed)	Upon occurrence of any default in the performance or observance of any term, covenant, condition or provision contained in this Prospectus and the Debenture Trust Deed and, except where the Debenture Trustee certifies that such defaults is in its opinion incapable of remedy within the cure period, as set out in the Debenture Trust Deed (in which case no notice shall be required), it shall constitute an event of default. See "***Terms of the Issue – Events of Default***" on page 203 of this Prospectus.
Provisions related to Cross Default Clause	As per the Debenture Trust Deed to be executed in accordance with applicable law.
Role and Responsibilities of Debenture Trustee	As per SEBI (Debenture Trustees) Regulations, 1993, SEBI (Issue and Listing of Non-Convertible Securities) Regulation, 2021, SEBI Master Circular for Debenture Trustees, Companies Act, the simplified listing agreement(s), and the Debenture Trust Deed, each as amended from time to time. See "***Terms of the Issue – Debenture Trustees for the NCD Holders***" on page 203 of this

	Prospectus.
Risk factors pertaining to the issue	Please refer to chapter titled "***Risk Factors***" on page 19.
Governing Law and Jurisdiction	Any dispute in relation to NCDs shall be governed by laws of India and courts and tribunals in Delhi shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the proposed issuance of NCDs.

Notes:

(1) In terms of Regulation 7 of the SEBI NCS Regulations, our Company will undertake this Issue in dematerialized form. Trading in the NCDs shall be compulsorily in dematerialized form.

(2) *This Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) during the period indicated above, except that this Issue may close on such earlier date or extended date ((subject to a minimum period of three Working Days and a maximum period of ten Working Days from the date of opening of the Issue and subject to not exceeding thirty days from filing the Prospectus with ROC) as may be decided by the Board of Directors of our Company or Non-Convertible Debentures Committee subject to compliance with Regulation 33A of the SEBI NCS Regulations. In the event of an early closure or extension of this Issue our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in all the newspapers in which pre-issue advertisement for opening of this Issue has been given on or before such earlier or initial date of Issue closure. Application Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchanges, on Working Days during the Issue Period. On the Issue Closing Date, the Application Forms will be accepted only between 10:00 a.m. and 3:00 p.m. (Indian Standard Time) and uploaded until 5:00 p.m. or such extended time as may be permitted by the Stock Exchanges. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5:00 p.m. (Indian Standard Time) on one Working Day after the Issue Closing Date. For further details please refer to the chapter titled "**Issue Related Information**" on page 200 of this Prospectus.*

(3) Participation by any of the above-mentioned Investor classes in this Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/or regulatory provisions.

(4) In case of Application Form being submitted in joint names, the Applicants should ensure that the demat account is also held in the same joint names and the names are in the same sequence in which they appear in the Application Form.

If there is any change in coupon rate pursuant to any event including lapse of certain time period or downgrade in rating, then such new coupon rate and the events which lead to such change should be disclosed.

While the NCDs are secured to the tune of 110% of the principal and interest thereon in favour of Debenture Trustee, it is it the duty of the Debenture Trustee to monitor the security cover is maintained, however, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.

The specific terms of each instrument to be issued pursuant to an Issue shall be as set out in this Prospectus. Please see "***Issue Procedure***" on page 230 of this Prospectus, for details of category wise eligibility and allotment in the Issue.

For the list of documents executed/to be executed, please see *"**Material Contracts and documents for Inspection**"* on page 333 of this Prospectus.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/ consents/ approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to the Issue.

For further details, please refer to "***Issue Procedure***" on page 230 of this Prospectus.

Specific terms and conditions in connection with each series of NCDs:

Series	**I**	**II**	**III**	**IV**	**V**	**VI**
Nature	**Secured**	**Secured**	**Secured**	**Secured**	**Secured**	**Secured**
Frequency of Interest Payment	Annual	Cumulative	Annual	Cumulative	Monthly	Annual
Minimum Application	Rs. 10,000 (10 NCDs) across all Series					
Face Value/ Issue Price	Rs. 1,000					
In Multiples of thereafter (₹)	Rs. 1,000 (1 NCD)					
Tenor (Months)	24	24	36	36	60	60

Coupon (% per annum) for NCD Holders in Category I, II, III & IV	10.00	NA	10.20	NA	9.94	10.40
Coupon Type	Fixed					
Effective Yield (% per annum) for NCD Holders in Category I, II, III & IV	10.00	10.00	10.20	10.20	10.40	10.40
Mode of Interest Payment	Through various available modes					
Redemption Amount (₹ / NCD) on Maturity for NCD Holders in Category I, II, III & IV	Rs. 1,000	Rs. 1,210	Rs. 1,000	Rs. 1,338.27	Rs. 1,000	Rs. 1,000
Deemed Date of Allotment	The date on which the Board or a duly authorised committee approves the Allotment of NCDs. All benefits to the NCDs including interest on the NCDs shall be available to the investors from the Deemed Date of Allotment. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment.					
Put and Call Option	NA					

Notes:

1. With respect to Series where interest is to be paid on an annual basis, relevant interest will be paid on each anniversary of the Deemed Date of Allotment on the face value of the NCDs. The last interest payment under annual Series will be made at the time of redemption of the NCDs.

2. With respect to Series where interest is to be paid on monthly basis, relevant interest will be paid on the last date of every month on the face value of the NCDs. The last interest payment under monthly Series will be made at the time of redemption of the NCDs. For the first interest payment for NCDs under the monthly options, interest from the Deemed Date of Allotment till the last day of the subsequent month will be clubbed and paid on the last day of that subsequent month.

3. Subject to applicable tax deducted at source, if any.

Specific Terms of NCDs – Interest and Payment of Interest

Interest and Payment of Interest

1. Monthly interest payment options

Interest would be paid monthly under Series V at the following rates of interest in connection with the relevant categories of Debenture holders, on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of NCDs:

Category of Debenture Holder	Rate of Interest (p.a.) (%)
Series	V
All categories	9.94

For avoidance of doubt where interest is to be paid on a monthly basis, relevant interest will be calculated from the first day till the last date of every month on an actual/actual basis during the tenor of such NCDs and paid on the first day of every subsequent month. For the first interest payment for NCDs under the monthly options if the Deemed Date of Allotment is prior to the fifteenth of that month, interest for that month will be paid on first day of the subsequent month and if the Deemed Date of Allotment is post the fifteenth of that month, interest from the Deemed Date of Allotment till the last day of the subsequent month will be clubbed and paid on the first day of the month next to that subsequent month.

2. Annual interest payment options

Interest would be paid annually under Series I, III & VI at the following rates of interest in connection with the relevant categories of Debenture holders, on the amount outstanding from time to time,

commencing from the Deemed Date of Allotment of NCDs:

Category of Debenture Holder	Rate of Interest (p.a.) (%)		
Series	I	III	VI
All categories	10.00	10.20	10.40

For avoidance of doubt where interest is to be paid on an annual basis, relevant interest will be calculated from the first day till the last date of every year on an actual/actual basis during the tenor of such NCDs and paid on the first day of every subsequent year. The last interest payment under this option shall be made at the time of redemption of the NCDs.

3. Cumulative interest payment options

Series II & IV of the NCDs shall be redeemed as below:

Category of Debenture Holder	Redemption Amount (₹ per NCD)	
Series	II	IV
All categories	1,210	1,338.27

Terms of Payment

The entire amount of face value of NCDs applied for will be blocked in the relevant ASBA Account maintained with the SCSB or under UPI mechanism (only for Retail Individual Investors), as the case may be, in the bank account of the Applicants that is specified in the ASBA Form at the time of the submission of the Application Form. In the event of Allotment of a lesser number of NCDs than applied for, our Company shall unblock the additional amount blocked upon application in the ASBA Account, in accordance with the terms as specified in "***Terms of the Issue***" on page 200 of this Prospectus.

Participation by any of the above-mentioned investor classes in this Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/or regulatory provisions.

The NCDs have not been and will not be registered, listed or otherwise qualified in any jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. In particular, the NCDs have not been and will not be registered under the U.S. Securities Act, 1933, as amended (the "**Securities Act**") or the securities laws of any state of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Issuer has not registered and does not intend to register under the U.S. Investment Company Act, 1940 in reliance on section 3(c)(7) thereof. This Prospectus may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever, and in particular may not be forwarded to any U.S. Person or to any U.S. address.

Applications may be made in single or joint names (not exceeding three). Applications should be made by Karta in case the Applicant is an HUF. If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names. In case of Application Form being submitted in joint names, the Applicants should ensure that the demat account is also held in the same joint names and the names are in the same sequence in which they appear in the Application Form. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form. Please ensure that such Applications contain the PAN of the HUF and not of the Karta. In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first

named Applicant whose name appears in the Application Form and at the address mentioned therein.

In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to this Issue.

For further details, see *"**Issue Procedure**"* on page 230 of this Prospectus.

Day Count Convention

Interest shall be computed on an actual/actual basis i.e. on the principal outstanding on the NCDs as per the SEBI Master Circular.

Please see **"Annexure D"** of the Prospectus for details pertaining to the cash flows of the Company in SEBI Debt Regulations.

Please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of the Prospectus read with the provisions of the Articles of Association of our Company, the transferee of such NCDs or the transferee of deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs subject to such Transferee holding the NCDs on the Record Date.

Effect of holidays on payments

If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day, however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Redemption Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment. The interest/redemption payments shall be made only on Working Days.

ISSUE PROCEDURE

This chapter applies to all Applicants. Pursuant to the SEBI Master Circular, all Applicants are required to mandatorily apply for in the Issue through the ASBA process and an amount equivalent to the full Application Amount as mentioned in the Application Form will be blocked by the Designated Branches of the SCSBs. ASBA Applicants and Applicants applying through the Direct Online Application Mechanism (as defined hereinafter) should note that the ASBA process and the Direct Online Application Mechanism involve application procedures that are different from the procedure applicable to all other Applicants Please note that all Applicants are required to pay the full Application Amount or to ensure that the ASBA Account has sufficient credit balance such that the entire Application mount can be blocked by the SCSB while making an Application. An amount equivalent to the full Application Amount will be blocked by the SCSBs in the relevant ASBA Accounts maintained with the SCSB or under UPI mechanism (only for Retail Individual Investors), as the case may be, in the bank account of the Applicants that is specified in the ASBA Form at the time of the submission of the Application Form. Applicants should note that they may submit their Applications to the Designated Intermediaries.

Applicants should note that they may submit their Applications to the Designated Intermediaries at the Designated CDP Locations or the RTAs at the Designated RTA Locations or designated branches of SCSBs as mentioned on the Application Form. Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law or as specified in this Prospectus.

Please note that this section has been prepared based on the SEBI Master Circular, as amended from time to time and other related circulars including notifications issued by BSE, in relation to the UPI mechanism. Retail Individual Investors should note that they may use the UPI mechanism to block funds for application value up to UPI Application Limit (to participate in the public issue for an amount up to ₹ 5,00,000 for issue of debt securities pursuant to SEBI Master Circular or any other investment limit, as applicable and prescribed by SEBI from time to time) submitted through the app/web interface of the Stock Exchanges or through intermediaries (Consortium Members, Registered Stockbrokers, Registrar and Transfer agent and Depository Participants).

ASBA Applicants must ensure that their respective ASBA Accounts can be blocked by the SCSBs, in the relevant ASBA accounts for the full Application Amount. Applicants should note that they may submit their Applications to the Designated Intermediaries Locations or the RTAs at the Designated RTA Locations or designated branches of SCSBs as mentioned on the Application Form. Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law or as specified in this Prospectus.

Specific attention is drawn to the SEBI Master Circular that provides for allotment in public issues of debt securities to be made on the basis of the date of upload of each application into the electronic book of the Stock Exchanges, as opposed to the date and time of upload of each such application.

Our Company and the Lead Managers do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Prospectus. Investors are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws.

Applicants are advised to make their independent investigations and ensure that their Application does not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law or as specified in this Prospectus.

Please note that this section has been prepared based on the requirements notified the SEBI Master Circular and the notifications issued by BSE, in relation to the UPI Mechanism, dated December 28, 2020 and May 19, 2022.

Further, our Company, the Lead Manager and the Members of the Consortium do not accept any responsibility for any adverseoccurrence consequent to the implementation of the UPI Mechanism for application in the Issue.

PLEASE NOTE THAT ALL DESIGNATED INTERMEDIARIES WHO WISH TO COLLECT AND UPLOAD APPLICATION IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM

PROVIDED BY THE
STOCK EXCHANGES WILL NEED TO APPROACH THE STOCK EXCHANGE(S) AND FOLLOW THE REQUISITE PROCEDURES AS MAY BE PRESCRIBED BY THE STOCK EXCHANGES. THE FOLLOWING SECTION MAY CONSEQUENTLY UNDERGO CHANGE BETWEEN THE DATES OF THE PROSPECTUS / PROSPECTUS, THE ISSUE OPENING DATE AND THE ISSUE CLOSING DATE.

THE DESIGNATED INTERMEDIARIES (OTHER THAN TRADING MEMBERS), SCSBS AND OUR COMPANY SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR OMISSIONS ON THEPART OF THE TRADING MEMBERS IN CONNECTION WITH THE RESPONSIBILITIES OF SUCH TRADING MEMBERS INCLUDING BUT NOT LIMITED TO COLLECTION AND UPLOAD OF APPLICATION FORMS IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGE. FURTHER, THE STOCK EXCHANGE SHALL BE RESPONSIBLE FOR ADDRESSING INVESTOR GRIEVANCES ARISING FROM APPLICATION THROUGH TRADING MEMBERS REGISTERED WITH THE STOCK EXCHANGE.

For purposes of this Issue, the term "Working Day" shall mean all days excluding Sundays or a holiday of commercial banks in Delhi, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in Delhi. Furthermore, for the purpose of post issue period, i.e., period beginning from the Issue Closure to listing of the NCDs on the Stock Exchange, Working Day shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays in Delhi, as per the SEBI NCS Regulations.

The information below is given for the benefit of the Investors. Our Company and the Members of Syndicate/ Consortium are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus.

PROCEDURE FOR APPLICATION

Who can apply?

The following categories of persons are eligible to apply in this Issue:

Category I

- Resident public financial institutions as defined in Section 2(72) of the Companies act 2013, statutory corporations including state industrial development corporations, scheduled commercial banks, co-operative banks and regional ruralbanks, and multilateral and bilateral development financial institutions which are authorised to invest in the NCDs;
- Provident funds of minimum corpus of ₹ 2,500 lakhs, pension funds of minimum corpus of ₹ 2,500 lakhs, superannuation funds and gratuity funds, which are authorised to invest in the NCDs;
- Alternative investment funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
- Resident venture capital funds registered with SEBI;
- Insurance companies registered with the IRDAI;
- National Investment Fund (set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India and published in the Gazette of India);
- Insurance funds set up and managed by the Indian army, navy or the air force of the Union of India or by the Department of Posts, India;
- Mutual funds registered with SEBI; and
- Systemically Important NBFCs.

Category II

- Companies falling within the meaning of Section 2(20) of the Companies Act 2013;
- Bodies corporate and societies registered under the applicable laws in India and authorised to invest in the NCDs;

- Educational institutions and associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment which are authorised to invest in the NCDs;
- Trust including public/private charitable/religious trusts which are authorised to invest in the NCDs;
- Association of persons;
- Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;
- Partnership firms in the name of the partners;
- Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); and

Category III

High Net-worth Individual Investors - Resident Indian individuals or Hindu Undivided Families through the Karta applyingfor an amount aggregating to above ₹ 10,00,000 across all options of NCDs in this Issue.

Category IV[*#]

- Resident Indian individuals; and
- Hindu undivided families through the Karta.

(*) applications aggregating to a value not more than ₹10 lakhs.
(#) applications upto a value of ₹5 lakhs can be made under the UPI Mechanism.

For Applicants applying for NCDs, the Registrar shall verify the above on the basis of the records provided by the Depositories based onthe DP ID, Client ID and where applicable the UPI ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange by the Members of the Consortium or the Trading Members, as the case may be.

Please note that it is clarified that Persons Resident outside India shall not be entitled to participate in the Issue and any applications from such persons are liable to be rejected.

Participation of any of the aforementioned categories of persons or entities is subject to the applicable statutory and/orregulatory requirements in connection with the subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that Application made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to this Issue.

The Lead Manager and its respective associates and affiliates are permitted to subscribe in the Issue.

Who is not eligible to apply for NCDs?

The following categories of persons, and entities, shall not be eligible to participate in this Issue and any Application from such persons and entities are liable to be rejected:

a. Minors without a guardian name* (A guardian may apply on behalf of a minor. However, Application by minors must bemade through Application Forms that contain the names of both the minor Applicant and the guardian). It is further clarified that it is the responsibility of the Applicant to ensure the guardians are competent to contract under Indian Contract Act, 1872;
b. Foreign nationals, NRI inter-alia including any NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA;
c. Persons resident outside India and other foreign entities;
d. Foreign Institutional Investors;
e. Foreign Portfolio Investors;
f. Foreign Venture Capital Investors;
g. Non Resident Indians;
h. Qualified Foreign Investors;

i. Overseas Corporate Bodies*; and
j. Persons ineligible to contract under applicable statutory/regulatory requirements.

(*)The concept of Overseas Corporate Bodies (meaning any company, partnership firm, society and other corporate body or overseas trust irrevocably owned/held directly or indirectly to the extent of at least 60% by NRIs), which was in existence until 2003, was withdrawn by the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Accordingly, OCBs are not permitted to invest in this Issue.

Based on the information provided by the Depositories, our Company shall have the right to accept Application Forms belonging to an account for the benefit of a minor (under guardianship). In case of such Application, the Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange.

Please see "***Issue Procedure – Rejection of Applications***" on page 255 of this Prospectus for information on rejection of Applications.

The information below is given for the benefit of Applicants. Our Company and the Lead Manager are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus.

How to Apply?

Availability of the Draft Prospectus/ Prospectus, Abridged Prospectus and Application Forms

The Physical copies of Abridged Prospectus containing the salient features of this Prospectus together with Application Form may be obtained from:

a. Our Company's Registered Office and Corporate Office;
b. Offices of the Lead Manager/Consortium Member;
c. the CRTA at the Designated RTA Locations;
d. the CDPs at the Designated CDP Locations;
e. Trading Members at the Broker Centres; and
f. Designated Branches of the SCSBs.

Electronic copies of this Prospectus along with the downloadable version of the Application Formwill be available on the websites of the Lead Manager (www.corporateprofessionals.com), the Stock Exchange (www.bseindia.com), SEBI (www.sebi.gov.in) and the SCSBs.

Electronic Application Forms may be available for download on the website of the Stock Exchange and on the websites of the SCSBs that permit submission of Application Forms electronically. A unique application number ("**UAN**") will be generated for every Application Form downloaded from the website of the Stock Exchange. Our Company may also provideApplication Forms for being downloaded and filled at such website as it may deem fit. In addition, brokers having online demat account portals may also provide a facility of submitting the Application Forms virtually online to their account holders.

Trading Members of the Stock Exchange can download Application Forms from the website of the Stock Exchange.Further, Application Forms will be provided to Trading Members of the Stock Exchange at their request.

UPI Investors making an Application up to ₹ 5 lakhs, using the UPI Mechanism, must provide the UPI ID in the relevant space provided in the Application Form. Application Forms that do not contain the UPI ID are liable to be rejected. UPI Investors applying using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI.

Please note that there is a single Application Form for all Applicants who are Persons Resident in India.

Please note that only ASBA Applicants shall be permitted to make an application for the NCDs.

Method of Application

As per the SEBI Master Circular, Eligible investor desirous of applying in the Issue can make Applications through the ASBA mechanism only.

All Applicants shall mandatorily apply in the Issue through the ASBA process only. Applicants intending to subscribe in the Issue shall submit a duly filled Application form to any of the Designated Intermediaries. Designated Intermediaries (other than SCSBs) shall submit/deliver the Application Form (except the Application Form from a retail individual investor bidding using the UPI mechanism) to the respective SCSB, where such investor has a bank account and shall not submit it to any non-SCSB bank or any Escrow Bank.

Further, the Application may also be submitted through the app or web interface developed by Stock Exchange wherein theApplication is automatically uploaded onto the Stock Exchange bidding platform and the amount is blocked using the UPI mechanism, as applicable.

All Applicants shall mandatorily apply in the Issue through the ASBA process only. Applicants intending to subscribe in the Issue shall submit a duly filled Application form to any of the Designated Intermediaries. Designated Intermediaries (other than SCSBs) shall submit/deliver the Bid cum Application Form (except the Bid cum Application Form from a retail individual investor bidding using the UPI mechanism) to the respective SCSB with whom the relevant ASBA Accounts aremaintained and shall not submit it to any non-SCSB bank or any Escrow Bank. The relevant Designated Intermediaries, upon receipt of physical Application Forms from Applicants, shall upload the details of these Application Forms to the online platform of the Stock Exchange and submit these Application Forms (except a Bid cum Application Form from retail individual investors using the UPI Mechanism) with the SCSB with whom the relevant ASBA Accounts are maintained.

Applicants should submit the Application Form only at the Bidding Centres, i.e., to the respective Consortium Members at the Specified Locations, the SCSBs at the Designated Branches, the Registered Broker at the Broker Centres, the RTAs at the Designated RTA Locations or CDPs at the Designated CDP Locations. Kindly note that Application Forms submitted by Applicants at the Specified Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Application Form is maintained has not named at least one branch at that location for the Designated Intermediaries for deposit of the Application Forms. A list of such branches is available at http://www.sebi.gov.in.

Designated Intermediaries (other than SCSBs) shall not accept any ASBA Form from a retail individual investor who is notBidding using the UPI Mechanism.

For retail individual investors using UPI Mechanism, the Stock Exchange shall share the bid details (including UPI ID) withthe Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to retail individual investors for blocking of funds.

An Applicant shall submit the Application Form, which shall be stamped at the relevant Designated Branch of the SCSB. Application Forms in physical mode, which shall be stamped, can also be submitted to be the Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specifiedin the Application Form.

The Sponsor Bank shall provide details of the UPI linked bank account of the Bidders to the Registrar to the Issue for purposeof reconciliation.
Retail individual investors using the UPI Mechanism must provide the UPI ID in the relevant space provided in the Bid cumApplication Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected.

Retail individual investors using UPI Mechanism, submitting a Bid-cum Application Form to any Designated Intermediary(other than SCSBs) should ensure that only the UPI ID is mentioned in the field for Payment Details in the Bid cum Application Form. Application Forms submitted by retail individual investors using UPI Mechanism to DesignatedIntermediary (other than SCSBs) with ASBA Account details, are liable to be rejected.

Further, such Bidders including retail individual investors using the UPI Mechanism, shall ensure that the Bids are submittedat the Bidding Centres only on Bid cum Application Forms bearing the stamp of the relevant Designated

Intermediary (exceptin case of electronic Bid-cum-Application Forms) and Bid cum Application Forms (except electronic Bid-cum-ApplicationForms) not bearing such specified stamp may be liable for rejection. Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the SponsorBank, as applicable, at the time of submitting the Bid. Designated Intermediaries (other than SCSBs) shall not accept any ASBA Form from a retail individual investor who is not Bidding using the UPI Mechanism.

Our Company, the Directors, affiliates, associates and their respective directors and officers, Lead Manager and the Registrarto the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to ASBA Applications accepted by the Designated Intermediaries, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount has been blocked in the relevant ASBA Account. Further, all grievances against Designated Intermediaries in relation to the Issue should be made by Applicants directly to the relevant Stock Exchange.

In terms of the SEBI Master Circular, an eligible investor desirous of applying in this Issue can make Applications through thefollowing modes:

1. **Through Self-Certified Syndicate Bank (SCSB) or intermediaries** (viz. Consortium members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants)

a. An investor may submit the bid-cum-application form, with ASBA as the sole mechanism for making payment, physically at the branch of a SCSB, i.e., investor's bank. For such applications, the existing process of uploading of bid on the Stock Exchange bidding platform and blocking of funds in investors account by the SCSB would continue.

b. An investor may submit the completed bid-cum-application form to intermediaries mentioned above along with detailsof his/her bank account for blocking of funds. The intermediary shall upload the bid on the Stock Exchange bidding platform and forward the application form to a branch of a SCSB for blocking of funds.

c. An investor may submit the bid-cum-application form with a SCSB or the intermediaries mentioned above and use his / her bank account linked UPI ID for the purpose of blocking of funds, if the application value is ₹5 lakhs or less.The intermediary shall upload the bid on the Stock Exchange bidding platform. The application amount would be blocked through the UPI mechanism in this case.

2. **Through Stock Exchange**

a. An investor may submit the bid-cum-application form through the App or web interface developed by Stock Exchange (or any other permitted methods) wherein the bid is automatically uploaded onto the Stock Exchanges bidding platform and the amount is blocked using the UPI Mechanism.

b. BSE extended their web-based platforms i.e. 'BSE Direct' and 'NSE goBID' to facilitate investors to apply in public issues of debt securities through the web based platform and mobile app with a facility to block funds through Unified Payments Interface (UPI) mechanism for application value upto ₹ 5 lakhs to place bid through 'BSE Direct' and 'NSE goBID' platform/ mobile app the eligible investor is required to register himself/ herself with BSE Direct/ 'NSE goBID'.

c. An investor may use the following links to access the web-based interface developed by the Stock Exchanges to bid using the UPI Mechanism: BSE: https://www.bsedirect.com and NSE: https://eipo.nseindia.com.

d. The BSE Direct and NSE goBID mobile application can be downloaded from play store in android phones. Kindly search for 'BSE Direct' or 'NSE goBID' on Google Playstore for downloading mobile applications.

e. For further details on the registration process and the submission of bids through the App or web interface, the Stock Exchanges have issued operational guidelines and circulars available at BSE:

https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20201228-60, and https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20201228-61;. Similar circulars by NSE can be found here: x https://www1.nseindia.com/content/circulars/IPO46907.zip x https://www1.nseindia.com/content/circulars/IPO46867.zipFurther, NSE has allowed its 'GoBid' mobile application which is currently available for placing bids for non-competitive bidding shall also be available for applications of public issues of debt securities.

APPLICATIONS FOR ALLOTMENT OF NCDs

Details for Applications by certain categories of Applicants including documents to be submitted are summarized below.

Applications by Mutual Funds

Pursuant to the SEBI circular SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023 **("SEBI Mutual Funds Master Circular")**, mutual funds are required to ensure that the total exposure of debt schemes (excluding investments in Bank CDs, triparty repo on Government securities or treasury bills, G-Secs, TBills, short term deposits of Scheduled Commercial Banks and AAA rated securities issued by Public Financial Institutions and Public Sector Banks) shall not exceed 20% of the net assets of the scheme. Further, the additional exposure to financial services sector (over and above the limit of 20%) not exceeding 10% of the net assets of the scheme shall be allowed only by way of increase in exposure to Housing Finance Companies (HFCs), which are rated AA and above and are registered with the National Housing Bank. Further, an additional exposure of 5% of the net assets of the scheme has been allowed for investments in securitized debt instruments based on retail housing loan portfolio and/or affordable housing loan portfolio. However, the overall exposure in HFCs shall not exceed the sector exposure limit of 20% of the net assets of the scheme.

A separate Application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such Applications shall not be treated as multiple Applications. Applications made by the AMCs or custodians of a mutual fund shall clearly indicate the name of the concerned scheme for which Application is being made. An Application Form by a mutual fund registered with SEBI for Allotment of the NCDs must also be accompanied by certified true copies of (i) its SEBI registration certificates (ii) the trust deed in respect of such mutual fund (ii) a resolution authorizing investment and containing operating instructions and (iii) specimen signatures of authorized signatories. **Failing this, our Company reserves the right to accept or reject any Application from a Mutual Fund for Allotment of the NCDs in whole or in part, in either case, without assigning any reason thereof.**

Application by Systemically Important Non-Banking Financial Companies

Systemically Important Non- Banking Financial Company, a non-banking financial company registered with the Reserve Bank of India can apply in this Issue based on their own investment limits and approvals. The Application Form must be accompanied by a certified copy of the (i) certificate of registration issued by the RBI (ii) their memorandum and articles of association/charter of constitution; (iii) power of attorney; (iv) a board resolution authorizing investments; and (ii) specimen signatures of authorised signatories. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Application by Scheduled Commercial banks, co-operative banks and regional rural banks

Commercial banks, co-operative banks and regional rural banks can apply in this Issue based on their own investment limitsand approvals. The Application Form must be accompanied by certified true copies of (i) a board resolution authorising investment; (ii) memorandum and articles of association/charter of constitution; (iii) power of attorney and (iv) a letter of authorisation. Failing this, our Company reserves the right to accept or reject any Application from a Mutual Fund for Allotment of the NCDs in whole or in part, in either case, without assigning any reason thereof.

Pursuant to SEBI Master Circular, SCSBs making Applications on their own account using ASBA Facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making Application in public issues and clear demarcated

funds should be available in such account for applications.

Application by Insurance Companies

In case of Applications made by insurance companies registered with the Insurance Regulatory and Development Authorityof India ("**IRDAI**"), a certified copy of certificate of registration issued by IRDAI must be lodged along with Application Form. The Application Form must be accompanied by certified true copies of their (i) certificate registered with the IRDAI; (ii) memorandum and articles of association/charter of constitution; (iii) power of attorney; (iv) resolution authorising investments/containing operating instructions; and (v) specimen signatures of authorised signatories. **Failing this, our Company reserves the right to accept or reject any Application for Allotment of the NCDs in whole or in part, in either case, without assigning any reason thereof.**

Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issuedby the IRDAI from time to time to time including the IRDA (Investment) Regulations, 2000.

Application by Indian Alternative Investment Funds

Applications made by Alternative Investment Funds eligible to invest in accordance with the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, as amended (the "**SEBI AIF Regulations**") for Allotment of theNCDs must be accompanied by certified true copies of (i) SEBI registration certificate; (ii) a resolution authorising investment and containing operating instructions; and (iii) specimen signatures of authorised persons. The alternative investment funds shall at all times comply with the requirements applicable to it under the SEBI AIF Regulations and the relevant notifications issued by SEBI. **Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason thereof.**

Applications by associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment

In case of Applications made by 'Associations of Persons' and/or bodies established pursuant to or registered under any central or state statutory enactment, must submit a (i) certified copy of the certificate of registration or proof of constitution,as applicable, (ii) power of attorney, if any, in favour of one or more persons thereof, (iii) such other documents evidencingregistration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to this Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations,which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicablestatutory and or regulatory provisions. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by Trusts

In case of Applications made by trusts, settled under the Indian Trusts Act, 1882, as amended, or any other statutory and/orregulatory provision governing the settlement of trusts in India, must submit a (i) certified copy of the registered instrumentfor creation of such trust, (ii) power of attorney, if any, in favour of one or more trustees thereof, (iii) such other documentsevidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to this Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by themunder applicable statutory and or regulatory provisions. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by Public Financial Institutions or Statutory Corporations, which are authorised to invest in the NCDs

The Application must be accompanied by certified true copies of: (i) any act/ rules under which they are incorporated; (ii) board resolution authorising investments; and (iii) specimen signature of authorised person. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by Provident Funds, Pension Funds, Superannuation Funds and Gratuity Fund, which are authorized to invest in the NCDs

Applications by provident funds, pension funds, superannuation funds and gratuity funds which are authorised to invest in the NCDs, for Allotment of the NCDs must be accompanied by certified true copies of: (i) any Act/rules under which they are incorporated; (ii) a power of attorney, if any, in favour of one or more trustees thereof, (ii) a board resolution authorising investments; (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements; (iv) specimen signature of authorized person; (v) a certified copy of the registered instrument for creation of such fund/trust; and (vi) any tax exemption certificate issued by the Income Tax authorities. **Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason thereof.**

Applications by National Investment Fund

The Application must be accompanied by certified true copies of: (i) resolution authorising investment and containing operating instructions; and (ii) specimen signature of authorized person. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Applications made by Companies, bodies corporate and societies registered under the applicable laws in India

The Application must be accompanied by certified true copies of (i) any Act/ rules under which they are incorporated; (ii) board resolution authorising investments; and (iii) specimen signature of authorized person. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by Indian Scientific and/or industrial research organizations, which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of (i) any Act/rules under which such Applicant is incorporated; (ii) a resolution of the board of directors of such Applicant authorising investments; and (iii) specimen signature of authorized persons of such Applicant. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by Partnership firms formed under applicable Indian laws in the name of the partners and Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008

Applications made by partnership firms and limited liability partnerships formed and registered under the Limited Liability Partnership Act, 2008 must be accompanied by certified true copies of: (i) the partnership deed for such Applicants; (ii) any documents evidencing registration of such Applicant thereof under applicable statutory/regulatory requirements; (iii) a resolution authorizing the investment and containing operating instructions; and (iv) specimen signature of authorized persons of such Applicant. **Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason thereof.**

Applications under Power of Attorney by limited companies, corporate bodies and registered societies

In case of Applications made pursuant to a power of attorney by Applicants from Category I and Category II, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, with a certified copy of the memorandum of association and articles of association and/or bye laws must be submitted with the

Application Form. In case of Applications made pursuant to a power of attorney by Applicants, a certified copy of the power of attorney must be submitted with the Application Form. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Our Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney with the Application Forms subject to such terms and conditions that our Company and the Lead Manager may deem fit.

Brokers having online demat account portals may also provide a facility of submitting the Application Forms online to theiraccount holders. Under this facility, a broker receives an online instruction through its portal from the Applicant for makingan Application on his/ her behalf. Based on such instruction, and a power of attorney granted by the Applicant to authorise the broker, the broker makes an Application on behalf of the Applicant.

For each of the above applicant categories if the Application is not made in the form and along with the requirements set out above, the Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

APPLICATIONS FOR ALLOTMENT OF NCDs

This section is for the information of the Applicants proposing to subscribe to the Issue. The Lead Manager and our Company are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Investors are advised to make their independent investigations and to ensure that the ApplicationForm is correctly filled up.

Our Company, our Directors, affiliates, associates and their respective directors and officers, the Lead Manager and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications (including Applications under the UPI Mechanism) accepted by and/or uploaded by and/or accepted but notuploaded by Trading Members, registered brokers, CDPs, RTAs and SCSBs who are authorised to collect Application Formsfrom the Applicants in the Issue, or Applications accepted and uploaded without blocking funds in the ASBA Accounts by SCSBs or failure to block the Application Amount under the UPI Mechanism. It shall be presumed that for Applications uploaded by SCSBs (other than UPI Applications), the Application Amount payable on Application has been blocked in therelevant ASBA Account and for Applications by UPI Investors under the UPI Mechanism, uploaded by Designated Intermediaries, the Application Amount payable on Application has been blocked under the UPI Mechanism.

The list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive Application Forms from the Members of the Syndicate is available on the website of SEBI (https://www.sebi.gov.in) and updated from time totime or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Application Forms from the Syndicate at Specified Locations, see the website of the SEBI (https://www.sebi.gov.in) as updated from time to time or any such other website as may be prescribed by SEBI from time to time. The list of registered brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the website of the Stock Exchange at https://www.bseindia.com The list of branches of the SCSBs at the Broker Centres, namedby the respective SCSBs to receive deposits of the Application Forms from the registered brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Submission of Applications

Applicants can apply only through ASBA facility pursuant to the SEBI Master Circular. ASBA Applications can be submitted through either of the following modes:

(a) Physically or electronically to the Designated Branches of the SCSB(s) with whom an Applicant's ASBA Account is maintained. In case of Application in physical mode, the Applicant shall submit the Application Form at the relevant Designated Branch of the SCSB(s). The Designated Branch shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account and shall also verify that the signature on the Application Form matches with the Investor's bank records, as mentioned

in the Application Form, prior to uploading such Application into the electronic system of the Stock Exchange. If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such Application and shall not upload such Application in the electronic system of the Stock Exchange. If sufficient funds are available in the ASBA Account, the Designated Branch shall block an amount equivalent to the Application Amount and upload details of the Application in the electronic system of the Stock Exchange. The Designated Branch of the SCSBs shall stamp the Application Form and issue an acknowledgement as proof of having accepted the Application.

In case of Application being made in the electronic mode, the Applicant shall submit the Application either through theinternet banking facility available with the SCSB, or such other electronically enabled mechanism for application and blocking funds in the ASBA Account held with SCSB, and accordingly registering such Application.

(b) Physically through the Designated Intermediaries at the respective Collection Centres. Kindly note that above Applications submitted to any of the Designated Intermediaries will not be accepted if the SCSB where the ASBA Account is maintained, as specified in the Application Form, has not named at least one branch at that Collection Center where the Application Form is submitted (a list of such branches is available at https://www.sebi.gov.in).

(c) A UPI Investor making an Application in the Issue under the UPI Mechanism, where the Application Amount is upto ₹5 lakhs, can submit his Application Form physically to a SCSB or a Designated Intermediary. The Designated Intermediary shall upload the application details along with the UPI ID on the Stock Exchange's bidding platform usingappropriate protocols. Kindly note that in this case, the Application Amount will be blocked through the UPI Mechanism.

(d) A UPI Investor may also submit the Application Form for the Issue through 'BSE Direct' or 'NSE goBID', wherein the Application will be automatically uploaded onto the Stock Exchange's bidding platform and an amount equivalent to the Application Amount shall be blocked using the UPI Mechanism.

Upon receipt of the Application Form by the Designated Intermediaries, an acknowledgement shall be issued by the relevantDesignated Intermediary, giving the counter foil of the Application Form to the Applicant as proof of having accepted the Application. Thereafter, the details of the Application shall be uploaded in the electronic system of the Stock Exchange. Postwhich:

(i) ***for Applications other than under the UPI Mechanism*** - the Application Form shall be forwarded to the relevant branchof the SCSB, in the relevant Collection Center, named by such SCSB to accept such Applications from the DesignatedIntermediaries (a list of such branches is available at https://www.sebi.gov.in). Upon receipt of the Application Form, the relevant branch of the SCSB shall perform verification procedures including verification of the Applicant's signaturewith his bank records and check if sufficient funds equal to the Application Amount are available in the ASBA Account,as mentioned in the Application Form. If sufficient funds are not available in the ASBA Account, the relevant Application Form is liable to be rejected. If sufficient funds are available in the ASBA Account, the relevant branch ofthe SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form.

(ii) ***for Applications under the UPI Mechanism*** – once the Application details have been entered in the bidding platform through Designated Intermediaries or 'BSE Direct' or 'NSE goBID', the Stock Exchanges shall undertake validation of the PAN and Demataccount combination details of the Applicant with the Depository. The Depository shall validate the PAN and Demat account details and send response to the Stock Exchange which would be shared by the Stock Exchange with the relevantDesignated Intermediary through its platform, for corrections, if any. Post uploading of the Application details on the Stock Exchange's platform, the Stock Exchange shall send an SMS to the Applicant regarding submission of the Application. Post undertaking validation with the Depository, the Stock Exchange shall, on a continuous basis, electronically share the bid details along with the Applicants UPI ID, with the Sponsor Bank appointed by our Company.The Sponsor Bank shall then initiate a UPI Mandate Request on the Applicant. The

request raised by the Sponsor Bank,would be electronically received by the Applicant as an SMS or on the mobile application, associated with the UPI ID linked bank account. The Applicant shall then be required to authorise the UPI Mandate Request. Upon successful validation of block request by the Applicant, the information would be electronically received by the Applicants' bank,where the funds, equivalent to Application Amount, would get blocked in the Applicant's ASBA Account. The status of block request would also be shared with the Sponsor Bank, which in turn would be shared with the Stock Exchange.The block request status would also be displayed on the Stock Exchange platform for information of the Designated Intermediary.

The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/failure of this Issue oruntil withdrawal/ rejection of the Application Form, as the case may be.

Applicants must note that:

(a) Application Forms will be available with the Designated Branches of the SCSBs and with the Designated Intermediariesat the respective Collection Centres; and electronic Application Forms will be available on the websites of the SCSBs and the Stock Exchange at least one day prior to the Issue Opening Date. Physical Application Forms will also be provided to the Trading Members of the Stock Exchange at their request. The Application Forms would be serially numbered. Further, the SCSBs will ensure that this Prospectus is made available on their websites. The physical Application Form submitted to the Designated Intermediaries shall bear the stamp of the relevant Designated Intermediary. In the event the Application Form does not bear any stamp, the same shall be liable to be rejected.

(b) The Designated Branches of the SCSBs shall accept Application Forms directly from Applicants only during the Issue Period. The SCSBs shall not accept any Application Forms directly from Applicants after the closing time of acceptanceof Applications on the Issue Closing Date. However, in case of Syndicate ASBA, the relevant branches of the SCSBs at Specified Cities can accept ASBA Applications from the Lead Managers or Trading Members of the Stock Exchanges, as the case may be, after the closing time of acceptance of Applications on the Issue Closing Date. For further information on the Issue programme, pleasesee "***Issue Structure***" on page 219 of this Prospectus. However, the relevant branches of the SCSBs at Specified Locations can accept Application Forms from the Designated Intermediaries, after the closing time of acceptance of Applications on the Issue Closing Date, if the Applications have been uploaded. For further information on the Issue programme, please refer to "***Issue Structure***" on page 219 of this Prospectus.

(c) In case of applications through Syndicate ASBA, the Physical Application Forms directly submitted to SCSBs should bear the stamp of SCSBs, if not, the same are liable to be rejected. Application Forms directly submitted to SCSBs should bear the stamp of SCSBs, if not, the same are liable to be rejected.

Please note that Applicants can make an Application for Allotment of NCDs in the dematerialised form only.

Submission of Direct Online Applications

In case of the Direct Online Application facility implemented by the Stock Exchanges, relevant "know your customer" details of such Applicants will be validated online from the Depositories, on the basis of the DP ID and Client ID provided by them in the Application Form. On successful submission of a Direct Online Application, the Applicant will receive a system-generated unique application number ("UAN") and an SMS or an email confirmation on credit of the requisite Application Amount paid through the online payment facility with the Direct Online Application. On Allotment, the Registrar to the Issue shall credit NCDs to the beneficiary account of the Applicant and in case of refund, the refund amount shall be credited directly to the Applicant's bank account. Applicants applying through the Direct Online Application facility must preserve their UAN and quote their UAN in: (a) any cancellation/withdrawal of their Application; (b) in queries in connection with Allotment of NCDs and/or refund(s); and/or (c) in all investor grievances/complaints in connection with the Issue.

Payment Instructions

Payment Mechanism for Applicants

An Applicant shall specify details of the ASBA Account Number in the Application Form and the relevant SCSB shall block an amount equivalent to the Application Amount in the ASBA Account specified in the Application Form.

An Applicant may submit the completed Application Form to Designated Intermediaries along with details of his/her bank account for blocking of funds. The intermediary shall upload the bid on the Designated Stock Exchanges bidding platform and forward the application form to a branch of a SCSB for blocking of funds.

ASBA Applicants should ensure that they have funds equal to the Application Amount in the ASBA Account before submitting the ASBA Application to the Members of Consortium or Trading Members of the Stock Exchanges, as the case may be, at the Specified Cities or to the Designated Branches of the SCSBs. An ASBA Application where the corresponding ASBA Account does not have sufficient funds equal to the Application Amount at the time of blocking the ASBA Account is liable to be rejected.

The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of the relevant Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is approved, and upon receipt of intimation from the Registrar, the controlling branch of the SCSB shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account. The balance amount remaining after the finalization of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB within 5 (five) Working Days of the relevant Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the relevant Issue or until rejection of the ASBA Application, as the case may be. In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue. An applicant (belonging to Category IV) may also submit the Application Form with a SCSB or the Designated Intermediaries mentioned above and use his / her bank account linked UPI ID for the purpose of blocking of funds, if the application value is up to the UPI Application Limit. The intermediary shall upload the bid on the Stock Exchanges bidding platform. The application amount would be blocked through the UPI Mechanism once the mandate request has been successfully accepted by the Applicant in this case.

An Applicant may submit the Application Form through the App or web interface developed by Stock Exchanges wherein the bid is automatically uploaded onto the Stock Exchanges bidding platform and the amount is blocked using the UPI Mechanism once the mandate request has been successfully accepted by the Applicant.

Upon receipt of an intimation from the Registrar to the Issue, the SCSBs shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account in terms of the Public Issue Account and Sponsor Bank Agreement. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue to the respective SCSB within five Working Days of the Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application, as the case may be.

For ASBA Applications submitted to the Lead Managers or Consortium Members or Trading Members of the Stock Exchanges at the Specified Cities, the ASBA Application will be uploaded onto the electronic system of the Stock Exchanges and deposited with the relevant branch of the SCSB at the Specified City named by such SCSB to accept such ASBA Applications from the Lead Managers or Trading Members of the Stock Exchanges, as the case may be (a list of such branches is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes The relevant branch of the SCSB shall perform verification procedures and block an amount in the ASBA Account equal to the Application Amount specified in the ASBA Application.

For ASBA Applications submitted directly to the SCSBs, the relevant SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the ASBA Application, before entering the ASBA

Application into the electronic system of the Stock Exchanges. SCSBs may provide the electronic mode of application either through an internet enabled application and banking facility or such other secured, electronically enabled mechanism for application and blocking of funds in the ASBA Account.

Additional information for Applicants

1. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected.

2. No separate receipts will be issued for the money blocked on the submission of Application Form. However, the collection centre of the Designated Intermediaries will acknowledge the receipt of the Application Forms by stamping and returning to the Applicant the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant.

3. Applications should be submitted on the Application Form only. In the event that physical Application Forms do not bear the stamp of the Designated Intermediaries, or the relevant Designated Branch, as the case may be, they are liable to be rejected.

4. Application Forms submitted by Applicants shall be for allotment of NCDs only in dematerialized form.

The Investors are advised to read the operational guidelines mentioned for Making Application for Public Issue of Debt Securities through BSE Direct issued by BSE on December 28, 2020 and May 19, 2022 and the circular issued by National Stock Exchange of India Limited for Introduction of Unified Payment Interface (UPI) for Debt IPO through NSE goBID on January 05, 2021 and March 9, 2022 before investing through the through the app/ web interface of Stock Exchange.

Kindly note, the Stock Exchange shall be responsible for addressing investor grievances arising from Applications submitted online through the App based/ web interface platform of Stock Exchanges or through its Trading Members.

Further, the collecting bank shall be responsible for addressing any investor grievances arising from non-confirmation of funds to the Registrar despite successful realization/blocking of funds, or any delay or operational lapse by the collecting bank in sending the Application forms to the Registrar to the Issue.

Applicants are advised not to submit Application Forms to Public Issue Account Banks and the same will be rejected in such cases and the Applicants will not be entitled to any compensation whatsoever.

Filing of this Prospectus with ROC

A copy of this Prospectus shall be filed with the ROC in accordance with Section 26 of the Companies Act, 2013.

INSTRUCTIONS FOR FILLING-UP THE APPLICATION FORM

General Instructions

A. General instructions for completing the Application Form

- Applications must be made in prescribed Application Form only;

- All Applicants need to tick the Options of NCDs in the Application Form that they wish to apply for. Applicationsfor all the Options of the NCDs may be made in a single Application Form only.

- Application Forms must be completed in BLOCK LETTERS IN ENGLISH, as per the instructions contained in this Prospectus and the Application Form;

- If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint

names;

- It shall be mandatory for subscribers to the Issue to furnish their PAN and any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction.

- Applications should be in single or joint names and not exceeding three names, and in the same order as their Depository Participant details (in case of Applicants applying for Allotment of the Bonds in dematerialised form) and Applications should be made by Karta in case the Applicant is an HUF. The Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta. Please ensure that such Applications contain the PAN of the HUF and not of the Karta;

- Applicants must provide details of valid and active DP ID, Client ID and PAN, clearly and without error. On the basis of such Applicant's active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of the Stock Exchange by SCSBs, the Designated Intermediaries, the Registrar will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs;

- Applications must be for a minimum of 10 NCDs and in multiples of one NCD thereafter. For the purpose of fulfilling the requirement of minimum application size of 10 NCDs, an Applicant may choose to apply for 10 NCDs of the same option or across different option;

- If the ASBA Account holder is different from the Applicant, the Application Form should be signed by the ASBA Account holder also, in accordance with the instructions provided in the Application Form;

- If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form;

- Thumb impressions and signatures other than in English/Hindi/Gujarati/Marathi or any other languages specified in the 8th Schedule of the Constitution needs to be attested by a Magistrate or Notary Public or a Special Executive Magistrate under his/her seal;

- All Applicants are required to ensure that the Application Forms are submitted at the Designated Branches of SCSBs or the Collection Centres provided in the Application Forms, bearing the stamp of the relevant Designated Intermediary/Designated Branch of the SCSB;

- The Designated Intermediaries or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicants the Acknowledgement Slip. This Acknowledgement Slip will serve as the duplicate of the Application Form for the records of the Applicant;

- Applicants must ensure that the requisite documents are attached to the Application Form prior to submission and receipt of acknowledgement from the relevant Designated Intermediaries or the Designated Branch of the SCSBs, as the case may be;

- All Applicants are required to check if they are eligible to apply as per the terms of this Prospectus and applicable law, rules, regulations, guidelines and approvals;

- All Applicants are required to tick the relevant column of "Category of Investor" in the Application Form; and

- All Applicants should correctly mention the ASBA Account number (including bank account number/ bank name and branch) and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form to the Designated Branch and also ensure that the

signature in the Application Form matches with the signature in Applicant's bank records, otherwise the Application is liable to be rejected;

- A system generated acknowledgement (TRS) will be given to the Applicant as a proof of the registration of each Application. It is the Applicant's responsibility to obtain the acknowledgement from the Designated Intermediaries and the Designated Branches of the SCSBs, as the case may be.

- In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic application platform of the Stock Exchange as per the procedures and requirements prescribed by each relevant Stock Exchange, the Applicants should ensure that they have first withdrawn their original Application and submit a fresh Application;

The option, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Designated Intermediaries in the data entries as such data entries will be considered for Allotment.

Applicants should note that neither the Designated Intermediaries nor the SCSBs, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms.

Process for Retail Individual investors application submitted with UPI as mode of payment

a. Before submission of the application with the intermediary, the Retail Individual investor would be required to have /create a UPI ID, with a maximum length of 45 characters including the handle (Example: InvestorID@bankname).
b. The Retail Individual Investor shall fill in the bid details in the application form along with his/ her bank account linked UPI ID and submit the application with any of the intermediaries or through the stock exchanges App/ Web interface, or any other methods as may be permitted.
c. The Designated Intermediary, upon receipt of form, shall upload the bid details along with the UPI ID on the stock exchanges bidding platform using appropriate protocols.
d. Once the bid has been entered in the bidding platform, the Stock Exchanges shall undertake validation of the PAN and Demat account combination details of investor with the depository.
e. The Depository shall validate the aforesaid PAN and Demat account details on a near real time basis and send response to stock exchange which would be shared by stock exchange with intermediary through its platform, for corrections, if any.
f. Once the bid details are uploaded on the Stock Exchanges platform, the Stock Exchange shall send an SMS to the investor regarding submission of his / her application, at the end of day, during the bidding period. For the last day of bidding, the SMS may be sent the next working day.
g. Post undertaking validation with the Depository, the Stock Exchanges shall, on a continuous basis, electronically share the bid details along with investors UPI ID, with the Sponsor Bank appointed by the issuer.
h. The Sponsor Bank shall initiate a mandate request on the investor i.e., request the investor to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of allotment
i. The request raised by the Sponsor Bank, would be electronically received by the investor as a SMS / intimation on his / her mobile no. / mobile app, associated with the UPI ID linked bank account.
j. The investor shall be able to view the amount to be blocked as per his / her bid in such intimation. The investor shall be able to view an attachment wherein the public issue bid details submitted by investor will be visible. After reviewing the details properly, the investor shall be required to proceed to authorize the mandate. Such mandate raised by sponsor bank would be a one-time mandate for each application in the public issue.
k. An investor is required to accept the UPI mandate latest by 5:00 pm on the third working day from the day of bidding on the stock exchanges platform except for the last day of the issue period or any other modified closure date of the issue period in which case, he / she is required to accept the UPI mandate latest by 5:00 pm the next working day.
l. An investor shall not be allowed to add or modify the bid(s) of the application except for modification of either DP ID/Client ID, or PAN ID but not both. However, the investor can withdraw the bid(s) and reapply.
m. For mismatch bids, on successful validation of PAN and DP ID/ Client ID combination during T+1 modification session, such bids will be sent to Sponsor Bank for further processing by the Exchange on T+1 (T being the Issue Closing Date) day till 1:00 PM.

n. The facility of re-initiation/ resending the UPI mandate shall be available only till 5:00 pm on the day of bidding.

o. Upon successful validation of block request by the investor, as above, the said information would be electronically received by the investors' bank, where the funds, equivalent to application amount, would get blocked in investors account. Intimation regarding confirmation of such block of funds in investors account would also be received by the investor.

p. The information containing status of block request (e.g. accepted / decline / pending) would also be shared with the Sponsor Bank, which in turn would be shared with the Stock Exchanges. The block request status would also be displayed on the Stock Exchanges platform for information of the intermediary.

q. The information received from Sponsor Bank, would be shared by stock exchanges with RTA in the form of a file for the purpose of reconciliation.

r. Post closure of the offer, the Stock Exchange shall share the bid details with RTA. Further, the Stock Exchange shall also provide the RTA, the final file received from the Sponsor Bank, containing status of blocked funds or otherwise, along with the bank account details with respect to applications made using UPI ID.

s. The allotment of debt securities shall be done as per SEBI Master Circular.

t. The RTA, based on information of bidding and blocking received from the Stock Exchanges, shall undertake reconciliation of the bid data and block confirmation corresponding to the bids by all investor category applications (with and without the use of UPI) and prepare the basis of allotment.

u. Upon approval of the basis of allotment, the RTA shall share the 'debit' file with Sponsor bank (through Stock Exchanges) and SCSBs, as applicable, for credit of funds in the public issue account and unblocking of excess funds in the investor's account. The Sponsor Bank, based on the mandate approved by the investor at the time of blocking of funds, shall raise the debit / collect request from the investor's bank account, whereupon funds will be transferred from investor's account to the public issue account and remaining funds, if any, will be unblocked without any manual intervention by investor or their bank.

v. Upon confirmation of receipt of funds in the public issue account, the securities would be credited to the investors account. The investor will be notified for full/partial allotment. For partial allotment, the remaining funds would be unblocked. For no allotment, mandate would be revoked and application amount would be unblocked for the investor.

w. Thereafter, Stock Exchange will issue the listing and trading approval.

x. Further, in accordance with the Operational Instructions and Guidelines for Making Application for Public Issue of Debt Securities through BSE Direct issued by BSE on December 28, 2020 and May 19, 2022, the investor shall also be responsible for the following:

- Investor shall check the Issue details before placing desired bids;
- Investor shall check and understand the UPI mandate acceptance and block of funds process before placing the bid;
- The receipt of the SMS for mandate acceptance is dependent upon the system response/ integration of UPI on Debt Public Issue System;
- Investor shall accept the UPI Mandate Requests within the stipulated timeline;
- Investor shall note that the transaction will be treated as completed only after the acceptance of mandates by the investor by way of authorising the transaction by entering their UPI pin and successfully blocking funds through the ASBA process by the investor's bank;
- Investor shall check the status of their bid with respect to the mandate acceptance and blocking of funds for the completion of the transaction; and
- In case the investor does not accept the mandate within stipulated timelines, in such case their bid will not be considered for allocation.

y. Further, in accordance with circular issued by National Stock Exchange of India Limited for Introduction of Unified Payment Interface (UPI) for Debt IPO through NSE goBID on January 5, 2021 the investor shall also be responsible for the following:

- After successful registration & log-in, the investors shall view and check the active Debt IPO's available from IPO dashboard.
- Investors shall check the issue/series details. Existing registered users of NSE goBID shall also be able to access once they accept the updated terms and condition.

- After successfully bidding on the platform, investors shall check the NSE goBID app/psp/sms for receipt of mandate & take necessary action.
- UPI mandate can be accepted latest by 5:00 pm on the third working day from the day of bidding on the stock exchanges platform except for the last day of the issue period or any other modified closure date of the issue period in which case, he / she is required to accept the UPI mandate latest by 5:00 pm the next working day.
- For UPI bid the facility of re-initiation/ resending the UPI mandate shall be available only till 5 pm on the day of bidding. Investors can use the re-initiation/ resending facility only once in case of any issue in receipt/acceptance of mandate.

The Investors are advised to read the operational guidelines mentioned for Making Application for Public Issue of Debt Securities through BSE Direct issued by BSE on December 28, 2020 and May 19, 2022, and the circular issued by National Stock Exchange of India Limited for Introduction of Unified Payment Interface (UPI) for Debt IPO through NSE goBID on January 05, 2021 before investing through the through the app/ web interface of Stock Exchange.

Kindly note, the Stock Exchange shall be responsible for addressing investor grievances arising from Applications submitted online through the App based/ web interface platform of Stock Exchanges or through their Trading Members.

Further, the collecting bank shall be responsible for addressing any investor grievances arising from non-confirmation of funds to the Registrar despite successful realization/blocking of funds, or any delay or operational lapse by the collecting bank in sending the Application forms to the Registrar to the Issue. **Applicants should note that neither the Designated Intermediaries nor the SCSBs, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms. Our Company would allot the NCDs, as specified in this Prospectus for the Issue to all valid Applications, wherein the Applicants have not indicated their choice of the relevant series of NCDs.**

Please note in accordance with SEBI Circular SEBI/HO/DDHS/PoD1/CIR/P/2023/150 dated September 4, 2023, instructions to investors for completing the application form as specified in Annex- II of the aforesaid circular shall be disclosed on the websites of the Company, Lead Managers and Consortium Member(s) during the Issue Period and a copy of the Abridged Prospectus shall be made available on the websites of Company, Lead Managers and Registrar to the Issue and a link for downloading the Abridged Prospectus shall be provided in issue advertisement for the Issue.

B. Applicant's Beneficiary Account Details

Applicants must mention their DP ID, Client ID and UPI ID (wherever applicable) in the Application Form and ensure thatthe name provided in the Application Form is exactly the same as the name in which the Beneficiary Account is held. In casethe Application Form is submitted in the first Applicant's name, it should be ensured that the Beneficiary Account is held in the same joint names and in the same sequence in which they appear in the Application Form. In case the DP ID, Client ID,PAN and UPI ID (wherever applicable) mentioned in the Application Form and entered into the electronic system of the Stock Exchange do not match with the DP ID, Client ID, PAN and UPI ID (wherever applicable) available in the Depositorydatabase or in case PAN is not available in the Depository database, the Application Form is liable to be rejected. Further, Application Forms submitted by Applicants whose beneficiary accounts are inactive, will be rejected.

On the basis of the Demographic Details as appearing on the records of the DP, the Registrar to the Issue will take steps towards demat credit of NCDs. Hence, Applicants are advised to immediately update their Demographic Details as appearing on the records of the DP and ensure that they are true and correct, and carefully fill in their Beneficiary Account details in the Application Form. Failure to do so could result in delays in demat credit and neither our Company, Designated Intermediaries, SCSBs, Registrar to the Issue nor the Stock Exchange will bear any responsibility or liability for the same.

In case of Applications made under power of attorney, our Company in its absolute discretion, reserves the right to permit the holder of power of attorney to request the Registrar that for the purpose of printing

particulars on the Allotment Advice, the Demographic Details obtained from the Depository of the Applicant shall be used.

By signing the Application Form, the Applicant would have deemed to have authorized the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records. The Demographic Detailsgiven by Applicant in the Application Form would not be used for any other purpose by the Registrar to the Issue except inrelation to this Issue. Allotment Advice would be mailed by speed post or registered post at the address of the Applicants asper the Demographic Details received from the Depositories. Applicants may note that delivery of Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Further, please notethat any such delay shall be at such Applicants' sole risk and neither our Company, Registrar to the Issue, Public Issue Account Bank, Sponsor Bank nor the Lead Manager shall be liable to compensate the Applicant for any losses caused to theApplicants due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes asdetailed in this Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shallbe suspended for credit and no credit of NCDs pursuant to this Issue will be made into the accounts of such Applicants. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the parameters, namely, DP ID, Client ID, PANand UPI ID (wherever applicable) then such Application are liable to be rejected.

C. Permanent Account Number

The Applicant should mention his or her Permanent Account Number allotted under the IT Act. For minor Applicants, applying through the guardian, it is mandatory to mention the PAN of the minor Applicant. However, Applications on behalfof the Central or State Government officials and the officials appointed by the courts in terms of a SEBI circular dated June30, 2008 and Applicants residing in the state of Sikkim who in terms of a SEBI circular dated July 20, 2006 may be exemptfrom specifying their PAN for transacting in the securities market. In accordance with Circular No. MRD/DOP/Cir-05/2007 dated April 27, 2007 issued by SEBI, the PAN would be the sole identification number for the participants transacting in thesecurities market, irrespective of the amount of transaction. **Any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction. It is to be specifically noted that the Applicants should not submit the GIR numberinstead of the PAN as the Application is liable to be rejected on this ground.**

However, the exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Applications, theRegistrar to the Issue will check under the Depository records for the appropriate description under the PAN Field i.e., eitherSikkim category or exempt category.

D. Joint Applications

Applications may be made in single or joint names (not exceeding three). In the case of joint Applications all interest / redemption amount payments will be made out in favour of the first Applicant. All communications will be addressed to thefirst named Applicant whose name appears in the Application Form and at the address mentioned therein. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.

E. Additional/Multiple Applications

An Applicant is allowed to make one or more Applications for the NCDs for the same or other option of

NCDs, subject to aminimum Application size as specified in this Prospectus and in multiples of thereafter as specified in this Prospectus. Any Application for an amount below the aforesaid minimum Application size will be deemed as an invalid Application and shall be rejected. However, multiple Applications by the same individual Applicant aggregating to a value exceeding ₹5 lakhs shall be deemed such individual Applicant to be an HNI Applicant and all such Applications shall be grouped in the HNI Portion, for the purpose of determining the Basis of Allotment to such Applicant. However, any Application made by any person in his individual capacity and an Application made by such person in his capacity as a Kartaof a Hindu Undivided family and/or as Applicant (second or third Applicant), shall not be deemed to be a multiple Application. For the purposes of allotment of NCDs under this Issue, Applications shall be grouped based on the PAN, i.e.,Applications under the same PAN shall be grouped together and treated as one Application. Two or more Applications willbe deemed to be multiple Applications if the sole or first Applicant is one and the same. For the sake of clarity, two or moreapplications shall be deemed to be a multiple Application for the aforesaid purpose if the PAN number of the sole or the firstApplicant is one and the same.

Do's and Don'ts

Applicants are advised to take note of the following while filling and submitting the Application Form:

Do's

1. Check if you are eligible to apply as per the terms of this Prospectus and applicable law, rules, regulations, guidelines and approvals.

2. Read all the instructions carefully and complete the Application Form in the prescribed form.

3. Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to applyfor, subscribe to and/or seek Allotment of NCDs pursuant to this Issue.

4. Ensure that the DP ID, the Client ID and the PAN mentioned in the Application Form, which shall be entered into the electronic system of the Stock Exchange are correct and match with the DP ID, Client ID and PAN available in the Depository database. Ensure that the DP ID, Client ID, PAN and UPI ID (wherever applicable) are correct and the depository account is active as Allotment of the Equity Shares will be in dematerialized form only. The requirement forproviding Depository Participant details is mandatory for all Applicants.

5. Ensure that you have mentioned the correct ASBA Account number (for all Applicants other than UPI Investors applying using the UPI Mechanism) in the Application Form. Further, UPI Investors using the UPI Mechanism must also mentiontheir UPI ID.

6. UPI Investors applying using the UPI Mechanism shall ensure that the bank, with which they have their bank account, where the funds equivalent to the application amount are available for blocking, is certified by NPCI before submittingthe ASBA Form to any of the Designated Intermediaries.

7. UPI Investors applying using the UPI Mechanism through the SCSBs and mobile applications shall ensure that the nameof the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. UPI Investors shall ensure that the name of the app and the UPI handle which is used for making the application appears on the list displayedon the SEBI website. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected.

8. Ensure that the Application Form is signed by the ASBA Account holder (or the UPI-linked bank account holder, as thecase may be) in case the Applicant is not the ASBA account holder. Applicants (except UPI Investors making an Application using the UPI Mechanism) should ensure that they have an account with an SCSB and have mentioned thecorrect bank account number of that SCSB in the Application Form. UPI Investors applying using the UPI Mechanismshould ensure that they have mentioned the correct UPI- linked bank account number and their correct UPI ID in the Application Form.

9. Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form to the respective Designated Branch of the SCSB, or to the Designated Intermediaries, as the case may be.

10. UPI Investors making an Application using the UPI Mechanism, should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to Application Amount and subsequent debit of funds in case of Allotment, in a timely manner.

11. UPI Investors making an Application using the UPI Mechanism shall ensure that details of the Application are reviewedand verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using their UPI PIN. Upon the authorization of the mandate using their UPI PIN, the UPI Investor may be deemed to have verified the attachment containing the application details of the UPI Investor making and Application using the UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Application Amount and authorized the Sponsor Bank to issue a request to block the Application Amount mentioned in the ASBA Form in theirASBA Account.

12. UPI Investors making an Application using the UPI Mechanism should mention valid UPI ID of only the Applicants (incase of single account) and of the first Applicant (in case of joint account) in the ASBA Form.

13. UPI Investors making an Application using the UPI Mechanism, who have revised their Application subsequent to making the initial Application, should also approve the revised UPI Mandate Request generated by the Sponsor Bank toauthorise blocking of funds equivalent to the revised Application Amount in their account and in case of Allotment in atimely manner.

14. Ensure that the Application Forms are submitted at the Designated Branches of SCSBs or the Collection Centres provided in the Application Forms, bearing the stamp of the relevant Designated Intermediary/Designated Branch of theSCSB.

15. Before submitting the Application Form with the Designated Intermediaries ensure that the SCSB, whose name has beenfilled in the Application Form, has named a branch in that relevant Collection Centre.

16. Ensure that you have been given an acknowledgement as proof of having accepted the Application Form.

17. Ensure that signatures other than in the languages specified in the Eighth Schedule to the Constitution of India is attestedby a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

18. In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta. However, the PAN number of the HUF should be mentioned in the Application Form and not that of the Karta.

19. Ensure that the Applications are submitted to the Designated Intermediaries or Designated Branches of the SCSBs, as the case may be, before the closure of application hours on the Issue Closing Date. For further information on the Issue Programme, please see "***General Information – Issue Programme***" on page 61 of this Prospectus.

20. **Permanent Account Number:** Except for Application (i) on behalf of the Central or State Government and officials appointed by the courts, and (ii) (subject to SEBI circular dated April 3, 2008) from the residents of the state of Sikkim,each of the Applicants should provide their PAN. Application Forms in which the PAN is not provided will be rejected.The exemption for the Central or State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.

21. Ensure that if the depository account is held in joint names, the Application Form should contain the name and PAN ofthe person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be requiredto give confirmation to this effect in the Application Form.

22. All Applicants should choose the relevant option in the column "Category of Investor" in the Application Form.

23. Choose and mark the option of NCDs in the Application Form that you wish to apply for In terms of SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB.Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for Applications.

Don'ts:

1. Do not apply for lower than the minimum Application size.

2. Do not pay the Application Amount in cash, by cheque, by money order or by postal order or by stock invest.

3. Do not send Application Forms by post. Instead submit the same to the Designated Intermediaries or Designated Branches of the SCSBs, as the case may be.

4. Do not submit the Application Form to any non-SCSB bank or our Company.

5. Do not apply through an Application Form that does not have the stamp of the relevant Designated Intermediary or theDesignated Branch of the SCSB, as the case may be.

6. Do not fill up the Application Form such that the NCDs applied for exceeds the Issue Size and/or investment limit or maximum number of NCDs that can be held under the applicable laws or regulations or maximum amount permissibleunder the applicable regulations.

7. Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.

8. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID (wherever applicable) or provide details for abeneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue.

9. Do not submit the Application Form without ensuring that funds equivalent to the entire Application Amount are available for blocking in the relevant ASBA Account or in the case of UPI Investors making and Application using theUPI Mechanism, in the UPI-linked bank account where funds for making the Application are available.

10. Do not submit Applications on plain paper or on incomplete or illegible Application Forms.

11. Do not apply if you are not competent to contract under the Indian Contract Act, 1872.

12. Do not submit an Application in case you are not eligible to acquire NCDs under applicable law or your relevant constitutional documents or otherwise.

13. Do not submit Applications to a Designated Intermediary at a location other than Collection Centres.

14. Do not submit an Application that does not comply with the securities law of your respective jurisdiction.

15. Do not apply if you are a person ineligible to apply for NCDs under this Issue including Applications by

Persons Resident Outside India, NRI (inter-alia including NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA).

16. Do not make an Application of the NCD on multiple copies taken of a single form.

17. Payment of Application Amount in any mode other than through blocking of Application Amount in the ASBA Accountsshall not be accepted in the Issue.

18. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case ofBids submitted by UPI Investors using the UPI Mechanism.

19. Do not submit more than five Application Forms per ASBA Account.

Kindly note that Applications submitted to the Designated Intermediaries will not be accepted if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that location for the Designated Intermediaries, to deposit such Application Forms (A list of such branches is available at https://www.sebi.gov.in).

Please see "***Issue Procedure - Rejection of Applications***" on page 255 of this Prospectus for information on rejection of Applications.

TERMS OF PAYMENT

The Application Forms will be uploaded onto the electronic system of the Stock Exchange and deposited with the relevant branch of the SCSB at the Collection Centres, named by such SCSB to accept such Applications from the Designated Intermediaries, as the case may be (a list of such branches is available at https://www.sebi.gov.in).

For Applications other than those under the UPI Mechanism, the relevant branch of the SCSB shall perform verification procedures and block an amount in the ASBA Account equal to the Application Amount specified in the Application. For Applications under the UPI Mechanism, i.e., up to ₹5 lakhs, the Stock Exchange shall undertake validation of the PAN andDemat account combination details of the Applicant with the Depository. The Depository shall validate the PAN and Demataccount details and send response to the Stock Exchange which would be shared by the Stock Exchange with the relevant Designated Intermediary through its platform, for corrections, if any. The blocking of funds in such case (not exceeding ₹5 lakhs) shall happen under the UPI Mechanism.

The entire Application Amount for the NCDs is payable on Application only. The relevant SCSB shall block an amount equivalent to the entire Application Amount in the ASBA Account at the time of upload of the Application Form. In case ofAllotment of lesser number of NCDs than the number applied, the Registrar to the Issue shall instruct the SCSBs or the Sponsor Bank (as the case maybe) to unblock the excess amount in the ASBA Account.

For Applications submitted directly to the SCSBs, the relevant SCSB shall block an amount in the ASBA Account equal tothe Application Amount specified in the Application, before entering the Application into the electronic system of the StockExchange. SCSBs may provide the electronic mode of application either through an internet enabled application and bankingfacility or such other secured, electronically enabled mechanism for application and blocking of funds in the ASBA Account.

For Applications submitted under the UPI Mechanism, post the successful validation of the UPI Mandate Request by the Applicant, the information would be electronically received by the Applicants' bank, where the funds, equivalent to Application Amount, would get blocked in the Applicant's ASBA Account.

Applicants should ensure that they have funds equal to the Application Amount in the ASBA Account before submitting the Application. An Application where the corresponding ASBA Account does not have sufficient funds equal to the Application Amount at the time of blocking the ASBA Account is liable to be rejected.

A UPI Investor applying through the UPI Mechanism should ensure that, they check the relevant SMS

generated forthe UPI Mandate Request and all other steps required for successful blocking of funds in the UPI linked bank account, which includes accepting the UPI Mandate Request by 5:00 pm on the third Working Day from the day of bidding on the Stock Exchange (except on the last day of the Issue Period, where the UPI Mandate Request not having been accepted by 5:00 pm of the next Working Day), have been completed.

The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of this Issue oruntil withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is approved, and uponreceipt of intimation from the Registrar, the controlling branch of the SCSB shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs or the Sponsor Bank (in case of Applications under the UPI Mechanism) on the basis of the instructions issued in this regard by the Registrar to the respective SCSB or the Sponsor Bank, within six Working Days of the Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of this Issue or until rejection of the Application, as the case may be.

SUBMISSION OF COMPLETED APPLICATION FORMS

Mode of Submissionof Application Forms	To whom the Application Form has to be submitted
ASBA Applications	(i) If using physical Application Form, (a) to the Designated Intermediaries at relevantCollection Centres, or (b) to the Designated Branches of the SCSBs where the ASBA Account is maintained; or (ii) If using electronic Application Form, to the SCSBs, electronically through internet bankingfacility, if available.
Applications under the UPI Mechanism	(i) Through the Designated Intermediary, physically or electronically, as applicable; or (ii) Through BSE Direct or NSE goBID

No separate receipts will be issued for the Application Amount payable on submission of Application Form. However, the Designated Intermediaries will acknowledge the receipt of the Application Forms by stamping the date and returning tothe Applicants an Acknowledgement Slips which will serve as a duplicate Application Form for the records of the Applicant.

Electronic Registration of Applications

a. The Designated Intermediaries and Designated Branches of the SCSBs, as the case may be, will register the Applications(including those under the UPI Mechanism) using the on-line facilities of the Stock Exchange. **The Members of Syndicate, our Company and the Registrar to the Issue or the Lead Manager is not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the SCSBs, (ii) the Applications uploaded by the SCSBs, (iii) the Applications accepted but not uploaded by the SCSBs, (iv) with respect to Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts, (v) any Applications accepted and uploaded and/or not uploaded by the Trading Members of the Stock Exchange or** (vi) any Application made under the UPI Mechanism, accepted or uploaded or failed to be uploaded by a Designated Intermediary or through the app/web based interface of the Stock Exchange and the corresponding failure for blocking of funds under the UPI Mechanism.

In case of apparent data entry error by the Designated Intermediaries or Designated Branches of the SCSBs, as the casemay be, in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submittedto the Designated Stock Exchange. However, the option, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Designated Intermediaries or Designated Branches of the SCSBs in the data entries as such dataentries will be

considered for Allotment/rejection of Application.

b. The Stock Exchange will offer an electronic facility for registering Applications for this Issue. This facility will be available on the terminals of Designated Intermediaries and the SCSBs during the Issue Period. The Designated Intermediaries can also set up facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Applications on a regular basis, and before the expiry of the allocated time on this Issue Closing Date. On the Issue Closing Date, the Designated Intermediaries and the Designated Branches of the SCSBs shall upload the Applications till such time as may be permitted by the Stock Exchange. This information will be available from the Designated Intermediaries and the Designated Branches of the SCSBs on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation. For further information on the Issue programme, please see "***General Information – Issue Programme***" on page 61 of this Prospectus.

c. With respect to Applications submitted directly to the SCSBs at the time of registering each Application, the Designated Branches of the SCSBs shall enter the requisite details of the Applicants in the on-line system including:

- Application Form number
- PAN (of the first Applicant, in case of more than one Applicant)
- Investor category and sub-category
- DP ID
- Client ID
- UPI ID (if applicable)
- Option of NCDs applied for
- Number of NCDs Applied for in each option of NCD
- Price per NCD
- Bank code for the SCSB where the ASBA Account is maintained
- Bank account number
- Location
- Application amount

d. With respect to Applications submitted to the Designated Intermediaries, at the time of registering each Application, therequisite details of the Applicants shall be entered in the on-line system including:

- Application Form number
- PAN (of the first Applicant, in case of more than one Applicant)
- Investor category and sub-category
- DP ID
- Client ID
- UPI ID (if applicable)
- Option of NCDs applied for
- Number of NCDs Applied for in each option of NCD
- Price per NCD
- Bank code for the SCSB where the ASBA Account is maintained
- Bank account number
- Location
- Application amount

e. A system generated acknowledgement (TRS) will be given to the Applicant as a proof of the registration of each Application. It is the Applicant's responsibility to obtain the acknowledgement from the Designated Intermediaries andthe Designated Branches of the SCSBs, as the case may be. The registration of the Application by the Designated Intermediaries and the Designated Branches of the SCSBs, as the case may be, does not guarantee that the NCDs shall be allocated/ Allotted by our Company. The acknowledgement will be non-negotiable and by itself will not create any obligation of any kind.

f. Applications can be rejected on the technical grounds listed below or if all required information is not provided or the Application Form is incomplete in any respect.

g. The permission given by the Stock Exchange to use its network and software of the online system should not in any waybe deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Lead Manager are cleared or approved by the Stock Exchange; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus; nor does it warrant that the NCDs will be listed or will continue to be listed on the Stock Exchange

h. **Only Applications that are uploaded on the online system of the Stock Exchange shall be considered for allocation/ Allotment**. The Designated Intermediaries and the Designated Branches of the SCSBs shall capture all datarelevant for the purposes of finalizing the Basis of Allotment while uploading Application data in the electronic systemsof the Stock Exchange. In order that the data so captured is accurate the Designated Intermediaries and the Designated Branches of the SCSBs will be given up to one Working Day after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

REJECTION OF APPLICATIONS

Applications would be liable to be rejected on the technical grounds listed below or if all required information is not providedor the Application Form is incomplete in any respect. The Board of Directors and/or the NCD Committee thereof, reserves its full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof.

Application may be rejected on one or more technical grounds, including but not restricted to:

a. Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minorshaving valid Depository Account as per Demographic Details provided by Depositories);

b. Applications by persons prohibited from buying, selling or dealing in securities, directly or indirectly, by SEBI or anyother regulatory authority;

c. Applications accompanied by cash, draft, cheques, money order or any other mode of payment other than amounts blocked in the Applicants' ASBA Account maintained with an SCSB;

d. Applications not made through the ASBA facility;

e. Applications not being signed by the sole/joint Applicant(s);

f. Investor Category in the Application Form not being ticked;

g. Application Amount blocked being higher or lower than the value of NCDs Applied for. However, our Company mayAllot NCDs up to the number of NCDs Applied for, if the value of such NCDs Applied for exceeds the minimum Application size;

h. Applications where a registered address in India is not provided for the non-Individual Applicants;

i. In case of partnership firms (except LLPs), NCDs applied for in the name of the partnership and not the names of the individual partner(s);

j. Minor Applicants (applying through the guardian) without mentioning the PAN of the minor Applicant;

k. PAN not mentioned in the Application Form, except for Applications by or on behalf of the Central or

State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participants. In case of minor Applicants applying through guardian whenPAN of the Applicant is not mentioned;

l. DP ID, Client ID or UPI ID (wherever applicable) not mentioned in the Application Form;

m. GIR number furnished instead of PAN;

n. Applications by OCBs;

o. Applications for an amount below the minimum Application size;

p. Submission of more than five ASBA Forms per ASBA Account;

q. Applications by persons who are not eligible to acquire NCDs of our Company in terms of applicable laws, rules,regulations, guidelines and approvals;

r. Applications under power of attorney or by limited companies, corporate, trust etc. submitted without relevantdocuments;

s. Applications accompanied by stock invest/ cheque/ money order/ postal order/ cash;

t. Signature of sole Applicant missing, or in case of joint Applicants, the Application Forms not being signed by the firstApplicant (as per the order appearing in the records of the Depository);

u. Applications by persons debarred from accessing capital markets, by SEBI or any other appropriate regulatoryauthority;

v. Application Forms not being signed by the ASBA Account holder, if the account holder is different from the Applicant;

w. Signature of the ASBA Account holder on the Application Form does not match with the signature available on theSCSB bank's records where the ASBA Account mentioned in the Application Form is maintained;

x. Application Forms submitted to the Designated Intermediaries or to the Designated Branches of the SCSBs does notbear the stamp of the SCSB and/or the Designated Intermediary, as the case may be;

y. ASBA Applications not having details of the ASBA Account or the UPI-linked Account to be blocked;

z. In case no corresponding record is available with the Depositories that matches the parameters namely, DP ID, ClientID, UPI ID and PAN;

aa. Inadequate funds in the ASBA Account to enable the SCSB to block the Application Amount specified in the Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB for blocking of funds;

bb. SCSB making an Application (a) through an ASBA account maintained with its own self or (b) through an ASBA Account maintained through a different SCSB not in its own name or (c) through an ASBA Account maintained through a different SCSB in its own name, where clear demarcated funds are not present or (d) through an ASBA Account maintained through a different SCSB in its own name which ASBA Account is not utilised solely for the purpose of applying in public issues;

cc. Applications for amounts greater than the maximum permissible amount prescribed by the regulations and applicable law;

dd. Authorization to the SCSB for blocking funds in the ASBA Account not provided;

ee. Applications by any person outside India;

ff. Applications not uploaded on the online platform of the Stock Exchange;

gg. Applications uploaded after the expiry of the allocated time on the Issue Closing Date, unless extended by the Stock Exchange, as applicable;

hh. Application Forms not delivered by the Applicant within the time prescribed as per the Application Form, this Prospectus and as per the instructions in the Application Form and this Prospectus;

ii. Applications by Applicants whose demat accounts have been 'suspended for credit' pursuant to the circular issued bySEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;

jj. Applications providing an inoperative demat account number;

kk. Applications submitted to the Designated Intermediaries other than the Collection Centres or at a Branch of a SCSB which is not a Designated Branch;

ll. Applications submitted directly to the Public Issue Bank (except in case the ASBA Account is maintained with the saidbank as a SCSB);

mm. In case of cancellation of one or more orders (options) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application;

nn. A UPI Investor applying through the UPI Mechanism, not having accepted the UPI Mandate Request by 5:00 pm on the third Working Day from the day of bidding on the stock exchange except on the last day of the Issue Period, wherethe UPI Mandate Request not having been accepted by 5:00 pm of the next Working Day; and

oo. A non-UPI Investor making an Application under the UPI Mechanism, i.e., an Application for an amount more than ₹5 lakhs.

For information on certain procedures to be carried out by the Registrar to the Issue for finalization of the Basis of Allotment,please see "*Information for Applicants*" below.

Information for Applicants

Upon the closure of the Issue, the Registrar to the Issue will reconcile the compiled data received from the Stock Exchangeand all SCSBs and match the same with the Depository database for correctness of DP ID, Client ID, UPI ID (where applicable) and PAN. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database and prepare list of technical rejection cases. In case of any discrepancy between the electronic data andthe Depository records, our Company, in consultation with the Designated Stock Exchange, the Lead Manager and the Registrar to the Issue, reserves the right to proceed as per the Depository records for such Applications or treat such Applications as rejected.

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belongingto an account for the benefit of a minor (under guardianship). In case of Applications for a higher number of NCDs than specified for that category of Applicant, only the maximum amount permissible for such category of Applicant will be considered for Allotment.

BASIS OF ALLOTMENT

For the purposes of the basis of Allotment:

A. Applications received from Category I Applicants: Applications received from Applicants belonging to Category I shall be grouped together, **("Institutional Portion")**;

B. Applications received from Category II Applicants: Applications received from Applicants belonging to Category II, shall be grouped together, **("Non-Institutional Portion")**;

C. Applications received from Category III Applicants: Applications received from Applicants belonging to Category III shall be grouped together, **("High Net-worth Individual Category Portion")**; and

D. Applications received from Category IV Applicants: Applications received from Applicants belonging to Category IV shall be grouped together, **("Retail Individual Category Portion")**.

For removal of doubt, the terms "Institutional Portion", "Non-Institutional Portion", "High Net-worth Individual Category Portion" and "Retail Individual Category Portion" are individually referred to as **"Portion"** and collectively referred to as **"Portions"**.

Allocation Ratio

Particulars	Institutional Portion	Non-Institutional Portion	High Net Worth Individual Investors Portion	Retail Individual Investors Portion
% of Issue Size	10%	25%	25%	40%
Base Issue Size (₹ in Lakhs)	750	1,875	1,875	3,000
Total Issue Size (₹ in Lakhs)	1,500	3,750	3,750	6,000

a) Allotments in the first instance:

i. Applicants belonging to the Institutional Portion, in the first instance, will be allocated NCDs up to 10% of this Issue Limit on first come first serve basis which would be determined on the date of upload of their Applications into the electronic platform of the Stock Exchange;

ii. Applicants belonging to the Non-Institutional Portion, in the first instance, will be allocated NCDs up to 25% of this Issue Limit on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchanges;

iii. Applicants belonging to the High Net Worth Individual Investors Portion, in the first instance, will be allocated NCDs up to 25% of this Issue Limit on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchanges; and

iv. Applicants belonging to the Retail Individual Investors Portion, in the first instance, will be allocated NCDs up to 40% of this Issue Limit on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchanges.

Allotments, in consultation with the Designated Stock Exchange, shall be made on date priority basis i.e. a first-come first-serve basis, based on the date of upload of each Application into the Electronic Book with the Stock Exchanges, in each Portion subject to the Allocation Ratio indicated at the section titled ***"Issue Procedure – Basis of Allotment"*** at this page 257 of this Prospectus.

As per the SEBI NCS Master Circular, the allotment in this Issue is required to be made on the basis of date of upload of each application into the electronic book of the Stock Exchange. However, on the date of oversubscription and thereafter, the allotments should be made to the applicants on proportionate basis.

b) Under Subscription: If there is any under subscription in any Category, priority in Allotments will be given to the Retail Individual Investors Portion, High Net Worth Individual Investors Portion, and balance, if any, shall be first made to applicants of the Non-Institutional Portion, followed by the Institutional Portion on a first come first serve basis, on proportionate basis. If there is under subscription in the overall this Issue Limit due to undersubscription in each Portion, all valid Applications received till the end of last day of the Issue Closure Day shall be grouped together in each Portion and full and firm Allotments will be made to all valid Applications in each Portion.

c) For each Category, all Applications uploaded on the same day onto the electronic platform of the Stock Exchanges would be treated at par with each other. Allotment would be on proportionate basis, where NCDs uploaded into the platform of the Stock Exchanges on a particular date exceeds NCDs to be Allotted for each portion respectively.

d) Minimum Allotments of 1 (one) NCD and in multiples of 1 (one) NCD thereafter would be made in case of each valid Application to all Applicants.

e) *Allotments in case of oversubscription:* In case of an oversubscription, allotments to the maximum extent, as possible, will be made on a first-come first-serve basis and thereafter on proportionate basis, i.e. full allotment of the NCDs to the Applicants on a first come first basis up to the date falling 1 (one) day prior to the date of oversubscription and proportionate allotment of NCDs to the Applicants on the date of oversubscription and thereafter (based on the date of upload of each Application on the electronic platform of the Stock Exchange, in each Portion).

For the purpose of clarity, in case of oversubscription please see the below indicative scenarios:

In case of an oversubscription in all Portions resulting in an oversubscription in the Issue Limit, Allotments to the maximum permissible limit, as possible, will be made on a first-come first serve basis and thereafter on proportionate basis, i.e. full allotment of the NCDs to the Applicants on a first come first basis up to the date falling 1 (one) day prior to the date of oversubscription to respective Portion and proportionate allotment of NCDs to the Applicants on the date of oversubscription and thereafter in respective Portion (based on the date of upload of each Application on the electronic platform of the Stock Exchanges in each Portion).

In case there is oversubscription in this Issue Limit, however there is under subscription in one or more Portion(s)
Allotments will be made in the following order:

i. All valid Applications in the undersubscribed Portion(s) uploaded on the electronic platform of the Stock Exchanges till the end of the last day of the Issue Period, shall receive full and firm allotment
ii. In case of Portion(s) that are oversubscribed, allotment shall be made to valid Applications received on a first come first serve basis, based on the date of upload of each Application in to the electronic platform of the Stock Exchanges. Priority for allocation of the remaining undersubscribed Portion(s) shall be given to day wise Applications received in the Retail Individual Investors Portion followed by High Net Worth Individual Investors Portion, next Non-Institutional Portion and lastly Institutional Portion each according to the day of upload of Applications to the Electronic Book with Stock Exchange during this Issue period.

f) Proportionate Allotments: For each Portion, on the date of oversubscription and thereafter:

i. Allotments to the Applicants shall be made in proportion to their respective Application size, rounded off to the nearest integer.
ii. If the process of rounding off to the nearest integer results in the actual allocation of NCDs being higher than this Issue Limit, not all Applicants will be allotted the number of NCDs arrived at after such rounding off. Rather, each Applicant whose Allotment size, prior to rounding off, had the highest decimal point would be given preference.
iii. In the event, there are more than one Applicant whose entitlement remain equal after the manner of distribution referred to above, our Company will ensure that the basis of allotment is finalised by draw of lots in a fair and equitable manner.

g) *Applicant applying for more than one Series of NCDs*: If an Applicant has applied for more than one Series of NCDs and in case such Applicant is entitled to allocation of only a part of the aggregate number of *NCDs* applied for, the Series-wise allocation of NCDs to such Applicants shall be in proportion to the number of NCDs with respect to each Series, applied for by such Applicant, subject to rounding off to the nearest integer, as appropriate in consultation with the Lead Manager and the Designated Stock Exchange. Further, in the aforesaid scenario, wherein the Applicant has applied for all the 6 (six) Series and in case such Applicant cannot be allotted all the 6 (six) Series, then the Applicant would be allotted NCDs, at the discretion of the Company, the Registrar and the Lead Manager as may be decided at the time of Basis of Allotment.

h) *Unblocking of Funds for withdrawn, rejected or unsuccessful or partially successful Applications*: The Registrar shall, pursuant to preparation of Basis of Allotment, instruct the relevant SCSB to unblock the funds *in* the relevant ASBA Account for withdrawn, rejected or unsuccessful or partially successful Applications within 6 (six) Working Days of the Issue Closing Date.

All decisions pertaining to the basis of allotment of NCDs pursuant to this Issue shall be taken by our Company in consultation with the Lead Manager and the Designated Stock Exchange and in compliance with the aforementioned provisions of this Prospectus. Any other queries / issues in connection with the Applications will be appropriately dealt with and decided upon by our Company in consultation with the Lead Manager.

Our Company would allot Series III NCDs to all valid applications, wherein the applicants have not indicated their choice of the relevant series of the NCDs.

Applications where the Application Amount received is greater than the minimum Application Amount, and the Application Amount paid does not tally with the number of NCDs applied for may be considered for Allotment, to the extent of the Application Amount paid rounded down to the nearest ₹ 1,000.

Retention of oversubscription

Our Company shall have an option to retain over-subscription up to the Issue Limit.

Unblocking of Funds for withdrawn, rejected or unsuccessful or partially successful Applications

The Registrar shall, pursuant to preparation of Basis of Allotment, instruct the relevant SCSB or the Sponsor Bank (for Applications under the UPI Mechanism), as applicable, to unblock the funds in the relevant ASBA Account/UPI linkedbank account, for withdrawn, rejected or unsuccessful or partially successful Applications within six Working Days of the Issue Closing Date.

ISSUANCE OF ALLOTMENT ADVICE

Our Company shall ensure dispatch of Allotment Advice and/ or give instructions for credit of NCDs to the beneficiary account with Depository Participants upon approval of Basis of Allotment. The Allotment Advice for successful Applicantswill be mailed by speed post/registered post to their addresses as per the Demographic Details received from the Depositories.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for commencement oftrading at the Stock Exchange where the NCDs are proposed to be listed are taken within six Working Days from the Issue Closing Date. Application Amount shall be unblocked within six Working Days from the Issue Closing Date or such lessertime as may be specified by SEBI or else the Application Amount shall be unblocked in the ASBA Accounts or the UPI linked bank accounts (for Applications under the UPI Mechanism) of the Applicants forthwith, failing which interest shall be due to be paid to the Applicants in accordance with applicable law. Our Company will provide adequate funds required for dispatch of Allotment Advice to the Registrar to the Issue.

OTHER INFORMATION

Withdrawal of Applications during the Issue Period

Applicants can withdraw their Applications until the Issue Closing Date. In case an Applicant wishes to withdraw the Application during the Issue Period, the same can be done by submitting a request for the same to the concerned DesignatedIntermediary who shall do the requisite. In case of Applications (other than under the UPI Mechanism) were submitted to the Designated Intermediaries, upon receipt of the request for withdrawal from the Applicant, the relevant Designated Intermediary, as the case may be, shall do the requisite, including deletion of details of the withdrawn Application Form from the electronic system of the Stock Exchange and intimating the Designated Branch of the SCSB unblock of the funds blocked in the ASBA Account at the time of making the Application. In case of Applications (other than under the UPI Mechanism) submitted directly to the Designated Branch of the SCSB, upon receipt of the request for withdraw from the Applicant, the relevant Designated Branch shall do the

requisite, including deletion of details of the withdrawn ApplicationForm from the electronic system of the Stock Exchange and unblocking of the funds in the ASBA Account, directly.

Withdrawal of Applications after the Issue Period

In case an Applicant wishes to withdraw the Application after the Issue Closing Date or early closure date, the same can bedone by submitting a withdrawal request to the Registrar to the Issue prior to the finalisation of the Basis of Allotment.

Revision of Applications

Cancellation of one or more orders (option) within an Application is permitted during the Issue Period as long as the total order quantity does not fall under the minimum quantity required for a single Application. Please note that in case of cancellation of one or more orders (option) within an Application, leading to total order quantity falling under the minimumquantity required for a single Application will be liable for rejection by the Registrar.

Applicants may revise/ modify their Application details during the Issue Period, as allowed/permitted by the Stock Exchange,by submitting a written request to the Designated Intermediary and the Designated Branch of the SCSBs, as the case may be. For Applications made under the UPI Mechanism, an Applicant shall not be allowed to add or modify the details of the Application except for modification of either DP ID/Client ID, or PAN ID but not both. However, the Applicant may withdraw the Application and reapply.

However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/ modification. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic Application platform of the Stock Exchange as per the procedures and requirements prescribedby the Stock Exchange, Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes.

Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on the Issue Closing Date. However, in order that the data so captured is accurate, the Designated Intermediaries and/ or the DesignatedBranches of the SCSBs will be given up to one Working Day after the Issue Closing Date to modify/ verify certain selectedfields uploaded in the online system during the Issue Period, after which the data will be sent to the Registrar for reconciliationwith the data available with the NSDL and CDSL.

Early Closure

Our Company, in consultation with the Lead Managers reserves the right to close the Issue at any time prior to the Closing Date of respective Prospectus, subject to receipt of minimum subscription for NCDs aggregating to 75% of the Base Issue Size i.e. ₹5,625 Lakhs and subject to the Issue being kept open for minimum period of three Working Days. Our Company shall allot NCDs with respect to the Applications received at the time of such early closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements. In the event of such early closure of the Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure is published on or before such early date of closure or the Issue Closing Date, as applicable, through advertisement(s) in all those newspapers in which pre-issue advertisement have been given.

Utilisation of Application Amounts.

The sum received in respect of the Issue will be kept in separate bank account(s) and we will have access to such funds only upon allotment of the NCDs, execution of Debenture Trust Deeds and on receipt of listing and trading approval from the Stock Exchange as per applicable provisions of law(s), regulations and approvals.

Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-Section (1) of Section 38 of the Companies Act,2013, which is reproduced below:

"Any person who:

(a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act 2013 for fraud involving an amount of at least ₹1 million or 1.00% of the turnover of our Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. Incase the fraud involves (i) an amount which is less than ₹1 million or 1.00% of the turnover ofourCompany,whicheverislower;and(ii)doesnotinvolvepublicinterest,thensuchfraudispunishablewithan imprisonment for a term extending up to five years or a fine of an amount extending up to ₹5 million or with both.

Depository Arrangements

We have made depository arrangements with NSDL and CDSL. Please note that Tripartite Agreements have been executedbetween our Company, the Registrar and both the depositories.

As per the provisions of the Depositories Act, 1996, the NCDs issued by us can be held in a dematerialised form. In this context:

i. Tripartite agreement dated July 10, 2010 among our Company, the Registrar and CDSL and tripartite agreement dated August 3, 2010 among our Company, the Registrar and NSDL, respectively for offering depository option to the investors. Ou Company undertakes to execute tripartite agreements with the Depositories and Registrar to the Issue prior to the Issue Opening Date.

ii. An Applicant must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL orCDSL prior to making the Application.

iii. The Applicant must necessarily provide the DP ID and Client ID details in the Application Form.

iv. NCDs Allotted to an Applicant in the electronic form will be credited directly to the Applicant's respective beneficiaryaccount(s) with the DP.

v. Non-transferable Allotment Advice will be directly sent to the Applicant by the Registrar to this Issue.

vi. It may be noted that NCDs in electronic form can be traded only on the Stock Exchange having electronic connectivitywith NSDL or CDSL. The Stock Exchange has connectivity with NSDL and CDSL.

vii. Interest or other benefits with respect to the NCDs held in dematerialised form would be paid to those Debenture Holderswhose names appear on the list of beneficial owners given by the Depositories to us as on Record Date. In case of thoseNCDs for which the beneficial owner is not identified by the Depository as on the Record Date/ book closure date, we would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified bythe Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.

viii. Please note that the NCDs shall cease to trade from the Record Date (for payment of the principal amount and the applicablepremium and interest for such NCDs) prior to redemption of the NCDs.

PLEASE NOTE THAT TRADING OF NCDs ON THE FLOOR OF THE STOCK EXCHANGE SHALL BE IN DEMATERIALISED FORM ONLY IN MULTIPLE OF ONE NCD.

Allottees will have the option to re-materialize the NCDs Allotted under the Issue as per the provisions of the

CompaniesAct, 2013 and the Depositories Act.

Communications

All future communications in connection with Applications made in this Issue (except the Applications made through the Trading Members of the Stock Exchange) should be addressed to the Registrar to the Issue, quoting the full name of the sole or first Applicant, Application Form number, Applicant's DP ID and Client ID, Applicant's PAN, number of NCDs appliedfor, ASBA Account number in which the amount equivalent to the Application Amount was blocked or the UPI ID (for UPIInvestors who make the payment of Application Amount through the UPI Mechanism), date of the Application Form, nameand address of the Designated Intermediary or Designated Branch of the SCSBs, as the case may be, where the Applicationwas submitted. Applicants may contact our Compliance Officer and Company Secretary or the Registrar to the Issue in caseof any pre-Issue or post-Issue related problems such as non-receipt of Allotment Advice or credit of NCDs in the respective beneficiary accounts, as the case may be.

Interest in case of delay

Our Company undertakes to pay interest, in connection with any delay in Allotment and demat credit, beyond the time limitas may be prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated under such applicable statutory and/or regulatory requirements.

Default in payment

In case of default (including delay) in payment of interest and/ or redemption of principal on the due dates for debt securities issued on private placement or public issue, additional interest of at least @ 2% p.a. over the coupon rate shall be payable by the issuer for the defaulting period.

Delay in listing

There has been no delay in the listing of any non-convertible securities issued by our Company. In the event of failure to list such securities within such days from the date of closure of issue as may be specified by the Board (scheduled listing date), all application moneys received or blocked in the public issue shall be refunded or unblocked forthwith within two working days from the scheduled listing date to the applicants through the permissible modes of making refunds and unblocking of funds. For delay in refund/unblocking of funds beyond the timeline as specified above, the issuer shall be liable to pay interest at the rate of fifteen percent per annum to the investors from the scheduled listing date till the date of actual payment.

Delay in execution of DTD

Where an issuer fails to execute the trust deed within the period specified in the sub-regulation (1), without prejudice to any liability arising on account of violation of the provisions of the Act and these regulations, the issuer shall also pay interest of at least two percent per annum or such other rate, as specified by the Board to the holder of debt securities, over and above the agreed coupon rate, till the execution of the trust deed.

Undertaking by the Issuer

Our Company undertakes that:

i. All monies received pursuant to this Issue shall be transferred to a separate bank account as referred to in sub-section (3) of section 40 of the Companies Act, 2013;

ii. Details of all monies utilised out of this Issue referred to in sub-item (a) shall be disclosed under an appropriate separatehead in our balance sheet indicating the purpose for which such monies had been utilised;

iii. Details of all unutilised monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our balance sheet indicating the form in which such unutilised monies have been invested;

iv. Undertaking by our Company for execution of the Debenture Trust Deeds. Further, as per Regulation 18 of SEBI NCSRegulations, in the event our Company fails to execute the Debenture Trust Deeds within a period of three months fromthe Issue Closing Date, our Company shall pay interest of at least 2% p.a. over and above the agreed coupon rate, to each NCD Holder, till the execution of the Debenture Trust Deed;

v. We shall utilize the Issue proceeds only upon execution of the Debenture Trust Deed as stated in this Prospectus, on receipt of the minimum subscription of 75% of the Issue i.e., ₹ 7,50,000 thousand and receipt oflisting and trading approval from the Stock Exchange;

vi. The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *interalia* by way of a lease, of any immovable property business, dealing in equity of listed companies or lending/investmentin group companies; and

vii. Application money shall be unblocked within six Working Days from the closure of this Issue or such lesser time as may be specified by SEBI, or else the Application money shall be refunded to the Applicants in accordance with applicable law, failing which interest shall be due to be paid to the Applicants for the delayed period, if applicable in accordance with applicable law.

Investors are advised to read the Risk Factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved.

This Prospectus has not been recommended or approved by any regulatory authority in India, including any registrar of companies, stock exchange or SEBI nor does SEBI guarantee the accuracy or adequacy of this Prospectus. Specificattention of investors is invited to the section "***Risk factors***" on page 19.

Our Company has no side letter with any NCD holder. Any covenants later added shall be disclosed on the stock exchange's website where the NCDs are listed.

Other undertakings by our Company

Our Company undertakes that:

i. Complaints received in respect of this Issue (except for complaints in relation to Applications submitted to Trading Members) will be attended to by our Company expeditiously and satisfactorily;

ii. Necessary cooperation to the relevant credit rating agency(ies) will be extended in providing true and adequate information until the obligations in respect of the NCDs are outstanding;

iii. Our Company will take necessary steps for the purpose of getting the NCDs listed within the specified time, i.e., withinsix Working Days of this Issue Closing Date;

iv. Funds required for dispatch of Allotment Advice/NCD Certificates (only upon rematerialisation of NCDs at the specificrequest of the Allottee/ Holder of NCDs) will be made available by our Company to the Registrar to the Issue;

v. Our Company will forward details of utilisation of the proceeds of this Issue, duly certified by the Statutory Auditor, tothe Debenture Trustee on a half-yearly basis;

vi. Our Company will provide a compliance certificate to the Debenture Trustee on an annual basis in respect of compliance with the terms and conditions of this Issue as contained in this Prospectus;

vii. Our Company will disclose the complete name and address of the Debenture Trustee in its annual report; and

viii. Our Company shall make necessary disclosures/ reporting under any other legal or regulatory

requirement as may be required by our Company from time to time.

ix. We have created a recovery expense fund in the manner as specified by SEBI from time to time; and

x. Inform the Debenture Trustee about the same.

SECTION VII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND DEFAULTS

Our Company, Directors and Promoter are subjected to various legal proceedings from time to time, mostly arising in the ordinary course of its business. The legal proceedings are initiated by us and also by customers and other parties. These legal proceedings are primarily in the nature of (a) civil suits;(b) criminal complaints;(c) consumer complaints; and (d) business operations related litigations.

For the purposes of above, the Non-Convertible Debentures Committee on June 11, 2024, passed a resolution adopting a Policy for determining Materiality for Disclosures framed in accordance with Regulation 30 of the SEBI Listing Regulations. In terms of materiality policy all outstanding litigation:

a) involving our Company, in which the aggregate monetary claim by or against our Company exceeds the lower of the following has been considered material:

i. two percent of the turnover for Fiscal 2024. The turnover of our Company for Fiscal 2023 is ₹ 1,645.04 crore and two percent of the same is ₹ 32.90 crore;

ii. two percent of the net worth for Fiscal 2024. The net worth of our Company for Fiscal 2023 is ₹ 1,052.00 crore and two percent of the same is ₹ 21.04 crore;

iii. five percent of the average of absolute value of profit after tax, as per the last three audited consolidated financial statements of our Company. The average of absolute value of profit after tax, as per the last three audited consolidated financial statements is ₹ 161.09 crore and five percent of the same is ₹ 8.05 crore.

*Accordingly, all litigation involving monetary amount of claim exceeding ₹ 8.05 crore ("**Material Threshold**") has been considered as material;*

b) involving our Directors, Promoters, and Subsidiaries in which the aggregate monetary amount of claim by or against exceeds the amount of Material Threshold has been considered as material.

It is clarified that for the purposes of the above, pre-litigation notices received by our Company, Directors, Promoter or Subsidiaries shall, unless otherwise decided by our Board of Directors, not be considered a litigation until such time that our Company, Directors, Promoter or Subsidiaries, as the case maybe, is impleaded as a defendant in litigation proceedings before any judicial forum.

Save as disclosed below, there are no:

a) litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory body or regulatory body against the Promoters of our Company during the preceding three years immediately preceding the year of the issue of the Prospectus and any direction issued by such Ministry or Department or statutory body or regulatory body upon conclusion of such litigation or legal action;

b) inquiry, inspections or investigations initiated or conducted under the securities laws or Companies Act or any previous companies law in the preceding three years immediately preceding the year of issue of offer document in the case of company; and if there were any prosecutions filed (whether pending or not); fines imposed, or compounding of offences done in the preceding three years immediately preceding the year of the prospectus for our Company;

c) pending litigation involving the Company, Promoter, Directors, Subsidiaries, Group Companies or any other person, whose outcome could have material adverse effect on the financial position of the Company, which may affect the issue or the investor's decision to invest/continue to invest in the debt securities;

d) acts of material frauds committed against our Company in the preceding three financial years

and current financial year and the action taken by our Company;

e) default and non-payment of statutory dues by our Company for preceding three financial years and current financial year; and

f) pending proceedings initiated against our Company for economic offences and default.

Further from time to time, we have been and shall continue to be involved in legal proceedings filed by and/or against us, arising in the ordinary course of our business. We believe that the number of proceedings in which we are/were involved is not unusual for a company of our size doing business in India.

Unless stated to the contrary, the information provided below is as of the date of this Prospectus.

All terms defined in a particular litigation disclosure below are for that particular litigation only.

I. Litigation involving our Company.

A. *Litigation filed against our Company*

1. Criminal proceedings

i. ***Ram Kanwar HUF vs. SMC Global Securities Limited - Crl M.C. 1794/2022***

Ram Kanwar HUF (the "**Petitioner**") has filed petition under section 482 of the Code of Criminal Procedure, 1973 before the Hon'ble High Court of Delhi ("**Hon'ble High Court**") bearing Crl M.C. 1794/2022, challenging the order dated November 10, 2021, in Crl. Revision No. 701/2019 and for allowing the summoning of the original books of accounts/documents and records, in connection with the trial of the case pending against the Petitioner under section 138 of the Negotiable Instrument Act, 1881 pending before the Learned Metropolitan Magistrate, Tis Hazari Court. The matter cannot be quantified. The case was disposed of; however, the petitioner has filed a clarification application which is pending for adjudication.

ii. ***Sanju Kumari vs. State of Bihar & Others – Crl. Revision No. 298/2018***

Ms. Sanju Kumari ("**Complainant**") filed a Complaint bearing case No. 2977 of 2011 before the Chief Judicial Magistrate, Motihari, East Champaran against Mr. Subhash Chand Aggarwal (our Promoter and Managing Director), SMC Global Securities Limited (our Company) Mr. Prabhat Kumar and Mr. Santosh Kumar (partners of Militia Share & Securities) (collectively "**Accused**") under section 409, 420, 467, 468 120 (B), 387 of the Indian Penal Code, 1860 and sections 43, 44, 65, 66 and 71 of the Information Technology Act, 2000 ("**Complaint**"). The Complainant alleged that Mr. Prabhat Kumar and Mr. Santosh Kumar got the demat account of the Complainant transferred in the name of their firm, traded on Complainant's behalf and tried misappropriating her money. The Complainant also alleged that Mr. Subhash Chand Aggarwal did not take any action against Mr. Prabhat Kumar and Mr. Santosh Kumar, their sub-broker. The Complainant filed an arbitration petition dated November 22, 2011, which was dismissed by NSEIL, in favour of our Company. Subsequently, the Complainant filed application under section 156 (3) of Criminal Procedure Code, 1973 to direct the local police station at Chhattauni to register the First Information Report ("**FIR**"). Pursuant to order dated December 15, 2011, passed by Chief Judicial Magistrate, Motihari, East Champaran, a FIR bearing number 10 of 2012 was registered on January 09, 2012 ("**FIR 2012**"). Thereafter, the Accused filed an application bearing number 18589 of 2012 before the High Court of Patna ("**Hon'ble High Court**") under section 482 of the Code of Criminal Procedure, 1973. The High Court of Patna, vide order dated May 04, 2012, stayed further proceedings in the FIR 2012 and issued notices to opposite parties. In the meantime, police filed the closure report, and the matter was disposed-off in favour of the Company. Thereafter the complainant again filed a revision petition bearing no. Crl. Revision No. 298/2018 against the order of the Hon'ble Chief Judicial Magistrate which is pending for further proceedings.

iii. ***Ram Kawar HUF vs. SMC Global Securities Limited - C.RL. M.C No. 2295/2022***

Ram Kawar HUF (the "**Petitioner**") filed the Petition under section 482 of the Code of Criminal Procedure, 1973 bearing C.RL. M.C No. 2295/2022 challenging the Impugned order dated March 28, 2022, passed by the learned Additional Sessions Judge (ASJ) and the summoning order dated September 16, 2020, passed by the learned Trial Court before the High Court of Delhi ("**Hon'ble High Court**"). Our Company (the "**Respondent**") has filed reply in this matter before the Hon'ble High Court. The case is pending for further proceedings.

iv. ***Nirmal Garg vs. SMC Global Securities Limited - C.RL. M.C No. 2294/2022***

Nirmal Garg, (the "**Petitioner**") filed the Petition under section 482 of the Code of Criminal Procedure, 1973 ("**CRPC**") bearing C.RL. M.C No. 2294/2022 challenging the Impugned order dated March 28, 2022, passed by the learned Additional Sessions Judge (ASJ) and the summoning order dated September 16, 2020, the Petitioner was summoned under section 202 CRPC as an accused for offence under section 420 read with section 34 of the Indian Penal Code passed by the learned Trial Court, before the Hon'ble High Court of Delhi. Our Company (the "**Respondent**") has filed its reply. The case is pending for further proceedings.

v. ***Dr. Samal Shankar vs State of Karnataka and Another - Crl.P no. 6007/2021***

An FIR bearing no. 214/2015, Ashoknagar PS, was registered against the Company i.e. SMC Global Securities Limited, (the "**Respondent**") with the allegations of illegal / unauthorized trading and loss of approximately ₹ 10,00,000/- on the complaint of Samal Shankar, (the "**Petitioner**"). Police filed final report and by the order of the Ist Additional Chief Metropolitan Magistrate the final report was accepted, and the matter got closed. The complainant filed protest petition but was dismissed. Thereafter, the complainant filed criminal revision petition before the Additional City Civil Sessions Judge at Bangalore, which was dismissed on February 17, 2020. Now the Petitioner has filed petition under section 482 of the Code of Criminal Procedure, 1973 challenging the dismissal order of the revision petition, in which notice was issued to Our Company before the Hon'ble High Court of Karnataka bearing Crl.P no. 6007/2021. Presently, the matter is pending for listing.

vi. ***Manick Chandra vs. State of West Bengal and Others – Case No. 5418 of 2014***

Mr. Manick Chandra Majmudar ("**Complainant**") filed a Complaint bearing number 5418 of 2014 before the Metropolitan Magistrate, Bankshal, Kolkata ("**Hon'ble Court**") against our Company and Others, (collectively "**Respondents**") alleging that his shares were transferred, from his account, without his authorisation, based on the Delivery Instruction Slip (DIS) ("**Complaint**"). The matter was dismissed by the concerned court on the ground of non-appearance of the Complainant, but the complaint has been revived. The case is pending before the Hon'ble Court.

vii. ***Ram Kanwar HUF V/s Smc Global Securities Ltd-Tis Hazari (Distt Court-- Criminal Revision Petition U/s 362 (Cr Rev/700/2019)***

Ram Kawar Garg, (the "**Revisionist/Accused**") filed the revision under section 397 before the Ld. Sessions Judge, Tis Hazari Court against the order dated September 18, 2019, vide which an application dated March 26, 2018, filed by the Petitioner for summoning of records/documents/books of accounts was dismissed. That the Hon'ble Sessions Court, Tis Hazari dismissed the Revision Petition (700/2019) vide order dated October 18, 2021. The Revisionist/Accused has filed an application seeking clarification/rectification of the order dated October 18, 2021. The case is pending before Hon'ble Court.

viii. ***State Vs. Hemant Kumar & Ors (Sanjiv Kumar Pandey & Ors (Panday Group) CR Cases/271/2018***

Our Company, (the "**Complainant**") filed an application under section 156 (3) of the Cr.P.C. against the Sanjeev Kumar Pandey and Sangeeta Pandey and their other accomplices before the Hon'ble Karkradooma Court ("**Hon'ble Court**"). In the said Complaint all the accused persons under conspiracy did manipulative fraudulent transactions of the scrip of the Shree Ashtvinayak Cine Vision Limited and thereby caused financial loss of ₹ 40,00,000/- lakhs to Our Company. Thereafter, the Hon'ble Court

directed registration of FIR and the said complaint culminated into FIR under Section 403, 406, 420, 174A, 120B, 34 IPC bearing No. 427/2013. That on April 23, 2019, the police had filed the supplementary charge sheet in the said case against the accused No. 2 Sangeeta Pandey but exclude her husband Sanjeev Pandey and kept him in column NO. 12 with remarks that no case is made out against him. Our Company has filed protest petition under section 173 (8) of Cr.P.C. in the present case bearing no. CR No. 271/2018 before Ld. CMM, Karkardooma Court which is pending for further proceedings.

ix. ***CBI vs SMC Global Securities Ltd and Ors – CBI No. 14/2023***

An FIR No. RC2212022E0019 dated 19th May 2022, was lodged in Delhi by Central Bureau of Investigation ("**CBI**") under section 120B read with 420 of the Indian Penal Code and Section 13(2) read with 13(1)(d) of Prevention of Corruption Act 1988 alleging irregularities and non-compliance of SEBI / NSE Exchange circulars pertaining to system audit based on information received from reliable sources. There are 11 (eleven) accused persons in the matter including our Company, Stockbrokers, System Auditors and unknown officials of SEBI and NSE. A closure report in relation to the investigation was filed in the matter which was rejected by Rouse Avenue Courts, Delhi and the matter has been referred for further investigation.

x. ***Directorate of Enforcement vs. Kapil Wadhwan and Ors. - PMLA Special Case No. 1389 of 2021***

The Directorate of Enforcement, Mumbai ("**ED Mumbai**") filed a complaint in January 2022 against Mr. Kapil Wadhawan, promoter of DHFL, as the main accused, along with few others, including the Company, under Sections 3 and 4 of the Prevention of Money Laundering Act, 2002 ("**PMLA Act**"). The complaint, bearing reference PMLA Special Case No. 1389 of 2021, was filed before the Additional Sessions Judge, Court of Sessions for Greater Bombay ("**Hon'ble Court**") for various offences under the PMLA Act.

The Company is named as one of the accused in complaint. The PMLA matter is still to come up for hearing. While the Company was involved as a broker in the transaction, the Company was not involved in layering and receiving the proceeds of crime or involved in the laundering of proceeds of the crime or as otherwise alleged in the complaint. The Company played a limited role as a corporate broker to UPPCL for its investment of ₹7,60,00,00,000 in Dewan Housing Finance Corporation Ltd. ("**DHFL**") Fixed Deposits.

The ED Mumbai is in the process of obtaining witness statements and the complaint is still to come up for hearing in the Court of Sessions for Greater Bombay. As and when the compliant is heard, the Company will make its submissions to the Hon'ble Court. If the Hon'ble Court passes an order against the Company, the Company will file an appeal against such adverse order. Since the Company was involved only as a broker in the transaction, it does not expect that the Hon'ble Court will impose a monetary liability on it and, therefore, this litigation will not have any adverse effect on the business or operations of the Company.

For further details please refer "***Outstanding Litigations and Defaults – OTHER INFORMATION – Pending proceedings initiated against our Company for Economic Offences***" on page 291 of this Prospectus.

2. Outstanding actions by regulatory and statutory authorities

i. Order passed under section 7 A of the EPF & MP Act, 1952 in respect of M/s SMC

The Assistant Provident Fund Commissioner, Employees Provident Fund Organisation ("**APFC**") in a matter issued a show cause notice ("**SCN**") on July 27, 1999, to SMC Credits Limited ("**SMC Credits**"), SMC Global Securities Limited ("**SMC Global Securities**"), SMC Share Brokers Limited (now amalgamated with Pulin Investments Limited, one of our Group Companies) ("**SMC Share Brokers**") (collectively the "**aggrieved parties**") for alleged contravention of provisions of Employees' Provident Fund & Mise Provisions Act, 1952 ("**the Act**"). SMC Credits on August 06, 1999, requested the APFC to revoke the SCN and decide the matter of applicability. The APFC however without deciding the matter of applicability, issued summon to SMC Credits. On appearance, SMC Credits reclarified that the

aggrieved parties have different business activities with SMC Credits being a NBFC, SMC Global being a stock broking company. They also have separate staff, separate books of accounts, different composition of directorship, telephonic numbers, employees working in established only for which he is employed, etc. The APFC without examination, passed a final order dated March 14, 2001, for the applicability of the Act and upheld the validity of clubbing of the aggrieved parties. SMC Credits filed an appeal before Employees Provident Fund Appellate Tribunal, New Delhi ("**EPFAT**") to decide the matter and urging that the clubbing of the aggrieved parties was not justified. However, EPFAT did not consider the arguments and dismissed the Appeal by order dated September 14, 2005.

Finally, SMC Credits filed a writ petition (*SMC Credits Limited vs Employees' Fund Appelate tribunal and Asst. Provident Fund Commissioner* bearing no. W.P (C) No. 2289 of 2006) against APFC and FPFAT in the Delhi High Court where it is pending for further proceedings.

For further details please refer "***Outstanding Litigations and Defaults - Litigation filed against our Group Companies – Proceedings against our Group Companies that will have a material impact on our Company***" on page 284 of this Prospectus.

ii. Show cause notice issued by Employee State Insurance Corporation

Our Company received a show cause notice ("**SCN**") dated August 23, 2010, issued by the Joint Director ("**JD**") of Employee State Insurance Corporation ("**ESIC**"). The SCN stated that the principal employer (our company) must pay both employer and employee contributions as specified in the Employee State Insurance Corporation Act, 1948 ("**ESIC Act**") and ESI (General) Rules, 1950 ("**ESI Rules**"). Contributions must be deposited in an authorized bank within specified periods, with returns submitted in Form-6. Failure to pay timely contributions incurs 15% annual interest. The JD alleged non-payment and non-submission of required returns by our Company and determined an amount as ₹ 31,24,133/- under section 45-A of the ESIC Act which was due ("**outstanding amount**"). Our Company was ordered to show cause within 15 days, or the ESIC will finalize the assessment and recovery with applicable interest. Consequently, our Company filed a detailed reply to the ESIC explaining that they had not contravened with any provisions of the ESIC Acts and ESI Rules and made timely and proper contributions and requested the JD to provide with the entire material on the basis of which. The JD, without considering the various objections to the show cause notice, passed an order under section 45A of the ESIC Act, holding that actual contribution as ₹ 31,06,450/- on October 18, 2010 ("**impugned order**"). Aggrieved by the impugned order our Company sought an appeal under section 45 AA of the ESIC Act with the ESIC Appellate Authority i.e Additional Commissioner and Regional Director ("**Appellate Authority**") under Section 45-A dated January 06, 2012, passed an order where the Petitioner was asked to contribute ₹ 31,06,450/- for the period of September 2005 to December 2007 ("**subsequent order**") (impugned order and subsequent order collectively referred as "**orders**").

Our Company (the "**Petitioner**") filed a petition against ESIC (the "**Respondent**") under Section 75 of the ESIC Act to challenge the impugned order as well as the subsequent order in the Tis Hazari District Court ("**Hon'ble Court**"). Subsequently, the Hon'ble Court upheld the orders. The Petitioner finally filed an appeal bearing no 15190/2023 before the Hon'ble High Court of Delhi where the matter is admitted. The matter is pending for further proceedings with the Hon'ble Court.

iii. Notice from Collector of Stamps to SMC Global Securities Limited

The Collector of Stamps ("**Collector**") issued a notice dated July 22, 2011, to our Company directing them to appear in person along with entire set of records in respect to broker notes issued by our Company. Our Company submitted a detailed reply to the Collector on October 12, 2011. The Collector issued another notice dated April 26, 2013, to our Company again directing them to appear along with entire set of records in respect to broker notes issued by our Company from July 2010. Subsequently there were several rounds of notices and replies. The Collector issued a notice on November 21, 2014 ("**impugned notice**") and or Company sent a reply to the impugned notice on November 28, 2014. Finally, our Company, (the "**Petitioner**"), filed the Writ Petition before Delhi High Court ("**Hon'ble High Court**") bearing W.P(C) No. 8678/2014, challenging the notice dated November 21, 2014, whereby the Ld. Collector (the "**Respondent**") called upon Our Company to appear with complete records pertaining to the Stamp Duty chargeable on the basis of the brokers' notes for the period 2010 till

date of notice. The proceedings qua the said notice were stayed by the Hon'ble High Court. The matter cannot be quantified. The Hon'ble High Court has consolidated similar proceedings initiated by the Respondent against other parties which is pending for further proceedings.

iv. SMC Global Securities Limited versus NSE Clearing Limited & Ors. (Hon'ble Supreme Court of India- Diary No.494/2024)

That NCL issued a show cause notice dated August 24, 2021 ("**NCL SCN**"), wherein it was alleged that our Company had failed to comply with various SEBI Circulars and NCL Regulations. On December 7, 2021, the NCL directed our Company to reinstate the securities wrongfully disposed off and imposed a penalty of ₹1,00,000 on our Company.

Our Company preferred an appeal before the Hon'ble Securities Appellate Tribunal ("**SAT**") against the NCL SCN bearing Appeal No. 757 of 2021. Similar to our appeal, other brokers also preferred an appeal to the SAT and SAT clubbed these appeals to be heard together. On December 12, 2023, SAT dismissed all appeals, thereby confirming the directions in the NCL SCN ("**SAT Order**").

Our Company preferred an appeal before the Hon'ble Supreme Court against the SAT order. This appeal was first listed for hearing on July 9, 2024, when it was adjourned to and the next date of hearing is to be provided. Once again, our appeal has been clubbed with those of other brokers and will be heard together.

The value of the securities as per NCL SCN was ₹ 75,00,000. If the Hon'ble Supreme Court dismisses our appeal and directs us to reinstate the securities; the maximum liability on our Company is expected to be approximately ₹ 2,45,00,000/- as per market price as on the date of this Prospectus.

For further details please refer "***Outstanding Litigations and Defaults - Details of inquiries, inspections or investigations initiated or conducted under the Securities laws*…. - *SMC Global Securities Limited***" on page 285 of this Prospectus.

3. Material Tax Proceedings

Show cause Notice issued by The Department of Trade & Taxes

The Department of Trade & Taxes ("**Tax authorities**") have issued a show cause notice on May 31, 2024 ("**SCN**") alleging that our Company have incorrectly availed input tax credit (ITC) due to discrepancies in turnover reconciliation. The Tax authorities in the SCN have alleged that our Company has claimed excess ITC without proper apportionment between taxable and exempt supplies, violating Sections 16(2)(c) and 17(1) & (2) of the CGST Act. This miscalculation, reflected in GSTR-09 return filed by our Company for the financial year 2019-2020, led to an excess ITC claim. Additionally, the ITC claimed from our suppliers who have not paid the tax to the tax authorities, further contravening Section 16(2)(c). The Tax authorities have noted these issues based in their records and issued the SCN demanding an amount of ₹ 8,61,30,682/- (including the tax discrepancy, interest and penalty amount). The Tax authorities have sought our Company's response in this matter after which further action will be decided.

4. Material civil proceedings

Nil

B. *Litigation filed by our Company.*

1. Criminal proceedings

i. SMC Global Securities Limited vs. Urmila Agrahari and Others - CC No. 306373/2016

Our Company, (the "**Complainant**") has filed application/complaint under section 200 of the Code of Criminal Procedure, 1973 ("**CrPC**") against Urmila Agrahari, Rakesh Gupta and Naved Akhtar Ansari (the "**Accused**") for commission of offences under section 406, 409, 417, 418, 422, 465, 468, 469 and

120 B of the Indian Penal Code before the Hon'ble Tis Hazari Court, New Delhi bearing CC No. 306373/2016 ("**Hon'ble Court**"). The case cannot be quantified. The case is pending before the Hon'ble Court for further proceedings.

ii. SMC Global Securities Limited vs. Saraswati Gupta and Others - Crl. Rev. No. 495/2022

Our Company, (the "**Revisionist**") has filed the revision petition (earlier Criminal Appeal No. 168/2022) against the Order dated June 08, 2022 passed by the Learned Metropolitan Magistrate, tis Hazari Court vide which our complaint/ Application under Sections 200/156(3) were dismissed against Saraswati Gupta and Ors, Ex-directors of Ganga Yamuna Finvest Pvt Ltd. (the "**Accused/Respondents**"), before the Hon'ble District and Sessions Judge, Tis Hazari Court ("**Hon'ble Court**") bearing Crl. Rev. No. 495/2022. The case is pending to be heard before the Hon'ble Court.

iii. SMC Global Securities vs. Uday Prabhakar Powale and Another – Ct Case No. 1637/2023

Our Company (the "**Complainant**") has filed Complaint under section 200 of the Code of Criminal Procedure, 1973 against ex-employee Mr. Uday Prabhakar Powale and Almondz Global Securities Ltd (the "**Accused**"), before the court of Metropolitan Magistrate, Tis Hazari Court, New Delhi bearing Ct. Case no. 1637/2023 for commission of offences under sections 406, 415, 418 and 120B of the Code of Criminal Procedure, 1973. The case cannot be quantified. The case is currently pending for further proceedings.

iv. SMC Global Securities Limited vs. Jagdish Chand Gupta and Others - Case No. 535159/2016

Our Company, (the "**Complainant**") has filed application/complaint under section 200 of the Code of Criminal Procedure, 1973 against Jagdish Chand Gupta, Saraswati Gupta and Sanjay Sharma (the "**Accused**") for committing offence of forgery and criminal conspiracy etc punishable under sections 463, 468, 469,470,471, 34 and 120B of the Indian Penal Code before the Hon'ble Metropolitan Magistrate, Tis Hazari Court, New Delhi bearing Case No. 535159/2016. The case involves an amount in the tune of ₹ 7,00,00,000 /-. The case is pending to be heard before Hon'ble Court.

v. SMC Global Securities vs Ganga Yamuna Finvest Private Limited and Others - CRL.L.P No. 52/2020, CRL.L.P No. 50/2020, and CRL.L.P No. 53/2020

Our Company ("**the Appellant**"), has filed an appeal under section 378 (4) of the Code of Criminal Procedure, 1973, against the acquittal order/judgment dated October 14, 2019, passed by the Ld. Metropolitan Magistrate, Patiala House Court, before the Hon'ble High Court of Delhi ("**Hon'ble High Court**") bearing CRL.L.P No. 52/2020. The aggregate amount in 3 (three) cases being CRL.L.P No. 52/2020, CRL.L.P No. 50/2020, and CRL.L.P No. 53/2020 is ₹ 7,00,00,000 /-. The case is pending for further proceedings before the Hon'ble High Court.

vi. SMC Global Securities Limited vs. Government of NCT of Delhi, Priknit Retails Limited and Ors - Crl. Rev. 978/2023

Our Company, (the "**Revisionist**") has filed the Criminal Revision Petition, challenging the order dated March 31, 2023, passed by Additional Sessions Judge, Central, Tis Hazari Court in Crl Rev. No. 476/2019, before the Hon'ble High Court of Delhi bearing Crl. Rev. Criminal Rev Petition 978/2023, whereby the order dated passed by Learned Metropolitan Magistrate ("**Ld. MM**") dated January 30, 2019, vide which the Ld.MM had ordered for framing of the charge against the Respondents under Section 68 of the Companies Act 1956 was set aside. An amount of ₹ 2,50,00,000 /- is involved in the case. The matter is pending for further proceedings.

vii. SMC Global Securities Limited vs Utpal Biswas- Police Complaint D N-105

Our Company (the "**Complainant**"), has filed a criminal complaint against Utpal Biswas (the "**Accused**"), at Police Station, Daryaganj, Delhi for committing offences of cheating, criminal breach of trust etc. The Accused was an authorized person of our Company, who has been involved in irregular/illegal activities. The case cannot be quantified. The criminal complaint is under investigation.

viii. SMC Global Securities Limited vs Preeti Singh D/O Shri Devendra Singh- Bowbazar P.S. Kolkata-FIR/176/2021

Our Company, (the "**Complainan**t"), filed a criminal complaint and application under section 156 (3) against Preeti Singha and Devendra Singh, (the "**Accused**"), for commission of offences under section 406, 409, 415, 420, 120-B and 34 of the Indian Penal Code. That the accused opened a trading account and subsequently dishonestly and fraudulently failed to pay the debit balance to Our Company. The case involved an amount of US $ 35,727.53/- (approximately ₹ 29,80,000/-) F.I.R bearing no. 176/2021 has been registered against the accused persons at P.S. Bowbazar, Kolkata which is presently under investigation.

ix. SMC Global Securities Limited vs U.P. State, Durgesh Tiwari & Ors- CRL Rev-498/2018

Our Company, (The "**Revisionist**") has filed revision petition before Court of Dist. and Session Judge Gautam Budh Nagar Noida ("**Hon'ble Court**") bearing CRL Rev.498/2018 (Now Appeal No.60/2023) Challenging the order dated March 16, 2018, which is pending for further proceedings before the Hon'ble Court.

x. SMC Global Securities Ltd vs Nikita Mishra- -Criminal 156 (3) (CT Case/619/2018)- Converted u/s 200 Cr.P.C.

Our Company, the ("**Complainant**/**Applicant**"), has filed application under section 156(3) of the Code of Criminal Procedure, 1973 against Ms. Nikita Mishra, Mr. Neeraj Mishra and Mr. Nikhil Sharma (the collectively "**Accused**") before Ld. MM, East District, Karkardooma Courts, New Delhi for commission of offences of criminal breach of trust, cheating and criminal conspiracy resulting in losses to our Company in the tune of ₹ 31,21,585/-. The case is pending before Hon'ble Court.

xi. SMC Global Securities Ltd. Vs v. Elango and Ors. - CNS No. 495/2021

Our Company, the ("**Complainant**/**Applicant**"), has filed application under section 156(3) of the Code of Criminal Procedure, 1973 ("**Cr.Pc.**") against V. Elango and Ors. (the "**Accused**"). Before the Additional Chief Metropolitan Magistrate II, Kolkata bearing CNS No. 495/2021 for registration of FIR for commission of offences by the Accused Persons such as extortion, cheating, criminal breach of trust etc. The Hon'ble Court have converted the application filed under section 156 (3) to application under section 200 Cr.P.C proceedings. The case is currently pending before the Hon'ble Court.

Complaints filed under section 138 of Negotiable Instruments Act, 1881

In addition to the above our Company has, in the ordinary course of its business, filed 8 (eight) complaints against various persons under Section 138 of the Negotiable Instruments Act, 1881 in relation to dishonour of cheques and recovery of dues. These matters are currently pending at different stages of adjudication before the various judicial fora. To the extent quantifiable, the aggregate amount involved in these matters is ₹ 39,59,086/-.

FIRs filed by our Company

Our Company has filed complaints based upon which 6 FIRs have been registered under appropriate sections of the Indian Penal Code against the persons/companies. The matters are currently pending before the concerned police authorities and/or concerned courts.

2. Material civil proceedings

Nil

II. Litigation involving our Directors

A. *Litigation filed against our Directors*

1. **Criminal proceedings**

i. ***Sanju Kumari vs. State of Bihar & Others – Crl. Revision No. 298/2018***

A revision petition was filed against our Company and Subhash Chand Agarwal, our Promoter and Managing Director by Sanju Kumari.

For further details please refer "***Outstanding Litigations and Defaults - Litigations filed against our Company – Criminal proceedings***" on page 267 of this Prospectus.

ii. Tarun Kanti Guha ("**Complainant**") lodged a complaint with PS Lal Bazar Kolkata and subsequently Petition under section 156(3) of the Code of Criminal Procedure, 1973. afterwards the Magistrate pleased to pass and order thereby directed to register the case and one FIR Bearing No. 57 dated February 02, 2024, got registered with PS Hare Street Kolkata under section 420/120B of the Indian Penal Code, 1880 with the allegations of misappropriation of funds. Presently the matter still at the stage of investigation.

For further details please refer "***Outstanding Litigations and Defaults - Litigations filed against our Promoters – Criminal proceedings*** " on page 275 of this Prospectus.

iii. ***Narender Bahadur vs Jai Rathor and Ors- Regular Criminal Trial /300/2023***

A criminal case no. RCT/300/2023 titled as Narender Bahadur Singh vs. Jai Kumar Rathore and other has been registered against Mr. S. C. Aggarwal, Mr. Mahesh Chand Gupta and other accused person under section 420 of the Indian Penal Code at District and Sessions Court, Singrauli, Madhya Pradesh with the allegations of misappropriation in the accounts of the complainant and his family members. We have filed an application for discharge in the matter. The case is pending for further proceedings.

For further details please refer "***Outstanding Litigations and Defaults - Litigations filed against our Promoters – Criminal proceedings*** " on page 275 of this Prospectus.

iv. ***FIR filed by Biswapati Nadi - FIR No. 108/2022***

An FIR bearing no. 108/2022 dated April 13, 2022, Bow Bazar PS, has been registered by Biswapati Nandi against Mr. Subhash Chand Aggarwal and Others under section 420/406/120b, of the Indian Penal Code, 1880 with the allegations of misappropriation of funds of ₹ 20,25,000/-. Presently the matter still at the stage of investigation.

For further details please refer "***Outstanding Litigations and Defaults - Litigations filed against our Promoters – Criminal proceedings*** " on page 275 of this Prospectus.

v. ***FIR filed by Rajesh Shukla***

Mr. Rajesh Shukla has filed an FIR with the Hazratganj P. S. in Lucknow on the ground of unauthorized trades of ₹ 75,000/- against the Directors of our Company. This FIR was dismissed by the concerned court on the basis of report filed by the police, wherein they did not find any evidence for the allegations made by the complainant. After dismissal the complainant filed revision petition and the matter is currently pending.

2. **Outstanding actions by regulatory and statutory authorities**

Nil

3. **Material Tax Proceedings**

Nil

4. **Material civil proceedings**

Nil

B. *Litigation filed by our Directors*

1. **Criminal proceedings**

Nil

2. **Material civil proceedings**

Nil

III. Litigation involving our Promoters

A. *Litigation filed against our Promoters*

1. **Criminal proceedings**

i. ***Sanju Kumari vs. State of Bihar & Others – Crl. Revision No. 298/2018***

A revision petition was filed against our Company and Subhash Chand Agarwal, our Promoter and Managing Director by Sanju Kumari.

For further details please refer "***Outstanding Litigations and Defaults - Litigations filed against our Company – Criminal proceedings***" on page 267 of this Prospectus.

ii. Tarun Kanti Guha ("**Complainant**") lodged a complaint with PS Lal Bazar Kolkata and subsequently Petition under section 156(3) of the Code of Criminal Procedure, 1973. afterwards the Magistrate pleased to pass and order thereby directed to register the case and one FIR Bearing No. 57 dated February 02, 2024, got registered with PS Hare Street Kolkata under section 420/120B of the Indian Penal Code, 1880 with the allegations of misappropriation of funds. Presently the matter still at the stage of investigation.

For further details please refer "***Outstanding Litigations and Defaults - Litigations filed against our Directors – Criminal proceedings*** " on page 274 of this Prospectus.

iii. ***Narender Bahadur vs Jai Rathor and ors- Regular Criminal Trial / 300 / 2023***

A criminal case no. RCT/300/2023 titled as Narender Bahadur Singh Vs. jai Kumar Rathore and other has been registered against Mr. S. C. Aggarwal, Mr. Mahesh Chand Gupta and other accused person u/s 420 of the Indian Penal Code at District and Sessions Court, Singrauli, Madhya Pradesh with the allegations of misappropriation in the accounts of the complainant and his family members. We have filed an application for discharge in the matter. The amount in the matter is not quantifiable. The case is listed next on January 24, 2024, for reply/arguments on discharge application.

For further details please refer "***Outstanding Litigations and Defaults - Litigations filed against our Directors – Criminal proceedings*** " on page 274 of this Prospectus.

iv. ***FIR filed by Biswapati Nadi - FIR No. 108/2022***

An FIR bearing no. 108/2022 dated April 13, 2022, Bow Bazar PS, has been registered by Biswapati Nandi against Mr. Subhash Chand Aggarwal and Others under section 420/406/120b, of the Indian Penal Code, 1880 with the allegations of misappropriation of funds of ₹ 20,25,000/-. Presently the matter still at the stage of investigation.

For further details please refer "***Outstanding Litigations and Defaults - Litigations filed against our***

Directors – Criminal proceedings " on page 274 of this Prospectus.

2. **Outstanding actions by regulatory and statutory authorities**

Nil

3. **Material Tax Proceedings**

Nil

4. **Material civil proceedings**

Nil

B. *Litigation filed by our Promoters*

1. **Criminal proceedings**

Nil

2. **Material civil proceedings**

Nil

IV. Litigation involving our Subsidiaries

A. *Litigation filed against our Subsidiaries*

a) Moneywise Financial Services Private limited

1. **Criminal proceedings**

In lieu of the various litigation proceedings initiated by Moneywise Financial Services Private Limited ("**MFSPL**"), various parties have filed 10 (ten) revision petitions, against the complaints and cases filed against MFSPL before various appropriate forums. These matters are currently pending before the various judicial fora.

2. **Outstanding actions by regulatory and statutory authorities**

Nil

3. **Material Tax Proceedings**

Nil

4. **Material civil proceedings**

Nil

b) Moneywise Finvest Limited

1. **Criminal proceedings**

Nil

2. **Outstanding actions by regulatory and statutory authorities**

Nil

3. **Material Tax Proceedings**

Nil

4. **Material civil proceedings**

Nil

c) SMC Insurance Brokers Private Limited

1. **Criminal proceedings**

i. Shyam Kishore Prasad Sharma vs State of Bihar & Ors (SMC Insurance Brokers Pvt Ltd)

Shyam Kishore Sharma, (the "**Complainant**") has filed a complaint case no. 1294/2016 against Mr. Mahesh Chand Gupta, SMC Insurance Brokers Private. Limited. and others before the Ld. Magistrate, District Court Patna alleging taken insurance policies of ₹ 9,00,000/- on false assurances. The above criminal complaint was dismissed by the Judicial Magistrate, first Class, Patna on March 09, 2017. Now, the complainant has filed revision petition bearing no Cr. Rev No. 436/2017 before ADJ, Patna which is pending.

2. **Outstanding actions by regulatory and statutory authorities**

Penalty order received by SMC Insurance Broker Private Limited

SMC Insurance Broker Private Limited ("**SMC Insurance**") has received a penalty order of Rs. 3,00,00,000/- ("**penalty order**") from Insurance Regulatory and Development Authority India ("**IRDAI**") (IRDA/INT/MISC/ORD/14.01.2020) for non- compliance of Motor Insurance Service Provider ("**MISP**") Guidelines and was directed to pay a penalty of ₹ 3,00,00,000/-. In the penalty order it was alleged that SMC Insurance was in a) Violation of clause 5 (f) of MISP guidelines which states that neither the SMC nor the MISP can create a panel of insurer for selling motor insurance policies, b) Violation of Regulation 8(2) (o) of IRDA Regulation 2018 along with other guidelines which state that no MISP or the insurance intermediary can enter into an agreement with the OEM which has influence or bearing on the sale of Motor insurance sale, c) Regulation 4 and schedule I – Form A of IRDAI (Insurance broker) Regulations 2018 with other MIP guidelines which state that SMC has charged same premium from customers of different Insurers.

An appeal has been filed by the company on February 06, 2020, before The Securities Appellate Tribunal at Mumbai. The matter is sub-judice and has been stayed till the pendency of the appeal vide its Stay Order dated February 06, 2020. The matter is pending for further proceedings.

3. **Material Tax Proceedings**

Nil

4. **Material civil proceedings**

Nil

d) SMC Real Estate Advisors Private Limited

1. **Criminal proceedings**

Nil

2. **Outstanding actions by regulatory and statutory authorities**

Nil

3. **Material Tax Proceedings**

Nil

4. **Material civil proceedings**

Nil

e) SMC Investments and Advisors Limited

1. **Criminal proceedings**

Nil

2. **Outstanding actions by regulatory and statutory authorities**

Nil

3. **Material Tax Proceedings**

Nil

4. **Material civil proceedings**

Nil

f) Pulin Comtrade Limited

1. **Criminal proceedings**

Nil

2. **Outstanding actions by regulatory and statutory authorities**

SEBI order cancelling the Certificate of Registration of Pulin Comtrade Limited

The SEBI passed an order against Pulin Comtrade Limited (earlier known as SMC Comtrade Limited) ("**Pulin**") for alleged violations in connection with the National Spot Exchange Limited ("**NSEL**"). The Designated Authority ("**DA**") recommended cancelling Pulin's stockbroker registration due to its involvement in trading *'paired contracts'* on the NSEL platform, which were deemed illegal financing transactions disguised as spot trades. Pulin challenged the allegations, raising concerns about procedural delays, lack of due process, and its compliance with regulations. Pulin asserted that it merely acted as a broker, following NSEL's rules and regulations, and was not involved in NSEL's decision-making processes. Pulin also argued that it was not aware of the true nature of the *'paired contracts'* and that it had no intention of violating any regulations.

The SEBI however, rejected Pulin's arguments and upheld the DA's recommendation to cancel the registration of Pulin. The order cited Supreme Court judgments that confirmed the illegal nature of 'paired contracts' and highlighted Pulin's active participation in facilitating these transactions ("**SEBI order**"). The SEBI emphasized that Pulin, as a registered intermediary, had a responsibility to exercise due diligence and ensure compliance with regulations. The order concluded that Pulin's involvement in *'paired contracts'* raised serious concerns about its integrity, honesty, and ethical behaviour, warranting the cancellation of its registration to protect the interests of the securities market.

The Securities Appellate Tribunal ("**SAT**"/"**Hon'ble Tribunal**") in the matter of SEBI vs B.N. Rathi Comtrade Private Limited and other connected matters (Misc Application No. 284 of 2024) (NSEL

matters) passed a stay order on March 14, 2024, and has directed SEBI a four-month duration w.e.f. March 11, 2024, for coming out with a scheme under the Securities and Exchange Board of India (Settlement Proceedings Regulations) 2018 ("**SEBI Settlement Regulations**") ("**SAT order**"). The application was disposed off while the SAT order is in place and SEBI is forming a scheme as per the SEBI Settlement regulations.

3. **Material Tax Proceedings**

Nil

4. **Material civil proceedings**

Demand notice issued by the Collector of Stamps against Pulin Comtrade Limited

Our Company received a notice from the Collector of Stamps ("**tax authority**") in January 2015 with respect to transactions conducted our Company's subsidiary, SMC Comtrade Limited, as a trading member of certain commodity exchanges. The tax authority claimed stamp duty of approximately ₹ 19,12,51,751/-. SMC Comtrade, (now Pulin Comtrade) (the "**Petitioner**") filed a writ petition before the Delhi High Court ("**Hon'ble High Court**") challenging the notice bearing Writ Petition no. 516/2015. In January 2015, the Hon'ble High Court issued an interim order staying further action by the tax authority. In 2015, the Hon'ble High Court consolidated a number of similar proceedings and has held several hearings with respect to them. The Hon'ble High Court interim orders remain in place while these matters are pending. The case is pending for further proceedings.

For further details please refer "***Outstanding Litigations and Defaults - Litigations filed against our Subsidiaries – f) Pulin Comtrade - Outstanding actions by regulatory and statutory authorities*** " on page 278 of this Prospectus.

g) SMC Capitals Limited

1. **Criminal proceedings**

Nil

2. **Outstanding actions by regulatory and statutory authorities**

Nil

3. **Material Tax Proceedings**

Nil

4. **Material civil proceedings**

Nil

h) SMC Global IFSC Private Limited

1. **Criminal proceedings**

Nil

2. **Outstanding actions by regulatory and statutory authorities**

Nil

3. **Material Tax Proceedings**

Nil

4. **Material civil proceedings**

Nil

i) SMC Comex International DMCC

1. **Criminal proceedings**

Nil

2. **Outstanding actions by regulatory and statutory authorities**

Nil

3. **Material Tax Proceedings**

Nil

4. **Material civil proceedings**

Nil

B. *Litigation filed by our Subsidiaries*

a) Moneywise Financial Services Private limited

1. **Criminal proceedings**

Contempt petitions filed by Moneywise Financial Services Private Limited

Moneywise Financial Services Private Limited ("**MFSPL**") has filed 2 (two) contempt petitions and appeals against various ongoing cases where the order has been passed but the amount outstanding has still not been transferred by the defaulters before the relevant magistrate courts inter alia in respect of fraud and misrepresentation. These matters are currently pending before the various judicial fora. The amount involved in these matters is ₹ 1,02,31,132/-.

FIRs under section 154 of Code of Criminal Procedure, 1973

Moneywise Financial Services Private Limited ("**MFSPL**") have filed 17 (seventeen) FIRs registered against various delinquent customers pursuant to successful adjudication of the complaints filed by Moneywise Financial Services Private Limited ("**MFSPL**"), in its ordinary course of business, under Section 154 of the Code of Criminal Procedure, 1973, before the relevant magistrate courts inter alia in respect of fraud and misrepresentation. These matters are currently pending investigation.

Complaints under section 36 of the Companies Act 2013

Moneywise Financial Services Private Limited ("**MFSPL**") has filed 19 (nineteen) complaints under Section 36 of the Companies Act read with Section 447 of the Companies Act, 2013 before the Hon'ble Court of Shri Mohinder Virat, Ld., ASJ/SPL Judge, Dwarka, New Delhi ("**Complaints**") against various persons in relation to fraudulent inducing MFSPL to invest money and for committing fraud. These matters are currently pending at different stages of adjudication before the forum. To the extent quantifiable, the aggregate amount involved in these matters is ₹ 3,77,00,000/-.

Complaints under section 156 (3) of Code of Criminal Procedure, 1973

Moneywise Financial Services Private Limited ("**MFSPL**") has filed 13 (Thirteen) complaints under

Section 156(3) of the Code of Criminal Procedure, 1973 ("**Complaints**") against various persons to register an FIR in appropriate sections of the Indian Penal Code against the persons and to investigate the matter further and to submit their final report in this regard as in the interest of justice. The matters are currently pending before the various judicial fora.

Revision petition under section 397 of the Code of Criminal Procedure

Moneywise Financial Services Private Limited (The "**Revisionist**") has filed 2 (two) revision petition under section 397 of the Criminal Procedure Code, 19087 before the District Courts in Delhi challenging the orders passed by Ld. Metropolitan Magistrates which are pending for further proceedings.

Complaints filed under section 138 of Negotiable Instruments Act, 1881

Moneywise Financial Services Private Limited has, in the ordinary course of its business, has collectively filed 1696 (one thousand six hundred and ninety-six) complaints against various persons under Section 138 of the Negotiable Instruments Act, 1881 in relation to dishonour of cheques and recovery of dues. These matters are currently pending at different stages of adjudication before the various judicial fora. To the extent quantifiable, the aggregate amount involved in these matters is ₹ 3,69,42,86,619/-. This claim amount covers multiple litigation with borrowers, co-borrowers and/or Guarantors for EMIs/Loan recall amount. Therefore, the original claim amount is significantly lower than the amount involved in 138 NI Litigations.

2. **Material civil proceedings**

i. Claim by our Subsidiary, Moneywise Financial Services Private Limited against Indirapuram Habitat Centre Private Limited

Moneywise Financial Services ("**Our Subsidiary**") filed a claim in its capacity of a Financial Creditor, under Regulation 8 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 against Indirapuram Habitat Centre Private Limited (**"the Borrower"**). A loan agreement dated April 22, 2016, ("**agreement**") was executed between the Borrower and our Subsidiary for ₹ 10,00,00,000/- for a period of 24 (twenty-four) months, for the construction of *'Project IHC'* by the Borrower. The agreement was further modified vide Addendum Term Sheet and Master Loan Agreement dated December 27, 2017. The Borrower was unable to repay its dues after which it filed for insolvency, with the commencement date of August 22, 2019. At that time Our Subsidiary was owed ₹ 14,45,22,111/- including the interest accrued. Our Subsidiary made a submission in furtherance of the abovementioned claim. Further, a resolution plan was passed, which we have objected to by way of an Interim Application, which is currently pending.

ii. Moneywise Financial Services Pvt Ltd. vs Cointribe Technologies Pvt Ltd. - CASE REF. NO. DIAC/6654 /07-23

Moneywise Financial Services ("**Our Subsidiary**"), has filed a counterclaim against Cointribe Technologies Private Limited, ("**CT**") in the Arbitration proceedings, before Delhi International Arbitration Centre, in the tune of ₹ 21,49,06,700/-. In the present case, CT entered into a contract with our Subsidiary to render services such as procuring potential borrowers, background verification, financial checks etc. We have filed our claim, basis the breach of contract and negligence/dereliction of duties. The case is pending before Ld. Arbitrator

iii. Moneywise Financial Services Pvt Ltd. vs Ruia Exports and Ors. - CASE REF. NO. DIAC/5298/01-23

Moneywise Financial Services ("**Our Subsidiary**"), has filed a claim against Ruia Exports ("**Ruia**") in the Arbitration proceedings, before Delhi International Arbitration Centre, in the tune of ₹ 10,87,46,182/- for breach of loan agreement and failure to repay the loan amount. The arbitration proceedings are currently pending before Ld. Arbitrator

iv. Moneywise Financial Services Pvt Ltd. vs Shrinath Ji Carriers and Forwarders LLP and Ors.

Moneywise Financial Services ("**Our Subsidiary**"), has filed an application under section 14(1) of the Securitization Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI ACT) in taking physical possession of the secured assets, against Shrinath ji Carriers and Forwarders LLP on account of failure to repay the loan amount. The amount involved in the case is ₹ 12,42,21,385/-. The present applications are currently pending for listing.

b) Moneywise Finvest Limited

1. **Criminal proceedings**

Nil

2. **Material civil proceedings**

Nil

c) SMC Insurance Brokers Private Limited

1. **Criminal proceedings**

Complaints filed under section 138 of Negotiable Instruments Act, 1881

SMC Insurance Brokers Private Limited has, in the ordinary course of its business, has collectively filed 2 (two) complaints against various persons under Section 138 of the Negotiable Instruments Act, 1881 in relation to dishonour of cheques and recovery of dues. These matters are currently pending at different stages of adjudication before the various judicial fora. To the extent quantifiable, the aggregate amount involved in these matters is ₹ 6,35,000/-.

2. **Material civil proceedings**

Demand notice issued by the Collector of Stamps against Pulin Comtrade Limited

Our Company received a notice from the Collector of Stamps ("**tax authority**") in January 2015 with respect to transactions conducted our Company's subsidiary, SMC Comtrade Limited, as a trading member of certain commodity exchanges. The tax authority claimed stamp duty of approximately ₹ 19,12,51,751/-. SMC Comtrade, (now Pulin Comtrade) (the "**Petitioner**") filed a writ petition before the Delhi High Court ("**Hon'ble High Court**") challenging the notice bearing Writ Petition no. 516/2015. In January 2015, the Hon'ble High Court issued an interim order staying further action by the tax authority. In 2015, the Hon'ble High Court consolidated a number of similar proceedings and has held several hearings with respect to them. The Hon'ble High Court interim orders remain in place while these matters are pending. The case is pending for further proceedings.

For further details please refer "***Outstanding Litigations and Defaults - Litigations filed against our Subsidiaries – f) Pulin Comtrade - Outstanding actions by regulatory and statutory authorities*** " on page 278 this Prospectus.

d) SMC Real Estate Advisors Private Limited

1. **Criminal proceedings**

Complaints under section 156 (3)/200 of Code of Criminal Procedure, 1973

SMC Real Estate Advisors Private Limited ("**Our Subsidiary**") has filed 3 (three) complaints under Section 156(3)/200 of the Code of Criminal Procedure, 1973 ("**Complaints**") against various persons to register an FIR in appropriate sections of the Indian Penal Code against the persons and to investigate

the matter further and to submit their final report in this regard as in the interest of justice. The matters are currently pending before the various judicial fora.

2. **Material civil proceedings**

Claim by our Subsidiary, SMC Real Estate Advisors Private Limited against Rise Projects Pvt. Ltd
SMC Real Estate Advisor Private limited, (the "**Operational Creditor**") has filed application at National Company Law Tribunal, Delhi ("**Hon'ble Tribunal**") under section 9 of the Insolvency Bankruptcy Code, 2016 ("**IBC**") for initiating Corporate Insolvency Resolution Process ("**CIRP**") against Rise Projects Pvt. Ltd, (the "**Corporate Debtor**") for a total claim in the tune of ₹ 12,00,00,000/- against outstanding dues along with interest. The case was dismissed by the Hon'ble Tribunal. We have challenged the same by a filing an appeal before the National Company Law Appellate Tribunal.

e) SMC Investments and Advisors Limited

1. **Criminal proceedings**

SMC Investment and Advisors Limited vs KPDK Buildtech Pvt Ltd Ct. Case No 271/2024

Our Subsidiary has filed an application under section 156 (3) against KPDK Buildtech Pvt Ltd and Ors, before Rohini Court, Delhi for commission of offence of cheating, criminal breach of trust etc bearing Ct. Case No 271/2024. The case is pending for orders.

2. **Material civil proceedings**

Nil

f) Pulin Comtrade Limited

1. **Criminal proceedings**

i. Pulin Comtrade Ltd vs Gold Coin _Borrower Deepak Aggarwal- FIR -470-Police Station, Sarita Vihar, New Delhi

Pulin Comtrade Limited, (the "**Complainant**") filed a police complaint against Deepak Aggarwal, (the "**Accused**") for cheating and defrauding Our Company of ₹ 1,91,080/- by fraudulently taking delivery of two gold coins and subsequently maliciously failing to pay for the same. Based on the complaint a FIR has been registered against the Accused at Police Station Sarita Vihar, New Delhi bearing FIR No. 470/2023. The case is under investigation.

ii. Pulin Comtrade Ltd vs Sanyukta Commodities Pvt ltd (SOMESH RUSTOGI)- FIR No.232/2015

Our Company, (the "**Complainant**"), filed a complaint/application under section 156 (3) of the Code of Criminal Procedure, 1973 against Sanyukta Commodities Pvt. Ltd., Somesh Rustagi, Raj Sharma, Bijoy Kumar Singh, Soumyadipto Ghosh (the "**Accused**") before the Hon'ble Court of Chief Judicial Magistrate, Kolkata bearing M.P Case No. 63/2015 ("**Hon'ble Court**"). The application was filed against the accused, being a broking company which defrauded Our Company and fraudulently and maliciously failed to clear the legally recoverable debts of our Company in the tune of ₹ 20,10,896/-. That vide order dated September 23, 2015, the Hon'ble Court was pleased to allow the application filed by our Company and directed registration of F.I.R against the accused, pursuant to which F.I.R. bearing no 232/2015 was registered on November 01, 2015 under section 409, 418, 420, 421, 422, 34, 120B of the Indian Penal Code, 1880. The case is pending for further proceedings.

Complaints filed under section 138 of Negotiable Instruments Act, 1881

Pulin Comtrade Limited has, in the ordinary course of its business, collectively filed 4 (four) complaints against various persons under Section 138 of the Negotiable Instruments Act, 1881 in relation to

dishonour of cheques and recovery of dues. These matters are currently pending at different stages of adjudication before the various judicial fora. To the extent quantifiable, the aggregate amount involved in these matters is ₹ 47,50,000/-.

2. **Material civil proceedings**

Nil

g) SMC Capitals Limited

1. **Criminal proceedings**

SMC Capitals Limited vs S. Ramkrishna Iyer CC NI Act no. 53/2020

One compliant under section 138 of Negotiable Instruments Act, 1881 has been filed against S. Ramkrishna Iyer and Anr. Before Patiala House Courts, New Delhi, ("**Hon'ble Court**") bearing CC NI Act no. 53/2020 for dishonour of cheque amounting to ₹ 5,00,000/-. Presently non-bailable warrants has been issued against the accused persons. The matter is pending before the Hon'ble Court.

2. **Material civil proceedings**

Nil

h) SMC Global IFSC Private Limited

1. **Criminal proceedings**

Nil

2. **Material civil proceedings**

Nil

i) SMC Comex International DMCC

1. **Criminal proceedings**

Nil

2. **Material civil proceedings**

Nil

V. Litigation involving our Group Companies

A. *Litigation filed against our Group Companies*

Proceedings against our Group Companies that may have a material impact on our Company

Order passed by Assistant Provident Fund Commissioner.

An order was passed by Assistant Provident Fund Commissioner, Employees Provident Fund Organisation ("**APFC**"), ("**first order**") which was challenged by our Company before the Employees Provident Fund Appellate Tribunal, New Delhi ("**EPFAT**") by way of an appeal ("**first appeal**"). The EPFAT passed a final order in relation to the first appeal filed ("**final order**") where SMC Credits Limited, SMC Global Securities Limited (Issuer) and SMC Share Brokers Limited (now amalgamated with Pulin investments limited, one of our Group Companies) (collectively "**aggrieved parties**") where it was held that the aggrieved parties are operating under same management and hence provisions of

provident fund act are applicable to them.

Finally, SMC Credits filed a writ petition (*SMC Credits Limited vs Employees' Fund Appellate tribunal and Asst. Provident Fund Commissioner* bearing no. W.P (C) No. 2289 of 2006) against APFC and FPFAT in the Delhi High Court where it is pending for further proceedings

For further details please refer "***Outstanding Litigations and Defaults – Litigations filed against our Company - Outstanding actions by regulatory and statutory authorities***" on page 269 of this Prospectus.

B. *Litigation filed by our Group Companies*

Proceedings by our Group Companies that may have a material impact on our Company

Nil

OTHER INFORMATION

Any litigation or legal action pending or taken against the Promoter of the Issuer by any ministry or Government Department or a statutory body or regulatory body during the last three years immediately preceding the date of this Prospectus and any direction issued by any such ministry or department or statutory authority upon conclusion of such litigation or legal action.

Nil

Details of inquiries, inspections or investigations initiated or conducted under the Securities laws, Companies Act, 1956 or the Companies Act, 2013 against our Company in the last three years along with Section wise details of prosecutions filed (whether pending or not), fines imposed or compounding of offences against our Company and Subsidiaries in the last three years.

COMPANY

Securities Laws

SMC Global Securities Limited

1. Pursuant to a joint inspection conducted by SEBI and the stock exchanges for the CM, F&O and CD segments for the period April 1, 2019, to September 30, 2020, SEBI in their letter dated June 07, 2021, addressed to SMC Global Securities Limited ("**our Company**") made certain observations ("**Letter of Findings**"/"**LoF**") relating to our broking operations and sought our response and clarifications. Our Company replied to the LoF on August 9, 2021, and clarified that most of the findings set out in the LoF occurred in our Company pursuant to certain technical/human errors. Pursuant to our reply, NSE passed an held that there were violations in a) reconciliation of securities back-office holdings of clients' securities with securities lying in DP accounts b) incorrect data reported towards monthly client balances under Enhanced supervision order dated January 24, 2022, c) create the client code in the UCC database for the said client and monitor the exposure granted to the client incorrect/non-reporting of Risk-Based Supervision (RBS) data and ruled that our Company had contravened few NSE Circulars (Exchange Circulars) and imposed a penalty of ₹88,000, which our Company paid.

2. Pursuant to an inspection conducted by SEBI for the period April 1, 2022, to May 31, 2023, SEBI in their letter dated March 7, 2024, addressed to our Company made certain observations relating to our broking operations and observed that our Company had violated/not complied with few circulars/guidelines. SEBI issued an *'administrative warning*' and advised our Company to be careful in future and avoid any lapse. Our Company submitted a report stating the corrective steps taken by them on April 16, 2024, dealing with all the observations made by SEBI. As of the date of the Prospectus, no further communication has been received from SEBI.

3. Pursuant to an inspection conducted by SEBI for the period April 1, 2022, to May 31, 2023, SEBI in their letter dated April 1, 2024, addressed to our Company made certain observations relating to our

broking operations and observed that our Company had violated/not complied with various circulars/guidelines. SEBI issued an *'administrative warning*' and advised our Company to be careful in future and avoid any lapse. Our Company submitted a report stating the corrective steps taken by them on May 3, 2024, dealing with all the observations made by SEBI. As of the date of the Prospectus, no further communication has been received from SEBI.

4. Pursuant to an inspection conducted by the Metropolitan Clearing Corporation ("**MCCIL**") for the period November 1, 2020, to September 30, 2021, MCCIL in their letter dated February 14, 2022, communicated to our Company that there were no adverse observations found in the inspection conducted

5. Pursuant to an inspection conducted by Metropolitan Stock Exchange ("**MSEI**") for the period December 1, 2020, to November 30, 2021, MSEI in their letter dated March 16, 2022, addressed to our Company made certain observations in respect of currency derivatives segment of our Company and observed that our Company had violated/not complied with various circulars/guidelines. Our company submitted its reply through e-mail dated April 05, 2022. Subsequently, MSEI issued another letter dated June 16, 2022, confirming that no action will be taken against our Company and advised us to ensure proper compliance in the future.

6. Pursuant to an inspection conducted by Metropolitan Stock Exchange ("**MSEI**") for the period December 01, 2021, to November 30, 2022, MSEI in their letter dated January 20, 2023, communicated to our Company that there are no adverse observations found in the inspection conducted by the Exchange officials on January 10, 2023, and January 13, 2023.

7. Pursuant to an inspection conducted by Indian Clearing Corporation Limited ("**ICCL**") for the period April 01, 2021, to March 31, 2022, ICCL through their letter dated March 31, 2023, informed to our Company that there was no adverse observation found during the inspection carried out for the aforesaid period.

8. Pursuant to an inspection conducted by Multi Commodity Exchange Clearing Corporation Ltd. ("**MCXCCL**") for the period April 01, 2021, to March 31, 2022, MCXCCL in their letter dated February 21, 2023, addressed to our Company informed that nil violations were observed during the course of inspection done for clearing activities.

9. Pursuant to an inspection conducted by Multi Commodity Exchange Clearing Corporation Ltd. ("**MCXCCL**") for the period April 1, 2022, to March 31, 2023, MCXCCL in their letter dated April 19, 2024, addressed to our Company made certain observations in respect of the clearing activities of our Company and issued an observation stating that there was a delay in renewing the *'NISM III A'* certificate. MCXCCL imposed a penalty on our Company of ₹2500, which our Company paid.

10. Pursuant to an inspection conducted by Multi Commodity Exchange ("**MCX**") for the period April 1, 2022, to March 31, 2023, MCX in their letter dated May 29, 2024, addressed to our Company informed us that no violations were observed during the course of inspection.

11. Pursuant to an inspection conducted by NSE for the CM, F&O, CD and COM segments for the period February 1, 2019, to March 31, 2020, NSE in their letter dated October 27, 2020, addressed to our Company made observations on certain corporate non-compliances by our Company stating for the non-compliances of mapping of multiple clients with a single email id and/or mobile number, reporting of incorrect data towards monthly client fund balances, the discrepancy in the computation of net worth, non-reconciliation of securities between the register of securities and DP accounts, non-maintenance of register of securities, holding statement, bank book and client ledger in the prescribed standard format, observed during the inspection. On July 22, 2021, the MSCFG levied a monetary penalty of ₹ 5,15,000 on our Company. We requested the NSE and MSCGC to review the penalty on certain points and, after their review, the NSE and MSCGC reduced the penalty to ₹ 3,65,000, which our Company has paid.

12. Pursuant to an inspection conducted by Multi Commodity Exchange ("**MCX**") for the period April 1, 2021, to March 31, 2022, MCX in their letter dated January 13, 2023, addressed to our Company informed us that no violations were observed during the course of inspection.

13. Pursuant to an inspection conducted by BSE Limited ("**BSE**") for the period April 1, 2020, to March 31, 2021, BSE in their letter dated February 10, 2023, addressed to our Company made certain observations in relation to certain discrepancies in compliances by our Company and sought our clarifications. Our Company submitted our reply, and the BSE advised us through letter dated May 02, 2023 to ensure proper compliance in the future.

14. Pursuant to an inspection conducted by BSE Limited ("**BSE**") for the period April 01, 2021, to March 31, 2022, BSE in their letter dated June 30, 2023, addressed to our Company made certain observations in relation to certain discrepancies in compliances by our Company and sought our clarifications. The BSE further asked us to submit a compliance certificate from our Compliance officer in 10 days and did not levy any penalty. Our company submitted the Compliance Certificate in timely manner and the matter is now closed, and the BSE advised us through letter dated November 13, 2023, to ensure proper compliance in the future.

15. Pursuant to an inspection conducted by the National Commodity and Derivatives Exchange ("**NCDEX**") for the financial year 2021-22, NCDEX highlighted certain non-compliances in relation to daily margin statements and sought clarifications from us. Subsequent to our reply letter, NCDEX issued another letter dated June 7, 2023, and asked us to take corrective actions and comply with NCDEX Circulars NCDEX/COMPLIANCE-015/2016/238 and NCDEX/COMPLIANCE-020/2017/285 circulars.

16. Pursuant to a limited purpose inspection conducted by NSE for the period from February 2021 to May 2021 and April 2021 to May 2021 and a regular inspection of the books and records of our Company for January 2021 to December 2021 in relation to CM, F&O and CD segment of our Company, we received three (3) letters from the NSE with observations on certain non-compliances by our Company. Our Company submitted its replies to the three (3) letters. In view of the two limited purpose inspections our Company received letters from NSE dated August 28, 2021, ("**first letter**") and September 07, 2021, ("**second letter**") and for the regular inspection we received a letter on May 10, 2022 ("**third letter**"). In all of these letters NSE had noted observations relating to certain non-compliances made by our Company. Our Company replied to these letters on December 12, 2021, November 26, 2021, and October 11, 2022, respectively. After considering our replies to the Member and Core Settlement Guarantee Fund Committee ("**MCSGFC**"/"**Committee**") of NSE on July 10, 2023, in their meeting held that our Company was in violation of certain SEBI circulars, NSE Circulars and SEBI regulations. The Committee concluded that in respect to the first letter's observations our Company had engaged as a principal in a business other than that of securities involving personal financial liability viz. corporate guarantee, incorrect data in the weekly holdings statement Incorrect data towards client-level cash and cash equivalent balances. In relation to the second letter MCSGFC observed that our company furnished incorrect data towards client-level cash and cash equivalent balances in certain instances. For third letter MCSGFC observed that our Company engaged as a principal in a business other than that of securities involving personal financial liability viz. extending loans, investments, corporate guarantees to subsidiary/group companies, mapped one email address to multiple clients, short/non-collection and submitted incorrect data towards weekly monitoring of clients' funds in 7 areas and the differences. NSE-MCSGFC passed an order stating corrective actions that our Company must take and warned us to ensure future compliances and also levied a penalty of ₹ 9,26,000/-. Our Company took the corrective actions and paid the penalty amount, and the matter is now closed.

17. Pursuant to an inspection conducted by NSE Clearing limited ("**NCL**") for the CM, F&O and CD segments for the period January 01, 2019, to June 30, 2021, NCL in their letter dated June 20, 2023, addressed to our Company made certain observations on certain operational non-compliances in relation to Incorrectly reported Trading Member's proprietary margins obligations by our Company and levied a monetary penalty of ₹ 1,71,326/- on our Company, which we paid.

18. Pursuant to an inspection conducted by the Central Depository Services (India) Limited ("**CDSL**") for the period November 1, 2020, to October 30, 2021, CDSL in their letter dated November 26, 2021, addressed to our Company informed us that no non-compliance observed during the inspection conducted.

19. Pursuant to an inspection conducted by the Central Depository Services (India) Limited ("**CDSL**") for the period November 1, 2021, to October 30, 2022, CDSL in their letter dated November 30, 2022, addressed to our Company informed us that no non-compliance observed during the inspection conducted.

20. Pursuant to an inspection conducted by the Central Depository Services (India) Limited ("**CDSL**") for the period November 1, 2022, to October 30, 2023, CDSL in their letter dated November 10, 2023, addressed to our Company made certain observations for Depositary Participant related activities of our Company. We replied to observations made by CDSL after duly compliance through our letter dated December 27, 2023, and CDSL closed the said inspection.

21. Pursuant to an inspection conducted by the National Securities Depository Limited ("**NSDL**") for the period November 01, 2020, to October 31, 2021, NSDL in their Sign off report dated November 25, 2021, addressed to our Company informed us that no deviation is observed during the inspection.

22. Pursuant to an inspection conducted by the National Securities Depository Limited ("**NSDL**") for the period November 01, 2021, to October 31, 2022, NSDL in their Sign off report dated November 18, 2022,addressed to our Company made certain observations for DPM setup of our Company and issued an observation stating that they have identified minor non compliances and told to take corrective actions within a weeks' time in the inspection conducted by them. Our Company's Auditor replied to the Signoff report on November 24, 2022, clarifying the observations and certifying the compliances/corrective actions taken by our Company.

23. Pursuant to an inspection conducted by the National Securities Depository Limited ("**NSDL**") for the period November 01, 2022, to October 31, 2023, NSDL in their Sign off report dated November 10, 2023,addressed to our Company made certain observations for DPM setup of our Company and issued an observation stating that they have identified minor non compliances and told to take corrective actions within a weeks' time in the inspection conducted by them. Our Company's Auditor replied to the Signoff report on December 01, 2023, clarifying the observations and certifying the compliances/corrective actions taken by our Company.

24. Pursuant to an inspection conducted by the Central Depository Services (India) Limited ("**CDSL**") of our Kolkata Branch DP for the period November 1, 2020, to February 28, 2022, CDSL in their letter dated May 05, 2022, addressed to our Company informed us that no non-compliance observed during the inspection conducted.

25. Pursuant to an inspection conducted by the Central Depository Services (India) Limited ("**CDSL**") of our Kolkata Branch DP for the period March 01, 2022, to January 31, 2023, CDSL in their letter dated February 27, 2023, addressed to our Company informed us that no non-compliance observed during the inspection conducted.

26. Pursuant to an inspection conducted by the Central Depository Services (India) Limited ("**CDSL**") of our Mumbai Branch DP for the period November 01, 2020, to March 31, 2022, CDSL in their letter dated April 08, 2022, addressed to our Company made certain observations for Depositary Participant related activities of our Company. We replied to observations made by CDSL after duly compliance through our letter dated May 13, 2022 & June 10, 2022, and CDSL closed the said inspection.

27. Pursuant to an inspection conducted by the Central Depository Services (India) Limited ("**CDSL**") of our Mumbai Branch DP for the period April 01, 2022, to April 30, 2023, CDSL in their letter dated June 01, 2023, addressed to our Company made certain observations for Depositary Participant related activities of our Company. We replied to observations made by CDSL after duly compliance through our letter dated June 20, 2023, and CDSL closed the said inspection.

28. Pursuant to a limited purpose inspection ("**LPI**") conducted by the NCL on the F&O segments of our Company for the period July 01, 2019, to July 27, 2021, NCL sought certain information. Our Company furnished such information to the NCL. NCL, in its report dated August 06, 2021, made certain observations for CM-TM related activities of our Company and observed a few discrepancies. On August

24, 2021, NCL issued a show cause notice ("**SCN**"), wherein it was alleged that our Company had violated certain SEBI and NSE Circulars and NCL F&O Segment Regulations ("**F&O Compliances**") by failing to identify the client's securities being sold and not co-relating them to defaulting clients. In terms of the SCN and NSE Clearing Limited ("**NCL**") dated September 21, 2021, our Company, on October 6, 2021, made its submissions before the NCL Committee ("**Committee**"). On December 07, 2021, the Committee issued an order stating that our Company had violated certain F&O Compliances. The NCL imposed a penalty of ₹1,00,000 and directed our Company to reinstate certain securities wrongfully disposed of ("**NCL order**"). Our Company challenged the NCL order before the SAT. However, SAT upheld the NCL order and our Company, on January 03, 2024, preferred an appeal before the Hon'ble Supreme Court of India which is pending for further proceedings.

For further details please refer "***Outstanding Litigations and Defaults – Litigations filed against our Company - Outstanding actions by regulatory and statutory authorities***" on page 269 of this Prospectus.

SUBSIDIARIES

SMC Capitals Limited (SMC Capitals)

1. Pursuant to an inspection conducted by SEBI on SMC Capitals for the period September 27 to September 29, 2021, SEBI in their letter dated December 1, 2021, addressed to SMC Capitals made certain observations relating to merchant banking activities of SMC Capitals. After hearing SMC Capitals, SEBI passed an order dated July 31, 2023, imposing a penalty of ₹ 500,000/- on SMC Capitals. SMC Capitals has filed an appeal with the Securities Appellate Tribunal ("**SAT**"). This appeal is pending.

2. Pursuant to an inspection conducted by SEBI on SMC Capitals, SEBI in their letter dated December 1, 2021, addressed to SMC Capitals made certain observations relating to merchant banking activities of SMC Capitals. SMC Capitals has filed its reply in December 2021, and no further action was taken by SEBI.

3. Pursuant to an inspection conducted by SEBI on SMC Capitals for the period April 1 202 to December 31, 2022, SEBI in their letter dated July 19, 2023, addressed to SMC Capitals made certain observations relating to discrepancies in the merchant banking activities of SMC Capitals. SMC Capitals has filed its reply with SEBI and thereafter, SEBI issued an administrative warning letter on July 19, 2023, and advised our Company to be careful in future and avoid any lapses.

4. Pursuant to an inspection conducted by SEBI on SMC Capitals for the period January 1, 2022, to July 31, 2023, SEBI in their letter dated January 4, 2024, addressed to SMC Capitals made certain observations relating to discrepancies in the merchant banking activities of SMC Capitals. SMC Capitals filed its reply with SEBI on February 20, 2024, and thereafter, SEBI issued an administrative warning letter on July 19, 2023, and advised our Company to be careful in future and avoid any lapses.

SMC Global IFSC (IFSC)

1. Pursuant to an inspection conducted by India International Clearing Corporation ("**IICC**") on IFSC books of accounts and other related documents for the month of September 2022, issued an observation dated October 13, 2022, stating that they could not identify any adverse findings in the inspection conducted by them.

2. Pursuant to an inspection conducted by India International Clearing Corporation ("**IICC**") on IFSC books of accounts and other related documents for the month of January 2024, issued an observation dated February 2, 2024, stating that they could not identify any adverse findings in the inspection conducted by them.

3. Pursuant to an inspection conducted by India International Clearing Corporation ("**IICC**") on IFSC books of accounts and other related documents for the financial year 2022-23, issued an observation dated

March 13, 2024, citing certain non-compliance in the books of accounts and other related documents. On submission of the reply by IFSC, IICC directed IFSC to ensure compliance and take corrective actions.

4. Pursuant to an inspection conducted by NSE International Clearing ("**NICCL**") on IFSC books of accounts and other related documents for the financial year 2021-22 issued an observation dated November 16, 2022, stating that they could not identify any adverse findings in the inspection conducted by them.

5. Pursuant to an inspection conducted by NSE International Clearing ("**NICCL**") on IFSC books of accounts and other related documents for the financial year 2022-23 issued an observation dated December 2, 2022, stating that they could not identify any adverse findings in the inspection conducted by them.

6. Pursuant to an inspection conducted by NSE International Clearing ("**NICCL**") on IFSC books of accounts and other related documents for the period April 1, 2023, to September 30, 2023, issued an observation dated February 8, 2024, stating that they could not identify any adverse findings in the inspection conducted by them.

Moneywise Finvest Limited (MFL)

1. Pursuant to an inspection conducted by BSE Limited ("**BSE**") on MFL for the period April 1, 2022, to March 31, 2022, BSE in their letter dated December 14, 2023, addressed to our Company made certain observations in relation to certain discrepancies in compliances by our Company and sought our clarifications Inspection of Books of Accounts and other documents of Cash Segment. MFL submitted their reply on January 30, 2024, and the matter is now closed.

2. Pursuant to an inspection conducted by SEBI for the period April 1, 2022, to September 23, 2023, SEBI in their letter dated January 1, 2024, addressed to our Company made certain observations relating to our broking operations and observed that our Company had violated/not complied with various circulars/guidelines. SEBI issued an *'administrative warning*' and advised MFL to be careful in future and avoid any lapse. MFL submitted its response on January 23, 2024, dealing with all the observations made by SEBI.

3. Pursuant to an inspection conducted by BSE Limited ("**BSE**") on MFL for the period April 1, 2023, to March 31, 2024, BSE in their letter dated April 23, 2024, observed certain discrepancies in MFLs compliances. The BSE asked us to ensure such noncompliance does not recur in the future and further asked MFL to submit a compliance certificate from their Compliance officer in 10 days and did not levy any penalty. Our company submitted the Compliance Certificate in timely manner and the matter is now closed.

4. Pursuant to an inspection conducted by Multi Commodity Exchange of India Limited ("**MCX**") on MFL for the period April 1, 2022, to March 31, 2023, MCX in their letter dated June 07, 2024, observed certain discrepancies in MFLs compliances. The MCX asked us to reply within 14 days from the date of receipt of above letter and have proposed a penalty. MFL have filed a reply to MCX as on June 21, 2024, and are now awaiting a response.

5. Pursuant to an inspection conducted by the Central Depository Services (India) Limited ("**CDSL**") for the period February 1, 2022, to January 30, 2023, CDSL in their letter dated February 03, 2023, addressed to our Company informed us that no non-compliance observed during the inspection.

6. Pursuant to an inspection conducted by the Central Depository Services (India) Limited ("**CDSL**") for the period February 01, 2023, to April 04, 2024, CDSL in their letter dated May 22, 2024, addressed to our Company made certain observations for Depositary Participant related activities of our Company. We are under the process of filing reply to CDSL as due date for submission of reply is June 24, 2024.

Any material event/ development or change having implications on the financials/credit quality at the time of issue which may affect the issue or the investor's decision to invest/continue to invest in the debt securities.

Nil

Details of acts of material frauds committed against the Company in the last three financial years and current financial year, if any, and if so, the action taken by the Company in response.

Nil

Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of statutory dues; debentures and interests thereon; deposits and interest thereon; and loan from any bank or financial institution and interest thereon.

Nil

Pending proceedings initiated against our Company for Economic Offences.

Except as disclosed below there are no proceedings initiated against our Company for Economic Offences:

Directorate of Enforcement vs. Kapil Wadhwan and Ors. - PMLA Special Case No. 1389 of 2021

The Directorate of Enforcement, Mumbai ("**ED Mumbai**") filed a complaint in January 2022 against Mr. Kapil Wadhawan, promoter of DHFL, as the main accused, along with few others, including the Company, under Sections 3 and 4 of the Prevention of Money Laundering Act, 2002 ("**PMLA Act**"). The complaint, bearing reference PMLA Special Case No. 1389 of 2021, was filed before the Additional Sessions Judge, Court of Sessions for Greater Bombay ("**Hon'ble Court**") for various offences under the PMLA Act.

The Company is named as one of the accused in complaint. The PMLA matter is still to come up for hearing. While the Company was involved as a broker in the transaction, the Company was not involved in layering and receiving the proceeds of crime or involved in the laundering of proceeds of the crime or as otherwise alleged in the complaint. The Company played a limited role as a corporate broker to UPPCL for its investment of ₹7,60,00,00,000 in Dewan Housing Finance Corporation Ltd. ("**DHFL**") Fixed Deposits.

The ED Mumbai is in the process of obtaining witness statements and the complaint is still to come up for hearing in the Court of Sessions for Greater Bombay. As and when the compliant is heard, the Company will make its submissions to the Hon'ble Court. If the Hon'ble Court passes an order against the Company, the Company will file an appeal against such adverse order. Since the Company was involved only as a broker in the transaction, it does not expect that the Hon'ble Court will impose a monetary liability on it and, therefore, this litigation will not have any adverse effect on the business or operations of the Company.

For further details please refer "***Outstanding Litigations and Defaults – Litigation filed against our Company – Criminal Proceedings***" on page 267 of this Prospectus.

Details of any disciplinary action taken by SEBI or stock exchange against the Promoters / Group Companies in last five financial years including outstanding action, if any

Nil

OTHER REGULATORY AND STATUTORY DISCLOSURES

Issuer's Absolute Responsibility

'*The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to the Issuer and the Issue which is material in the context of the Issue, that the information contained in this Prospectus is true and correct in all material aspects and is not misleading, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading.*'

Authority for this Issue

Our Board of Directors in their meeting held on March 30, 2024 have approved the proposal of raising of funds through public issue secured, rated, listed, redeemable, of NCDs of the face value ₹1,000 each ("NCDs"), for an amount aggregating up to ₹ 7,500 Lakhs ("**Base Issue Size**") with an option to retain oversubscription up to ₹ 7,500 lakhs ("**Green Shoe Option**"), aggregating up to 15,00,000 NCDs for an aggregate amount up to ₹ 15,000 Lakhs ("**Issue Size**" or "**Issue Limit**"). The Issue is within the borrowing limit as approved by the shareholders. The NCDs will be issued on terms and conditions as set out in this Prospectus, the issue of which is being made as decided by the Board of Directors.

Pursuant to a resolution passed by our Board dated May 18, 2023 and Shareholders at the AGM held on June 30, 2023, our Board has been authorised to borrow any sum or sums of monies, which together with the monies already borrowed (apart from temporary loans obtained or to be obtained in the ordinary course of business), in excess of our Company's aggregate paid-up capital and free reserves, provided that the total amount which may be so borrowed and outstanding shall not exceed a sum of ₹30,000 lakhs.

Further, the present borrowing is within the borrowing limits of ₹30,000 lakhs under Sections 180(1)(a) and 180(1)(c) of the Companies Act duly approved by the members of our Company.

Prohibition by SEBI/ Eligibility of our Company for the Issue

Our Company, persons in control of our Company and/or our Promoters and/or our Promoter Group and/or our Directors have not been restrained or prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force. None of our Directors and/or our Promoter, is a director or promoter of another company which has been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities. Further, no member of our Company has been prohibited or debarred by SEBI from accessing the securities market or dealing in securities due to fraud.

Our Company is not in default of payment of interest or repayment of principal amount in respect of non-convertible securities, for a period of more than six-months as on the date of this Prospectus.

Our Company confirms that there are no fines or penalties levied by SEBI or the Stock Exchanges pending to be paid by the Company as on the date of this Prospectus.

The Company, as on date of this Prospectus, has not defaulted in:

a. the repayment of deposits or interest payable thereon; or
b. redemption of preference shares; or
c. redemption of debt securities and interest payable thereon; or
d. payment of dividend to any shareholder; or
e. repayment of any term loan or interest payable thereon,

in the last three financial years and the current financial year.

No regulatory action is pending against the issuer or its promoters or directors before the Board or RBI.

Categorization as a Wilful Defaulter

Our Company or persons in control of our Company or any of our Directors or our Promoters have not been categorized as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI, or any other governmental / regulatory authority.

None of our Whole-time Directors and/or our Promoters, is a whole-time director or promoter of another company which has been categorized as a wilful defaulter.

Declaration as a Fugitive Economic Offender

None of our Directors have been declared as Fugitive Economic Offender.

Other Confirmations

None of our Company or our Directors or our Promoters, or person(s) in control of our Company was a promoter, director or person in control of any company which was delisted within a period of ten years preceding the date of this Prospectus, in accordance with Chapter V of the SEBI Delisting Regulations.

Disclaimer Clause of SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE PROSPECTUS TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE PROSPECTUS. THE LEAD MANAGER, CORPORATE PROFESSIONALS CAPITAL PRIVATE LIMITED, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE PROSPECTUS, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER CORPORATE PROFESSIONALS CAPITAL PRIVATE LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED JULY 11, 2024, WHICH READS AS FOLLOWS:

1) **WE CONFIRM THAT NEITHER THE ISSUER NOR ITS PROMOTER(S) OR DIRECTOR(S) HAVE BEEN PROHIBITED FROM ACCESSING THE CAPITAL MARKET UNDER ANY ORDER OR DIRECTION PASSED BY THE BOARD. WE ALSO CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.**

2) **WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN THE PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUE OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE NCDS OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE WILL BE GIVEN.**

3) **WE CONFIRM THAT THE PROSPECTUS CONTAINS ALL DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021.**

4) **WE CONFIRM THAT ALL RELEVANT PROVISIONS OF THE COMPANIES ACT, SECURITIES CONTRACTS (REGULATION) ACT, 1956, SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES, REGULATIONS, GUIDELINES, CIRCULARS ISSUED THEREUNDER ARE COMPLIED WITH.**

WE CONFIRM THAT WE HAVE NOT RECEIVED ANY COMMENTS ON THE DRAFT PROSPECTUS DATED JUNE 19, 2024, FILED WITH BSE LIMITED.

Disclaimer Clause of BSE

BSE LIMITED ("THE EXCHANGE") HAS GIVEN, VIDE ITS APPROVAL LETTER DATED JULY 08, 2024 PERMISSION TO THIS COMPANY TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THIS COMPANY'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS DRAFT OFFER DOCUMENT/OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS COMPANY. THE EXCHANGE DOES NOT IN ANY MANNER:

A) **WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; OR**

B) **WARRANT THAT THIS COMPANY'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; OR**

C) **TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS COMPANY, ITS PROMOTERS, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS COMPANY.**

AND IT SHOULD NOT FOR ANY REASON BE DEEMED OR CONSTRUED THAT THIS DRAFT OFFER DOCUMENT/OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY THE EXCHANGE. EVERY PERSON WHO DESIRES TO APPLY FOR OR OTHERWISE ACQUIRES ANY SECURITIES OF THIS COMPANY MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION/ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR FOR ANY OTHER REASON WHATSOEVER".

Disclaimer Clause of RBI

THE COMPANY IS HAVING A VALID CERTIFICATE OF REGISTRATION DATED AUGUST 09, 2011 ISSUED BY THE RESERVE BANK OF INDIA UNDER SECTION 45 IA OF THE RESERVE BANK OF INDIA ACT, 1934. HOWEVER, THE RBI DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO THE FINANCIAL SOUNDNESS OF THE COMPANY OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS OR REPRESENTATIONS MADE OR OPINIONS EXPRESSED BY THE COMPANY AND FOR REPAYMENT OF DEPOSITS/DISCHARGE OF LIABILITIES BY THE COMPANY.

Disclaimer Statement from the Issuer

THE ISSUER ACCEPTS NO RESPONSIBILITY FOR STATEMENTS MADE OTHERWISE THAN IN THIS PROSPECTUS OR IN ANY ADVERTISEMENT OR ANY OTHER MATERIAL ISSUED BY OR AT THE INSTANCE OF OUR COMPANY AND THAT ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION WOULD BE DOING SO AT THEIR OWN RISK.

Disclaimer Statement from the Lead Manager

THE LEAD MANAGER ACCEPTS NO RESPONSIBILITY FOR STATEMENTS MADE OTHERWISE THAN IN THIS PROSPECTUS OR IN ADVERTISEMENT OR ANY OTHER MATERIAL ISSUED BY OR AT THE INSTANCE OF THE COMPANY AND THAT ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION WOULD BE DOING SO AT THEIR OWN RISK.

Disclaimer in Respect of Jurisdiction

THE ISSUE IS BEING MADE IN INDIA, TO INVESTORS FROM CATEGORY I, CATEGORY II, CATEGORY III AND CATEGORY IV. THIS PROSPECTUS WILL NOT, HOWEVER CONSTITUTE AN OFFER TO SELL OR AN INVITATION TO SUBSCRIBE FOR THE NCDS OFFERED HEREBY IN ANY JURISDICTION OTHER THAN INDIA TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE AN OFFER OR INVITATION IN SUCH JURISDICTION. ANY PERSON INTO WHOSE POSSESSION THIS PROSPECTUS COMES IS REQUIRED TO INFORM HIMSELF OR HERSELF ABOUT, AND TO OBSERVE, ANY SUCH RESTRICTIONS.

Disclaimer clause of CRISIL Ratings Limited

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Disclaimer clause of ICRA Ratings Limited

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Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "***Risk Factors***", on page 19 of this Prospectus. Accordingly, investment decisions should not be based solely on such information.

UNDERTAKING BY THE ISSUER

INVESTORS ARE ADVISED TO READ THE RISK FACTORS CAREFULLY BEFORE TAKING AN INVESTMENT DECISION IN THIS ISSUE. FOR TAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE OFFER INCLUDING THE RISKS INVOLVED. THE NCDs HAVE NOT BEEN RECOMMENDED OR APPROVED BY ANY REGULATORY AUTHORITY IN INDIA, INCLUDING THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) NOR DOES SEBI GUARANTEE THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. SPECIFIC ATTENTION OF INVESTORS IS INVITED TO THE STATEMENT OF THE *"RISK FACTORS"* GIVEN ON PAGE 19 OF THIS PROSPECTUS.

THE ISSUER, HAVING MADE ALL REASONABLE INQUIRIES, ACCEPTS RESPONSIBILITY FOR, AND CONFIRMS THAT THIS PROSPECTUS CONTAINS ALL INFORMATION WITH REGARD TO THE ISSUER AND THE ISSUE, THAT THE INFORMATION CONTAINED IN THIS PROSPECTUS IS TRUE AND CORRECT IN ALL MATERIAL ASPECTS AND IS NOT MISLEADING IN ANY MATERIAL RESPECT, THAT THE OPINIONS AND INTENTIONS EXPRESSED HEREIN ARE HONESTLY HELD AND THAT THERE ARE NO OTHER FACTS, THE OMISSION OF WHICH MAKE THIS PROSPECTUS AS A WHOLE OR ANY OF SUCH INFORMATION OR THE EXPRESSION OF ANY SUCH OPINIONS OR INTENTIONS MISLEADING IN ANY MATERIAL RESPECT.

THE ISSUER HAS NO SIDE LETTER WITH ANY DEBT SECURITIES HOLDER EXCEPT THE ONE(S) DISCLOSED IN THIS PROSPECTUS. ANY COVENANTS LATER ADDED SHALL BE DISCLOSED ON THE STOCK EXCHANGE'S WEBSITES WHERE THE DEBT IS LISTED.

Disclosures in accordance with the SEBI Master Circular for Debenture Trustees

Appointment of Debenture Trustee

The Company has appointed the Debenture Trustee in accordance with the terms of the Debenture Trustee Agreement dated June 14, 2024.

Fees charged by Debenture Trustee

Separately, the Company and the Debenture Trustee have agreed the payment of an acceptance fees of ₹1,25,000 exclusive of GST payable on acceptance of the offer, and annual trusteeship fees of ₹1,00,000, exclusive of GST per annum, payable annually in advance starting from the date of execution of the Debenture Trustee Agreement or Debenture trust deed (whichever is earlier) till the Debentures under the Trust Deed are fully repaid & forms for release of charge for the relevant issuances covered by the trust deeds are filed.

Debenture Trustee Agreement

Our Company has entered into a Debenture Trustee Agreement on June 14, 2024, with the Debenture Trustee which provides for, inter alia, the following terms and conditions:

1. The Company shall execute the Debenture Trust Deed for the Debentures as approved by the Debenture Trustee, prior to filing of the application for listing of the Debentures, in accordance with the extant SEBI NCS Regulations and other Applicable Laws including SEBI Debenture Trustee Regulations and all other circulars, notifications and guidelines issued by RBI and SEBI from time to time.

2. The Company shall on or prior to the date of execution of Debenture Trust Deed, provide to the Debenture Trustee, the bank account details from which the Company proposes to make the payment of redemption amounts in relation to the Debentures. Further, the Company hereby undertakes that it shall preauthorize the Debenture Trustee to seek the Debenture redemption amount payment related information from such bank.

3. The Company shall appoint a nominee director nominated by the Debenture Trustee upon the occurrence of a default as stipulated in clause (e) of sub-regulation (1) of regulation 15 of the SEBI Debenture Trustee Regulations, as a director on its Board within 1 (one) month from the date of receipt of such nomination from the Debenture Trustee in accordance with the terms of SEBI NCS Regulations. The Company has amended its Articles of Association for the purpose of appointment of Nominee Director.

Terms of carrying out due diligence

As per the SEBI Master Circular for Debenture Trustees, the Debenture Trustee is required to exercise independent due diligence to ensure that the assets of the Issuer are sufficient to discharge the interest and principal amount with respect to the debt securities of the Issuer at all times.

Accordingly, the Debenture Trustee shall exercise due diligence as per the following process, for which our Company has consented to.

(a) The Debenture Trustee, either through itself or its agents/ advisors/ consultants, shall carry out requisite diligence to verify the status of encumbrance and valuation of the assets and whether all permissions or consents (if any) as may be required to create the security as stipulated in this Prospectus and the Applicable Laws, have been obtained. For the purpose of carrying out the due diligence as required in terms of the Applicable Laws, the Debenture Trustee, either through itself or its agents / advisors/ consultants, shall have the power to examine the books of account of the Company and to have the Company's assets inspected by its officers and/or external auditors/ valuers/ consultants/ lawyers/ technical experts/ management consultants appointed by the Debenture Trustee. It is clarified that, while the Debenture Trustee may avail services of agents / advisors/ consultants or independent professionals, the responsibility shall rest with the Debenture Trustee.

(b) The Company shall provide all assistance to the Debenture Trustee to enable verification from the ROC, sub-registrar of assurances (as applicable), CERSAI, depositories, information utility or any other authority, as may be required, where the assets and/or prior encumbrances in relation to the assets proposed to secure the Debentures, whether owned by the Company or any other person, are registered / disclosed.

(c) Further, in the event that existing charge holders or the concerned trustee on behalf of the existing charge holders, have provided conditional consent / permissions to the Company to create further charge on the assets, the Debenture Trustee shall also have the power to verify such conditions by reviewing the relevant transaction documents or any other documents executed between existing charge holders and the Company. The Debenture Trustee shall also have the power to intimate the existing charge holders about proposal of creation of further encumbrance and seeking their comments/ objections, if any.

(d) Without prejudice to the aforesaid, the Company shall ensure that it provides and procures all information, representations, confirmations and disclosures as may be required in the sole discretion of the Debenture Trustee to carry out requisite diligence in connection with the issuance and allotment of the Debentures, in accordance with the Applicable Laws.

The Debenture Trustee shall have the power to either independently appoint or direct the Company to (after consultation with the Debenture Trustee) appoint intermediaries, valuers, chartered accountant firms, practicing company secretaries, consultants, lawyers and other entities in order to assist in the diligence by the Debenture Trustee. All costs, charges, fees and expenses that are associated with and incurred in relation to the diligence as well as preparation of the reports/certificates/documentation, including all out of pocket expenses towards legal or inspection costs, travelling and other costs, shall be solely borne by the Company.

Process of Due Diligence to be carried out by the Debenture Trustee

Due Diligence will be carried out as per SEBI (Debenture Trustees) Regulations, 1993, SEBI NCS Regulations, as amended, SEBI Master Circular for Debenture Trustees and circulars issued by SEBI from time to time. This would broadly include the following:

- A Chartered Accountant ("CA") appointed by Debenture Trustee will conduct independent due diligence as per scope provided, regarding security offered by the Issuer.
- CA will ascertain, verify, and ensure that the assets offered as security by the Issuer is free from any encumbrances or necessary permission / consent / NOC has been obtained from all existing charge holders.
- CA will conduct independent due diligence based on the data / information provided by the Issuer.
- CA will periodically undertake due diligence as envisaged in SEBI circulars depending on the nature of security.
- On the basis of the CA's report / finding Due Diligence certificate will be issued by Debenture Trustee and will be filed with relevant Stock Exchange.
- Due Diligence conducted is premised on data / information made available to the Debenture Trustee appointed agency and there is no onus of responsibility on Debenture Trustee or its appointed agency for any acts of omission / commission on the part of the Issuer.

While the NCD is secured as per terms of the Offer Document and charge is held in favour of the Debenture Trustee, the extent of recovery would depend upon realization of asset value and the Debenture Trustee in no way guarantees / assures full recovery / partial of either principal or interest.

Other confirmations

The Debenture Trustee undertakes that the NCDs shall be considered as secured only if the charged asset is registered with sub-registrar and Registrar of Companies or CERSAI or depository, etc., as applicable, or is independently verifiable by the Debenture Trustee.

The Debenture Trustee confirms that they have undertaken the necessary due diligence in accordance with applicable law, including the SEBI (Debenture Trustees) Regulations, 1993, read with the SEBI Master Circular for Debenture Trustees.

IDBI TRUSTEESHIP SERVICES LIMITED HAS FURNISHED DUE DILIGENCE CERTIFICATE DATED JULY 11, 2024 AS PER THE FORMAT SPECIFIED IN ANNEX-IIA OF MASTER CIRCULAR FOR DEBENTURE TRUSTEES AND SCHEDULE IV OF SEBI NCS REGULATIONS WHICH READS AS FOLLOWS:

(1) WE HAVE EXAMINED DOCUMENTS PERTAINING TO THE SAID ISSUE AND OTHER SUCH RELEVANT DOCUMENTS.

(2) ON THE BASIS OF SUCH EXAMINATION AND OF THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES AND OF INDEPENDENT

VERIFICATION OF THE VARIOUS RELEVANT DOCUMENTS.

WE CONFIRM THAT:

(A) THE ISSUER HAS MADE ADEQUATE PROVISIONS FOR AND/OR HAS TAKEN STEPS TO PROVIDE ADEQUATE SECURITY FOR THE DEBT SECURITIES TO BE ISSUED.

(B) THE ISSUER HAS OBTAINED THE PERMISSIONS / CONSENTS NECESSARY FOR CREATING SECURITY ON THE SAID PROPERTY(IES).

(C) THE ISSUER HAS MADE ALL THE RELEVANT DISCLOSURES ABOUT THE SECURITY AND ALSO ITS CONTINUED OBLIGATIONS TOWARDS THE HOLDERS OF DEBT SECURITIES.

(D) ALL DISCLOSURES MADE IN THE OFFER DOCUMENT WITH RESPECT TO THE DEBT SECURITIES ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE.

Our Company has submitted the due diligence certificate from Debenture Trustee to the Stock Exchange as per format specified in Annexure A of the DT Circular and Schedule IV of the SEBI NCS Regulations.

Debenture Trust Deed

Our Company and the Debenture Trustee will execute a Debenture Trust Deed specifying, inter alia, the powers, authorities and obligations of the Debenture Trustee and the Company, as per the SEBI NCS Regulations applicable for the proposed NCD Issue.

Track record of past public issues handled by the Lead Manager

The track record of past issues handled by the Lead Manager, as required by SEBI circular number CIR/MIRSD/1/2012 dated January 10, 2012, are available at the following website:

Name of the Lead Manager	Website
Corporate Professionals Capital Private Limited	www.corporateprofessionals.com

Listing

The NCDs proposed to be offered through this Issue are proposed to be listed on the Stock Exchange. Applications will be made to the Stock Exchange for permission to deal in and for official quotation of our NCDs. BSE has been appointed as the Designated Stock Exchange.

If permission to deal in and for an official quotation of our NCDs is not granted by the Stock Exchange, our Company will forthwith repay, without interest, all monies received from the applications in pursuance of theis Prospectus.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange mentioned above are taken within six Working Days from the date of closure of this Issue.

The Issue shall be kept open for a minimum period of three Working Days and a maximum of ten Working Days in compliance with Regulation 33A of SEBI NCS Regulations. In the event of an early closure or extension of this Issue our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in all the newspapers in which pre-issue advertisement for opening of this Issue has been given on or before such earlier or initial date of Issue closure. Application Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchanges, on Working Days during the Issue Period.

For the avoidance of doubt, it is hereby clarified that in the event the Minimum Subscription is not achieved, the NCDs shall not be listed.

Our Company shall pay interest at 15% per annum if Allotment is not made and refund orders/allotment letters are not dispatched and/or demat credits are not made to investors within 5 Working Days of the Issue Closing Date or date of refusal of the Stock Exchange, whichever is earlier. In case listing permission is not granted by the Stock Exchange to our Company and if such money is not repaid within the day our Company becomes liable to repay it on such account, our Company and every officer in default shall, on and from expiry of such date, be liable to repay the money with interest at the rate of 15% as prescribed under Rule 3 of Companies (Prospectus and Allotment of Securities) Rules, 2014 read with Section 26 of the 2013 Act, provided that the beneficiary particulars relating to such Applicants as given by the Applicants is valid at the time of the upload of the demat credit.

Consents

Consents in writing of: (a) our Directors, (b) Compliance Officer for the Issue and Company Secretary, (c) Chief Financial Officer, (d) Lead Manager, (e) the Registrar to the Issue, (f) the Debenture Trustee to the Issue, (g) Legal Advisor to the Issue, (h) Credit Rating Agency(ies), (i) Banker to our Company, (j) (j) CARE Analytics and Advisory Private Limited (CareEdge Research) in relation to use of the contents of the industry report, (k) Consortium Members, (l) Public Issue Account Bank, Refund Bank and Sponsor Bank, (m) lenders, to the extent applicable, (n) Statutory Auditors, to act in their respective capacities, have been obtained and has been filed along with a copy of this Prospectus with the RoC as required under Section 26 of the Companies Act, 2013. Further, such consents have not been withdrawn up to the time of delivery of this Prospectus with the RoC and the Stock Exchange.

Expert Opinion

Except as stated below, our Company has not obtained any expert opinion:

Our Company has received written consent dated June 17, 2024 from our Erstwhile Statutory Auditors, (a) for inclusion of their names as the Statutory Auditors for the audited financials for the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022 included in this Prospectus; and (b) as an "expert" in the capacity as Statutory Auditors and in respect of the reports dated May 13, 2024, relating to 2024 Audited Financial Statements, May 18, 2023 relating to 2023 Audited Financial Statements, May 7, 2022 relating to 2022 Audited Financial Statements, and the statement of possible tax benefits dated June 18, 2024, in the form and context in which they appear in this Prospectus, and has not withdrawn such consent and the same will be filed along with a copy of this Prospectus. However, the term "expert" and "consent" shall not be construed to mean an "expert" as defined under the U.S. Securities Act, 1933, as amended.

Our Company has received written consent dated July 05, 2024 from our Current Statutory Auditors, (a) for inclusion of their names as the Statutory Auditors in this Prospectus; and (b) as an "expert" in the capacity as Statutory Auditors, in the form and context in which they appear in this Prospectus, and has not withdrawn such consent and the same will be filed along with a copy of this Prospectus. However, the term "expert" and "consent" shall not be construed to mean an "expert" as defined under the U.S. Securities Act, 1933, as amended.

The above experts are not, and have not been, engaged or interested in the formation or promotion or management, of the Company and have given their written consent to the Company as stated in the paragraph above and has not withdrawn such consent before the filing of this Prospectus with the Stock Exchange.

Common form of Transfer

Our Company undertakes that there shall be a common form of transfer for the NCDs and the provisions of the Companies Act, 2013 applicable as on the date of this Prospectus, Prospectus and all applicable laws shall be duly complied with in respect of all transfer of debentures and registration thereof.

Minimum Subscription

In terms of the SEBI NCS Regulations for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size in this case being ₹5, 625 lakhs. If our Company does not receive the minimum subscription of 75% of the Base Issue Size being ₹5,625 lakhs, prior to the Issue Closing Date, the entire Application Amount shall be unblocked in the relevant ASBA Accounts of the Applicants within eight Working Days from the Issue Closing Date. In the event there is delay in unblocking of funds, our Company shall be liable to pay interest at the rate of 15 % per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. Our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard included in the SEBI Master Circular.

Filing of the Prospectus

The Prospectus shall be filed with the Stock Exchanges in terms of Regulation 27 of the SEBI NCS Regulations for dissemination on its website prior to the opening of the Issue. The Prospectus shall also be displayed on the website of the Company and the Lead Manager.

Filing of this Prospectus with the RoC

This Prospectus shall be filed with the RoC in accordance with Section 26 of the Companies Act, 2013.

Debenture Redemption Reserve ("DRR")

Pursuant to the amendment to the Companies (Share Capital and Debentures) Rules 2014, notified on August 16, 2019 read with the Companies Act, 2013, and the Companies (Share Capital & Debentures) Rules 2014 a listed company that intends to issue debentures to the public are no longer required to create a DRR for the purpose of redemption of debentures, and as on the date of filing of this Prospectus, the Company is not required to create DRR for the purpose of redemption of the NCDs. Accordingly, no debenture redemption reserve shall be created by our Company for the purpose of redemption of the NCDs or in connection with this Issue. The Company shall, as per the Companies (Share Capital and Debentures) Rules 2014 and other laws applicable from time to time, invest or deposit, as the case may be, the applicable amounts, within the specified timelines, in respect of debentures maturing during the year ending on March 31 of the next year, in any one or more methods of investments or deposits stipulated under the applicable law. Provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below the specified percentage, which is presently stipulated at fifteen percent of the amount of the debentures maturing during the year ending on March 31 of the next year, in any of the following instruments or such other instruments as may be permitted under the applicable laws:

1. in deposits with any scheduled bank, free from any charge or lien;
2. in unencumbered securities of the Central Government or any State Government;
3. in unencumbered securities mentioned in sub-clause (a) to (d) and (ee) of section 20 of the Indian Trusts Act, 1882; and
4. in unencumbered bonds issued by any other company which is notified under sub-clause (f) of section 20 of the Indian Trusts Act, 1882.

Provided further that the amount invested or deposited as above shall not be used for any purpose other than for redemption of debentures maturing during the year referred above.

Recovery Expense Fund

Our Company will create a recovery expense fund in the manner as specified by SEBI in circular bearing reference number SEBI/HO/DDHS-PoD1/P/CIR/2023/109 titled "Master Circular for Debenture Trustees" dated March 31, 2023 and as updated on July 6, 2023, as amended from time to time and Regulation 11 of SEBI NCS Regulations with the Designated Stock Exchange and will inform the Debenture Trustee regarding the creation of such fund. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by our Company under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security.

Issue related expenses

The expenses of this Issue include, *inter alia*, lead management fees and selling commission to the Lead Manager, Consortium Members, fees payable to the debenture trustee, the Registrar to the Issue, SCSBs' commission/ fees, printing and distribution expenses, legal fees, advertisement expenses and listing fees, etc. The Issue expenses and listing fees will be paid by our Company. For details of Issue related expenses, see "***Objects of the Issue***" on page 72 of this Prospectus.

Underwriting

This Issue will not be underwritten.

Revaluation of Assets

Our Company has not revalued its loan assets in the preceding three Fiscal Years.

Refusal of listing of any security of the issuer during preceding three years and current financial year by any of the Stock Exchanges in India or abroad

Except as disclosed in section titled "***Risk Factors***" on page 19, there has been no refusal of listing of any security of our Company during the preceding three years and current financial year prior to the date of this Prospectus by any Stock Exchanges in India.

Reservation

No portion of this Issue has been reserved.

Previous Issues

Public / Rights Issues of Equity Shares in the preceding three years from this Prospectus

Public Issue:

Our Company has not undertaken any public issue of Equity Shares in preceding three years.

Rights Issue:

Our Company has not undertaken rights issue of Equity Shares in the preceding three years.

Previous Public Issues of Non-Convertible Debenture

Our Company has not made any previous public issues of non – convertible debentures.

Utilization details of previous issues

Not Applicable. Our Company has not made any previous public issues, rights issues or public issues of non-convertible debentures.

Details of utilized and unutilized monies received in the previous public issue, rights issue, private placement of non-convertible debentures and equity shares by Group Companies.

Our Group Companies has not made any previous public issues, rights issues or public issues of non-convertible debentures.

Benefit/ interest accruing to Promoter/ Directors out of the Object of the Issue

Neither the Promoters nor the Directors of our Company are interested in the Objects of the Issue.

Details regarding the Company and other listed companies under the same management within the meaning of Section 370(1)(B) of the Companies Act, which made any capital issue during the preceding three years

There are no public or rights or composite issue of capital by listed companies under the same management within the meaning of Section 370(1)(B) of the Companies Act, 1956 during the preceding three years.

Utilization of proceeds by our Group Companies

No proceeds of the Issue will be paid to our Group Companies.

Details of contingent liabilities of the issuer based on the last audited financial statements including amount and nature of liability

On Standalone Basis:

(₹ in Lakhs)

Particulars	FY 24	FY 23	FY22
ESI demand	31.06	31.06	31.06
Service Tax Demand	1,283.56	615.98	615.98
Income Tax demand	-	141.56	52.89
Provident Fund*	-	-	-
Stamp Duty*	-	-	-

*For more information, please see "**Annexure A**" on page 337of this Prospectus.*
**Amount not ascertainable*

On Consolidated Basis:

Particulars	FY 24	FY 23	FY22
ESI demand	31.06	31.06	31.06
Service Tax Demand	1,283.56	615.98	615.98
Provident Fund*	-	-	-
Stamp Duty*	-	-	-
Insurance Regulatory and Development Authority of India	300.00	300.00	300.00
VAT Demand	15.64	15.64	15.64
GST Demand	28.24	-	-
Income Tax Demand	-	141.56	52.89

*For more information, please see "**Annexure A**" on page 337 of this Prospectus.*
**Amount not ascertainable*

Promoter's Shareholding

See "***Capital Structure***" on page 62 for details with respect to Promoters shareholding in our Company as on the date of this Prospectus.

Dividend

Our Company has formulated a dividend distribution policy in compliance with Regulation 43 of SEBI LODR Regulations and applicable provisions of the Companies Act, 2013.

Other than as disclosed below, our Company has not declared any dividend in the last three Financial Years and till the date of this Prospectus.

(₹ in lakhs, unless specified)

Particulars	March 31, 2024	March 31, 2023	March 31, 2022
Equity Share Capital	2,094.00	2,094.00	2,262.69
Face value per share (Rs.) (a)	2.00	2.00	2.00
Interim dividend on equity shares (per equity share) (b)	1.20	1.20	1.20
Final Dividend on equity shares (per equity share) (c)	1.20	1.20	0.80
Total Interim dividend on per share (d)	1,256.40	1,256.40	1,357.61
Total Final dividend[*] (e)	1,256.40	1,340.30[#]	905.08
Interim dividend declare rate (%) (d= b/a)	60	60	60
Final dividend declare rate (%) (e=c/a)	60	60	40

Note: The Board has proposed and recommended final dividend for FY 2023-24 @60% i.e. ₹ 1.20 per equity shares of the face value of ₹2/- each amounting to ₹ 1,256.40 lakhs to its equity shareholders in addition to interim dividend @60% paid during the FY 2023-24, this makes the total dividend @120% i.e. ₹ 2.40 per equity share which has been duly approved by the shareholders of the Company in their AGM held on June 22, 2024.

**Final Dividend paid during the financial year related to previous year.*

*#*Pursuant to the public announcement dated May 10, 2022 in respect of buy back of shares from the open market through stock exchange mechanism as prescribed under SEBI (Buy Back of Securities) Regulation, 2018, the Buyback of shares commenced on 20th May, 2022 and ended on 16th August, 2022. The Company bought back a total of 84,34,450 Equity shares from the open market. A total sum of ₹ 9,242.06 lakhs was incurred on the shares bought back (including ₹1,769.21 lakhs towards buy back distribution tax and other expenses). Consequently, the total number of paid-up equity shares of the company (₹ 2/- nominal value of per share) reduced from 11,31,34,450 Equity shares to 10,47,00,000 Equity shares as at the end of August 16, 2022. The consideration paid towards buy-back of Equity shares is adjusted against share capital by ₹168.69 lakhs and the balance in share premium by ₹9,073.37 lakhs.*

Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts of jurisdiction in Delhi, India.

Commission or Brokerage on Previous Issues

This is the maiden public issue of NCDs by the Company. Hence no commission has been paid in relation to any public issue of the NCDs.

Revaluation of assets

Our Company has not revalued its assets in the preceding three years.

Mechanism for redressal of investor grievances

Link Intime India Private Limited has been appointed as the Registrar to the Issue to ensure that investor grievances are handled expeditiously and satisfactorily and to effectively deal with investor complaints.

Registrar Agreement dated June 14, 2024, between the Registrar to the Issue and our Company provides for settling of investor grievances in a timely manner and for retention of records with the Registrar to the Issue for a period of 8 years from the last date of dispatch of the Allotment Advice, demat credit and refund through unblocking to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue and Compliance Officer for the

Issue giving full details such as name, address of the Applicant, number of NCDs applied for, amount paid on Application and the details of Member of Syndicate or Trading Member of the Stock Exchange where the Application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to either (a) the relevant Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant, or (b) the concerned Member of the Syndicate and the relevant Designated Branch of the SCSB in the event of an Application submitted by an ASBA Applicant at any of the Syndicate ASBA Application Locations, giving full details such as name, address of Applicant, Application Form number, option applied for, number of NCDs applied for, amount blocked on Application.

All grievances related to the UPI process may be addressed to the Stock Exchanges, which shall be responsible for addressing investor grievances arising from applications submitted online through the App based/ web interface platform of stock exchange or through their Trading Members. The Intermediaries shall be responsible for addressing any investor grievances arising from the applications uploaded by them in respect of quantity, price or any other data entry or other errors made by them.

We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances will be three (3) Working Days from the date of receipt of the complaint. In case of non -routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible

Registrar to the Issue

Link Intime India Private Limited
C 101, 247 Park
L. B. S Marg, Vikhroli West
Mumbai 400 083
Telephone: +91 810 811 4949
Email: www.linkintime.co.in
Website: smcglobal.ncd2024@linkintime.co.in
Contact Person: Shanti Gopalkrishnan
SEBI Registration Number: INR000004058

Compliance Officer of our Company

Suman Kumar, Company Secretary has been appointed as the Compliance Officer of our Company for this Issue. The contact details of Compliance Officer of our Company are as follows:

Suman Kumar
11/6B, Shanti Chamber
Pusa Road
New Delhi 110 005
Tel: 96500552483
Email: sumankumar@smcindiaonline.com

Details of Auditors to the Issuer

Name of Auditor	Address	Auditor since
P.C. Bindal & Co.	101, Sita Ram Mansion, 718/21, Joshi Road, Karol Bagh, New Delhi – 110005	2024

Change in Statutory Auditors for the preceding three financial years and current financial year as on date of this Prospectus

Except as disclosed below, there have been no change in the Statutory Auditors of our Company for preceding three financial years and current financial year as on date of this Prospectus:

Name of the Auditor	Address	Date of Appointment	Date of cessation, if applicable	Date of Resignation, if applicable
R. Gopal & Associates	G-1, Ground Floor, South Extension, Part – II, New Delhi – 110049, India	August 07, 2019	June 22, 2024	Not Applicable

Auditor's Remarks or Emphasis of Matter

Except as disclosed in "***Outstanding Litigations and Defaults***" on page 266, there are no reservations or qualifications or adverse remarks in the financial statements and financial position of our Company in the preceding three Fiscals immediately preceding this Prospectus.

Pre-Issue Advertisement

Subject to Regulation 30(1) of the SEBI NCS Regulations, our Company will issue a statutory advertisement on or before the Issue Opening Date. This advertisement will contain the information as prescribed under Schedule V of the SEBI NCS Regulations in compliance with Section 30 of the Companies Act, 2013. Material updates, if any, between the date of filing of this Prospectus with ROC and the date of release of the statutory advertisement will be included in the statutory advertisement information as prescribed under the SEBI NCS Regulations.

Trading

The Equity Shares of our Company are listed and traded on BSE and NSE.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who:

(a) makes or abets making of an application in a fictitious name to a company for acquiring or subscribing for, its securities; or
(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
(c) otherwise induces directly or indirectly a company to allot, or register any transfer of securities to him, or any other person in a fictitious name shall be liable for action under section 447."

Disclaimer statement from our Company, our Directors and the Lead Manager

Our Company, our Directors and the Lead Manager accept no responsibility for statements made other than in this Prospectus or in the advertisements or any other material issued by or at our Company's instance in connection with the Issue of the NCDs and anyone placing reliance on any other source of information including our Company's website, or any website of any affiliate of our Company would be doing so at their own risk. The Lead Manager accepts no responsibility, save to the limited extent as provided in the Issue Agreement.

None among our Company or the Lead Manager or any Member of the Consortium is liable for any failure in uploading the Application due to faults in any software/ hardware system or otherwise; the blocking of Application Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Investors who make an Application in the Issue will be required to confirm and will be deemed to have represented to our Company, the Lead Manager and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the NCDs and will not issue, sell, pledge, or transfer the NCDs to any person who is not eligible under any applicable laws,

rules, regulations, guidelines and approvals to acquire the NCDs. Our Company, the Lead Manager and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the NCDs being offered in the Issue.

REGULATIONS AND POLICIES

The following description is a summary of the important laws, regulations and policies in India, which are applicable to our company or its subsidiaries. The information detailed below has been obtained from various legislations, including rules and regulations promulgated by regulatory and statutory bodies, and the byelaws of the respective local authorities which are available in the public domain. The description of the applicable regulations set out below may not be exhaustive and are merely intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. The indicative summaries are based on the current provisions of applicable law, which are subject to change, modification, or amendment by subsequent legislative, regulatory, administrative, or judicial decisions.

In addition to the regulations and policies already specified herein, environmental laws, corporate laws and various labour laws, and other laws apply to us as they do to any other Indian Company. For the purposes of this section, references to any legislation, act, regulation, rule, guideline, policy, circular, notification or clarification are to such legislation, act, regulation, rule, guideline, policy, circular, notification or clarification as amended from time to time.

Given below is a summary of certain major sector specific and relevant statutes, rules and/or policies, which are applicable to our business operations in India.

A. Laws in relation to our business:

Securities and Exchange Board of India Act, 1992

The main legislation governing the activities in relation to the securities markets in India is the SEBI Act and the rules, regulations and notifications framed thereunder. The SEBI Act was enacted to provide for the establishment of SEBI whose function is to protect the interests of investors and to promote the development of, and to regulate, the securities market. The SEBI Act also provides for the registration and regulation of the function of various market intermediaries including stockbrokers, depository participants, merchant bankers, portfolio managers, investment advisers, and research analysts.

The SEBI Act , inter alia, deals with the powers and functions of the SEBI. Broadly, functions of SEBI include (i) protecting the interest of investors investing in the securities market; and (ii) regulating and promoting the development of the securities market, by such measures as it deems appropriate. With respect to depositories, SEBI Act entrusts upon SEBI the power to (a) register depositories with SEBI; (b) regulate their business activities; and (c) bar depositories from buying or selling or dealing in securities except in accordance with the conditions of a certificate of registration obtained from SEBI according to the SEBI (Depositories and Participants) Regulation, 2018.

SEBI (Listing Obligations and Disclosure Requirements), 2015

SEBI (Listing Obligations and Disclosure Requirements), 2015 as amended from time to time, lists the continuous disclosure obligations of a listed entity for securing transparency in process and ethical capital market dealing.

Securities Contracts (Regulation) Act, 1956

The SCRA was enacted to prevent undesirable transactions in securities by regulating the business of dealing in securities, by providing for certain matters connected therewith. The SCRA provides, amongst other things, the definition of 'securities', the manner and procedure for recognition of stock exchanges, and provides recognized stock exchanges the powers to make bye laws for regulation and control of contracts for, or relating to, the purchase or sale of securities.

Securities Contracts (Regulation) Rules, 1957

The SCRR provides, among other things, the requirements with respect to listing of securities on a recognised stock exchange, the manner of submitting applications for recognition of stock exchanges, and the qualifications for membership of a recognised stock exchange. It also empowers SEBI to appoint persons to inspect the books of accounts and other documents to be maintained and preserved by every member of a recognised stock exchange, in terms of these rules.

SEBI (Stockbrokers and Sub-Brokers) Regulations, 1992

The SEBI Stockbrokers Regulations provide that no person shall act as stockbroker or clearing member unless he holds a certificate granted by SEBI under these regulations. The SEBI Stockbrokers Regulations lay down, amongst other things, the eligibility criteria, the conditions for grant of certificate to a stockbroker or clearing member and their general obligations and responsibilities. Further, every stockbroker or clearing member is required to abide by the code of conduct specified under the SEBI Stockbrokers Regulations.

Pursuant to the SEBI circular dated August 3, 2018, SEBI decided to discontinue with sub-brokers as intermediaries to be registered with SEBI. Accordingly, no fresh registration has been granted to any person to act as a sub-broker and all registered sub-brokers were given time until March 31, 2019, to migrate to act as an 'Authorised Person' and/or a trading member. A sub-broker who failed to migrate to act as an 'Authorised Person' and/or a trading member was deemed to have surrendered their registration with SEBI as a sub-broker with effect from March 31, 2019. Upon the successful migration from a sub-broker to an 'Authorised Person', the certificate of registration as a sub-broker granted by SEBI stands withdrawn.

Apart from above, our company being s stockbroker is also required to comply with the all the circulars/ notifications/ guidelines at all times issued by the exchanges in this regard.

SEBI (Intermediaries) Regulations, 2008

The SEBI Intermediaries Regulations regulates intermediaries which include stockbroker, sub-broker, share transfer agent, merchant banker, portfolio manager, a trading member of a derivative segment or currency derivatives segment of a stock exchange. The Intermediaries Regulations prescribe the criteria for determining whether an applicant or the intermediary is a 'fit and proper person' for the purposes of registrations granted by SEBI under various regulations issued by SEBI.

The Intermediaries Regulations empower SEBI to take actions against persons who have been granted a certificate of registration and have failed to comply with any conditions subject to which a certificate of registration has been granted to him or contravenes any of the provisions of the securities laws or directions, instructions or circulars issued thereunder. The actions include (a) disposing of the proceedings without any adverse action, (b) suspension of certificate of registration for a specified period, (c) cancellation of certificate of registration, (d) prohibition of taking up new assignment or contract or launch a new scheme for a specified period, debarment of a branch or an office from carrying out activities or an officer from being employed or associated with any registered intermediary or other registered person for the period specified in the order, or (f) issuance of a regulatory censure to the notice. Further the Intermediaries Regulations provide for special procedure for action on expulsion from membership of the stock exchange(s) or clearing corporation(s) or termination of all the depository participant agreements with depository(ies).

Pursuant to the SEBI (Regulatory Sandbox)(Amendment) Regulations, 2020, SEBI may exempt any person or class of persons from the operation of all or any of the provisions of these regulations for a period as may be specified but not exceeding 12 months, for furthering innovation relating to testing new products, processes, services, business models, etc. in live environment of regulatory sandbox in the securities markets. Under this regulatory sandbox framework, entities regulated by SEBI shall be granted certain facilities and flexibility to experiment with fintech solutions in a live environment and on limited set of customers for a limited time frame. These features shall be fortified with necessary safeguards for investor protection and risk mitigation.

SEBI Intermediaries Circular on Conflicts

The SEBI Intermediaries Circular on Conflicts prescribes comprehensive guidelines to intermediaries and their associated persons for elimination of conflicts of interest. It prescribes guidelines for avoiding, dealing with, or managing, conflict of interest, including, developing internal procedures, maintaining high standards of integrity in conduct of business and developing an internal code of conduct to govern operations, appropriately disclosing potential sources or areas of conflict to clients and formulating standards of appropriate conduct in performance of their activities, which are in addition to the codes of conduct prescribed under relevant regulations governing intermediaries.

SEBI (Depositories and Participants) Regulations, 2018

The SEBI Depositories Regulations provide, amongst other things, the manner of application for registration as a depository and a participant with SEBI. It provides the criteria for determining "fit and proper person" for the purposes of being considered as a depository. Further, the Depositories Regulations provide for the prescribed equity shareholding of a sponsor, a person or a participant in the capital of the depository. All depositories that have been granted a certificate of registration are required to make an application to SEBI for commencement of business. The SEBI Depositories and Participants Regulations provide for rights and obligations of depositories, participants, issuers, manner of surrender of certificate and creation of pledge. It further prescribes the mechanism for investor protection, evaluation of internal systems, manner for handling share registry work and liability of a participant or a depository in case of default.

SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021

SEBI, on August 9, 2021, notified the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 ("**SEBI NCS Regulations**"), thereby merging the SEBI (Issue and Listing of Debt Securities) Regulations ("**SEBI Debt Regulations**") and the SEBI (Non-Convertible Redeemable Preference Shares) Regulations, 2013 ("**NCRPS Regulations**") into a single regulation and repealing the SEBI Debt Regulations and the NCRPS Regulations. The SEBI NCS Regulations have aligned the extant regulations with the provisions of the Companies Act 2013, and incorporate the enhanced obligations of debenture trustees, informal guidance and provisions of circulars issued by SEBI. The SEBI NCS Regulations apply to: (i) the issuance and listing of debt securities and non-convertible redeemable preference shares (NCRPS) by an issuer by way of public issuance; (ii) issuance and listing of non-convertible securities by an issuer issued on private placement basis which are proposed to be listed; and (iii) listing of commercial paper issued by an issuer in compliance with the guidelines framed by the RBI.

In addition to collating the existing provisions of the erstwhile regulations, the SEBI NCS Regulations, also provide for, change in disclosure requirements for financial and other information from past five years to three years; parameters for identification of risk factors; removal of restriction of four issuances in a year through a single shelf prospectus; and filing of shelf prospectus post curing of defaults.

SEBI (Prohibition of Insider Trading) Regulations, 2015

The Insider Trading Regulations prohibits an insider from trading in securities that are listed or proposed to be listed on a stock exchange when in possession of unpublished price sensitive information, relating to a company or securities listed or proposed to be listed. 'Insider' includes a connected person or a person in possession of unpublished price sensitive information. An insider can trade in the securities of the Company by formulating a trading plan and presenting it to the compliance officer, designated by the Board of Directors for ensuring compliance with the Insider Trading Regulations, for his approval and public disclosure pursuant to which trades may be carried out by the insider in accordance with the trading plan. Every person on being appointed as a key managerial person or a director of the Company or upon becoming a promoter or member of promoter group, shall disclose the holding of securities of the Company on the date of appointment or becoming a promoter, to the Company within 7 (seven) days from such appointment or becoming promoter. Further, every promoter, member of the promoter group, designated person and director of a company shall disclose to the Company the number of such securities acquired or disposed of within 2 (two) trading days of such transaction if the value of the transaction or series of transactions over any calendar quarter exceeds a traded value of 10 (ten) lakhs or such other

value as may be specified. Subsequently every Company shall notify the stock exchange on which such securities are listed within 2 (two) days of receipt of information pertaining to acquisition or disposal of securities of the Company.

SEBI Research Analysts Regulations, 2014

The SEBI Research Analysts Regulations ("**RA Regulations**") provide that no person shall act or hold itself out as a research analyst or a research entity unless such person holds a certificate granted by SEBI under these regulations. The RA Regulations lay down, amongst other things, the eligibility criteria, conditions for granting of certificate to research analyst and its general obligations and responsibilities. Further, every research analyst is required to abide by the code of conduct as specified under the RA Regulations.

SEBI Investment Advisers Regulations, 2014

SEBI IA Regulations as amended from time to time, inter alia specify conditions for registration, certification, capital adequacy, risk profiling and suitability, disclosures to be made, code of conduct, records to be maintained, manner of conducting inspection etc. with respect to Investment Advisers (as defined under the IA Regulations).

SEBI Certification of Associated Persons Regulations, 2007

The SEBI Certification of Associated Persons Regulations provide that any category of associated persons (as defined in terms of these regulations) may be required to obtain the requisite certifications for engagement or employment with intermediaries by SEBI. Through several notifications, SEBI has required approved users and sales personnel of trading members in currency derivative and equity derivative segments, distributors of mutual fund products, key managerial personnel of merchant bankers, compliance officers of intermediaries, research analysts and certain persons associated with stockbrokers, trading members or clearing members to obtain the prescribed certification from National Institute of Securities Markets.

SEBI Portfolio Managers Regulations, 2020

A portfolio manager is a body corporate which, pursuant to a contract or arrangement with a client, advises or directs or undertakes on behalf of the client (whether as a discretionary portfolio manager or otherwise), the management or administration of a portfolio of securities or the client's funds. Portfolio managers are registered and regulated under SEBI (Portfolio Managers) Regulations, 2020. According to SEBI guidelines, portfolio management services (PMS) can be offered only by SEBI registered entities.

SEBI (Merchant Bankers) Regulations, 1992

A merchant banker is one who is engaged in issue management either making arrangements regarding selling, buying or subscribing to securities or acting as manager, consultant, adviser or rendering corporate advisory service in relation to such issue management. The SEBI Merchant Banker regulations prescribed the criteria for registration, procedure for registration, general obligations and responsibilities of a Merchant Banker.

SEBI Mutual Funds Regulations and AMFI Guidelines

The SEBI Mutual Funds Regulations govern the law pertaining to the business of mutual funds in India. SEBI has made it mandatory for all mutual funds to appoint agents/distributors who are registered with Association of Mutual Funds in India ("AMFI"). In case of firms/companies, the requirement of certification from National Institute of Securities Markets is made applicable to the persons engaged in sales or distribution of mutual fund products.

AMFI has issued guidelines for intermediaries **("AMFI Guidelines")** in consonance with the SEBI Master Circular for Mutual Funds dated August 24, 2020. The primary objective of the AMFI Guidelines

is to ensure that mutual fund intermediaries do not use unethical means to sell, market or induce any investor to buy units of their scheme(s) and mobilize funds on the strength of professional fund management and good practices. The AMFI Guidelines are mandatory, and all such intermediaries are required to strictly comply with the code of conduct prescribed by AMFI.

SEBI Circular on Mutual Fund Distributors

SEBI by way of its circulars no. CIR No.10 / 310 /01 dated September 25, 2001, MFD/CIR/20/23230/2002 dated November 28, 2002, SEBI/MFD/CIR No.01/6693/03 dated April 3, 2003, SEBI/IMD/CIR No.2/254/04 dated February 4, 2004 and Cir / IMD / DF / 5 / 2010 dated June 24, 2010, has amongst others directed that (a) agents/ distributors of mutual fund units are required to obtain certification from the National Institute of Securities Markets ("NISM") and registration from AMFI, (b) AMFI shall create a unique identity number of the employee/ relationship manager/ sales person of the distributor interacting with the investor for the sale of mutual fund products, in addition to the AMFI Registration Number ("ARN") of the distributor.

SEBI by way of its circular no MFD/CIR/ 06/210/2002 dated June 26, 2002, provided that all distributors and agents of mutual funds units are required to follow the code of conduct for intermediaries of mutual funds provided therein.

SEBI by way of circular no. SEBI/IMD/DF/13/2011 dated August 22, 2011, has provided guidance on the due diligence process to be conducted by AMCs on certain categories of distributors.

SEBI by way of its circular on "Facilitating transaction in mutual fund schemes through the stock exchange infrastructure" bearing reference number CIR/IMD/DSA/32/2013 dated October 4, 2013, has permitted a mutual fund distributor registered with the Association of Mutual Funds in India ("AMFI") and who has been permitted by BSE to be eligible to use the stock exchanges' infrastructure, to purchase and redeem mutual fund units directly from mutual fund and asset management companies (AMC), in addition to the existing channels of mutual funds distribution. The recognized stock exchange shall grant permission to a mutual fund distributor on a request made by a AMFI registered mutual fund distributor on the basis of criteria including fee, code of conduct as laid down by AMFI. Additionally, it clarified that a mutual fund distributor shall not handle payout and pay in of funds as well as units on behalf of investors. The recognized stock exchange shall put necessary system in place to ensure that pay in will be directly received by recognized clearing corporation and payout will be directly made to investor account. In the same manner, units shall be credited and debited directly from the demit account of investors. SEBI has also by way of its circulars bearing reference no. SEBI/HO/MRD/DSA/CIR/P/2016/113 dated October 19, 2016 and SEBI/HO/MRD1/DSAP/CIR/P/2020/29 dated February 26, 2020, permitted (a) investment advisers registered with SEBI to use infrastructure of the recognized stock exchanges to purchase and redeem mutual fund units directly from mutual fund and AMCs, on behalf of their clients, including direct plans; and (b) investors to directly access infrastructure of the recognized stock exchanges to purchase and redeem mutual fund units directly from mutual fund and AMCs.

SEBI by its circular on "Categorization and Rationalization of Mutual Fund Schemes", bearing reference number SEBI/HO/IMD/DF3/CIR/P/2017/114 dated October 6, 2017 ("SEBI Circular") has specified the framework for categorization and rationalization of mutual fund schemes. This circular is applicable to the open-ended schemes of the mutual funds, which are either existing, or are in the process of being launched, or of the scheme document has been filed/ will be filed with SEBI.

SEBI by its circular on "Asset Allocation of Multi Cap Funds", bearing reference number SEBI/HO/IMD/DF3/CIR/P/2020/172, dated September 11, 2020, has partially modified the scheme characteristics of multi cap funds, such that requirement for minimum investment in equity and equity related instruments has been increased from 65 per cent. To 75 % of the total assets, with minimum investment of 25 per cent. Of the respective total assets in equity and equity related instruments of large cap, mid cap and small cap companies, each. Further, SEBI by its circular on "Introduction of "Flexi Cap Fund" as a new category under Equity Schemes", bearing reference number SEBI/HO/IMD/DF3/CIR/P/2020/228, dated November 6, 2020, has introduced a new category of scheme named "Flexi Cap Fund" under equity schemes which requires to make a minimum investment

in equity and equity related instruments of 65% of total assets of the scheme and will be an open ended dynamic equity scheme investing across large cap, mid cap, small cap stocks.

SEBI by its circular on "Total Expense Ratio (TER) and Performance Disclosure for Mutual Funds" bearing reference number SEBI/HO/IMD/DF2/CIR/P/2018/137, dated October 22, 2018 provided that all scheme related expenses including commission paid to distributors is required to necessarily be paid from the scheme only within the regulatory limits and not from the books of the AMC, its associate, sponsor, trustee or any other entity through any route and that the AMCs should adopt full trail model of commission in all schemes without payment of any upfront commission to mutual fund distributors. Further, SEBI by its circular on "Review of Commission, Expenses, Disclosure norms etc. – Mutual Fund" bearing reference number SEBI/HO/IMD/DF2/CIR/P/2019/42 dated March 25, 2019, carved out for upfronting of trail commission for inflows through systematic investment plans from new investors to the mutual fund industry.

AMFI Directions

AMFI issues circulars from time to time to its members on various aspects relating to distribution of mutual fund schemes by distributors.

Regulations governing NBFCs

NBFCs are primarily governed by the RBI Act, the Master Direction –Reserve Bank of India (Non-Banking Financial Company –Scale Based Regulation) Directions, 2023, (Updated as at March 21,2024), Peer to Peer Lending Platform (Reserve Bank) Directions, 2017, Master Direction -Non-Banking Financial Company -Account Aggregator (Reserve Bank) Directions, 2016, and Reserve Bank Commercial Paper Directions, 2017, each as amended, modified and supplemented from time to time. In addition to these regulations, NBFCs are also governed by various circulars, notifications, guidelines and directions issued by the RBI from time to time. The major regulations governing our Company are detailed below:

SBR Framework:

RBI issued a Scale Based Regulation (SBR) through a Master Direction updated as at March 21, 2024: A Revised Regulatory Framework for NBFCs ("SBR Framework"), whereby NBFCs have been categorized into following four layers based on their size, activity, and perceived riskiness by the RBI:

1) NBFC-Base Layer("NBFC-BL");
2) NBFC-Middle Layer("NBFC-ML");
3) NBFC-Upper layer("NBFC-UL"); and
4) NBFC-Top Layer("NBFC-TL")

Pursuant to the SBR Framework, the criteria of asset size of non-deposit NBFCs for classification as non-systemically important has been increased from ₹5 billion to ₹10 billion ("NBFC-ND"). The SBR Framework Master Directions came into effect from October 01, 2022, and was further amended from time to time, pursuant to which references to NBFC-ND shall mean NBFC-BL and all references to NBFC-D and NBFC-ND-SI shall mean NBFC-ML or NBFC-UL, as the case may be. The NBFC-BL consist of (a) non-deposit taking NBFCs below the asset size of ₹1,00,000 lakh and (b) NBFCs undertaking the following activities: (i) NBFC – Peer to Peer Lending Platform (NBFC-P2P), (ii) NBFC-Account Aggregator (NBFC-AA), (iii) Non-Operative Financial Holding Company (NOFHC), and (iv) NBFCs not availing public funds and not having any customer interface. The NBFC-ML consist of (a) all deposit-taking NBFCs ("NBFC-Ds"), irrespective of asset size, (b) non-deposit taking NBFCs with an asset size of ₹1,00,000 lakh and above, and (c) NBFCs undertaking the following activities: (i) Standalone Primary Dealers (SPDs), (ii) Infrastructure Debt Fund - Non-Banking Financial Companies (IDF-NBFCs), (iii) Core Investment Companies (CICs), (iv) Housing Finance Companies (HFCs), and (v) Infrastructure Finance Companies (NBFC-IFCs). The NBFC-UL consist of those NBFCs which are specifically identified by RBI as warranting enhanced regulatory requirement based on a set of parameters and scoring methodology as provided in appendix to SBR Framework. The top ten eligible NBFCs in terms of their asset size shall always reside in the upper layer, irrespective of any other factor. The NBFC-TL will ideally remain empty. This layer can get populated if RBI is of the opinion that there

is a substantial increase in the potential systemic risk from specific NBFC-UL. Such NBFCs shall move to the NBFC-TL.

Categorization of NBFCs carrying out specific activity

As the regulatory structure envisages scale-based as well as activity-based regulation under the SBR Framework, the following prescriptions shall apply in respect of the NBFCs:

i) NBFC-P2P, NBFC-AA, NOFHC, and NBFCs without public funds and customer interface will always remain in the base layer of the regulatory structure.

ii) ii) NBFC-D, CIC, IFC, and HFC will be included in the middle layer or the upper layer (and not in the base layer), as the case may be. SPD and IDF-NBFC will always remain in the middle layer. (to be confirmed with RBI SBR circular)

iii) The remaining NBFCs, viz., Investment and Credit Companies (NBFC-ICC), Micro Finance Institution (NBFC-MFI), NBFC-Factors, and Mortgage Guarantee Companies (NBFC-MGC) could lie in any of the layers of the regulatory structure depending on the parameters of the scale-based regulatory framework.

iv) Government-owned NBFCs shall be placed in the base layer or middle layer, as the case may be, and will not be categorized as upper layer unless notified by the Government.

Master Direction - Reserve Bank of India (Non-Banking Financial Company–Scale Based Regulation) Directions, 2023 dated October 19, 2023 (as updated from time to time) applicable to all NBFCs (both Deposit taking and Non-Deposit taking).

The NBFCs are governed by updated Master Direction - Reserve Bank of India (Non-Banking Financial Company–Scale Based Regulation) Directions, 2023 dated October 19, 2023 (as updated from time to time) applicable to all NBFCs (both Deposit taking and Non-Deposit taking) ("Master Directions-NBFCs-SBR").

IRDAI (Registration of Corporate Agents) Regulations, 2015

Corporate agents are granted a certificate of registration by IRDAI in accordance with the IRDAI (Registration of Corporate Agents) Regulations. A corporate agent is permitted to act as a corporate agent for a maximum of three life, three general and three health insurers and is required to adopt a board policy on the same. The corporate agents are required to adhere to a code of conduct on soliciting and servicing of insurance policies as prescribed by these regulations. IRDAI has the power to inspect records of corporate agents, and review performance of their activities and initiate disciplinary action, in case of deficiencies.

IRDAI (Insurance Brokers) Regulations, 2018

The Insurance Regulatory and Development Authority of India (**IRDAI**) notified the IRDAI (Insurance Brokers) Regulations, 2018 (**Brokers Regulations**) on January 12, 2018. The Brokers Regulations provides the framework for the governance and regulation of insurance brokers- who act as significant intermediaries in the insurance sector. The brokers are required to adhere to a code of conduct which specifically provide that insurance brokers are required to obtain a "written mandate" from the client (i.e. the insured) to represent the client before the insurer and must communicate the grant of cover to the client after effecting insurance.

Real Estate (Regulation and Development) Act, 2016

RERA (Real Estate Regulatory Authority) was introduced in the year 2016. The purpose of the RERA Act, 2016, is to protect the homebuyer and increase the investments in the real estate industry. The RERA law is implemented in all the states to regulate the real estate sector. The law facilitates fast and effective dispute resolution.

The RERA Act makes it mandatory to register a project with RERA, for the launch of any residential or commercial real estate project where the land area is more than 500 square meters. Registering with RERA helps in creating transparency in the implementation of the projects launched. We are registered

under RERA in 9 states namely Delhi, Haryana, Punjab, Himachal Pradesh, Uttarakhand, Uttar Pradesh, Rajasthan, Karnataka and Maharashtra.

Stock Exchange Rules, Regulation, Byelaws and Notices issued from time to time

Being a trading and clearing member of BSE and NSE, we are governed by the rules, regulations, bye laws and notices of such exchanges, as amended from time to time. The relevant exchange is empowered under the SCRA to make its own bye laws and rules to deal with its members and regulations to govern/ regulate the relations between the members and the constituents. Further, the SEBI Master Circular dated December 16, 2016, regarding stock exchanges and clearing corporations provides for, amongst other things, the manner of trading, trading software and technology, settlement exchange traded derivatives, the administration of stock exchanges and client-broker dispute resolution mechanism. Stock exchanges may undertake inspection of stockbrokers based on the inspection policy specified by SEBI.

Prevention of Money Laundering Act, 2002

The Prevention of Money Laundering Act, 2002 ("**PMLA**") was enacted to prevent money laundering and to provide for confiscation of property derived from, or involved, in money laundering, and for incidental matters connected therewith. Section 12 of the PMLA inter alia casts certain obligations on reporting entities (as defined under the PMLA) in relation to preservation of records and reporting of transactions.

In addition to the above, the following directions and circulars issued by the RBI are also relevant to our business:

a. Directions on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs, 2017 dated November 9, 2017;
b. Circular dated June 24, 2021 on Declaration of Dividends by NBFCs;
c. RBI's Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications dated November 12, 2021;
d. RBI's Prompt Corrective Action Framework for NBFCs dated December 14, 2021;
e. Master Direction on External Commercial Borrowings, Trade Credits and Structured Obligations dated March 26, 2019;
f. Loans and Advances – regulatory restrictions – NBFCs, dated April 19, 2022 as amended;
g. Registration of Factors (Reserve Bank) Regulations, 2022

Information Technology Act, 2000 and the rules made thereunder

The IT Act has been enacted with the intention of providing legal recognition to transactions that are undertaken electronically. The IT Act facilitates electronic commerce by recognizing contracts concluded through electronic means, protects intermediaries in respect of third-party information made available to or hosted by them and creates liability for failure to protect sensitive personal data. The IT Act has created a mechanism for authenticating electronic documentation by means of digital signatures and provides for civil and criminal liability including fines and imprisonment for various offences. By means of an amendment in 2008, the IT Act legalized the validity of contracts formed through electronic means. The IT Act prescribes various offences, including those offences relating to unauthorized access of computer systems, unauthorized disclosure of confidential information and frauds emanating from computer applications. The IT Act also empowers the Government of India to intercept, monitor or decrypt any information in the furtherance of sovereignty, integrity, defence and security of India. The IT Act empowers the Government of India to formulate rules with respect to electronic signatures, reasonable security practices and procedures and sensitive personal data.

In exercise of this power, the Department of Electronics and Information Technology under the Ministry of Communications & Information Technology, Government of India, promulgated the Use of Electronic Records and Digital Signatures Rules, 2004, Digital Signature (End Entity) Rules, 2015, and Information Technology (Certifying Authorities) Rules, 2000. These rules govern the issuance and creation of digital and electronic signatures, their verification, and issuance of license to issue digital signature certificates.

Digital Personal Data Protection Act, 2023

The Parliament passed the Digital Personal Data Protection Act, 2023 ("**DPDP Act**") on August 9, 2023. The DPDP Act, once notified, will replace the existing data protection provision, as contained in Section 43A of the IT Act. The DPDP Act seeks to balance the rights of individuals to protect their personal data, with the need to process personal data for lawful and other incidental purposes. The DPDP Act provides that personal data may be processed only for a lawful purpose after obtaining the consent of the individual and a notice has to be given before seeking consent. It further imposes certain obligations on data fiduciaries including (i) make reasonable efforts to ensure the accuracy and completeness of data, (ii) build reasonable security safeguards to prevent a data breach, (iii) inform the Data Protection Board of India (the "**DPB**") and affected persons in the event of a breach, and (iv) erase personal data as soon as the purpose has been met and retention is not necessary for legal purposes (storage limitation). In case of government entities, storage limitation and the right of the data principal to erasure will not apply. The Central Government will establish the DPB. Key functions of the DPB include: (i) monitoring compliance and imposing penalties, (ii) directing data fiduciaries to take necessary measures in the event of a data breach, and (iii) hearing grievances made by affected persons. The DPB members will be appointed for two years and will be eligible for re-appointment. The Central Government will prescribe details such as the number of members of the DPB and the selection process.

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("**SHWW Act**")

SHWW Act provides for the protection of women at work place and prevention of sexual harassment at work place. The SHWW Act also provides for a redressal mechanism to manage complaints in this regard. Sexual harassment includes one or more of the following acts or behavior namely, physical contact and advances or a demand or request for sexual favors or making sexually coloured remarks, showing pornography or any other unwelcome physical, verbal or non-verbal conduct of sexual nature. The SHWW Act makes it mandatory for every employer of a workplace to constitute an Internal Complaints Committee which shall always be presided upon by a woman. It also provides for the manner and time period within which a complaint shall be made to the Internal Complaints Committee i.e. a written complaint is to be made within a period of 3 (three) months from the date of the last incident. If the establishment has less than 10 (ten) employees, then the complaints from employees of such establishments as also complaints made against the employer himself shall be received by the Local Complaints Committee.

B. Foreign Exchange Laws

Foreign investment in India is governed by the provisions of Foreign Exchange Management Act, 1999, as amended, along with the rules, regulations and notifications made by the Reserve Bank of India thereunder, and the consolidated FDI Policy, effective from October 15, 2020, issued by the DPIIT, and any modifications thereto or substitutions thereof, issued from time to time. The Foreign Exchange Management (Debt Instruments) Regulations, 2019 notified by RBI on October 17, 2019, regulate investments in India by a person resident outside India.

As per the FDI Circular 2020, FDI in companies engaged in infrastructure company in the securities market is permitted up to 49% of the paid-up share capital of such company under the automatic route.

C. Laws Relating to Taxation

In addition to the aforementioned material legislations which are applicable to our Company, some of the tax legislations that may be applicable to the operations of our Company include:

a. Central Goods and Service Tax Act, 2017 and various state-wise legislations made thereunder;
b. Integrated Goods and Services Tax Act, 2017;
c. Income Tax Act 1961, as amended by the Finance Act in respective years; and
d. State-wise legislations in relation to professional tax.

D. Other Regulations

In addition to the above, our Company is also required to comply with the provisions of the Companies

Act, various SEBI regulations, banking and insolvency laws, intellectual property laws, labour laws, taxation statutes, environmental laws, shops and establishment legislations in various states, and other applicable statutes for its day-to-day operations like any other company.

PROVISIONS OF ARTICLES OF ASSOCIATION

THE COMPANIES ACT, 2013 (COMPANY LIMITED BY SHARES)
(Incorporated under the Companies Act, 1956)

ARTICLES OF ASSOCIATION OF

SMC GLOBAL SECURITIES LIMITED

(i) Definitions & Interpretation

In these regulations—

a) "Act" means the Companies Act, 2013 along with the relevant Rules made there under, in force and any statutory amendment thereto or replacement thereof and including any circulars, notifications and clarifications issued by the relevant authority under the Companies Act, 2013, and applicable along with the relevant Rules made there under. Reference to Act shall also include the Secretarial Standards issued by the Institute of Company Secretaries of India constituted under the Company Secretaries Act, 1980.

b) "Annual General Meeting" shall mean a General Meeting of the holders of Equity Shares held annually in accordance with the applicable provisions of the Act.

c) "Articles" shall mean these articles of association as adopted or as from time to time altered in accordance with the provisions of these Articles and Act.

d) Auditors" shall mean and include those persons appointed as such for the time being by the Company.

e) "Board" or "Board of Directors" shall mean the collective board of directors of the Company, as duly called and constituted from time to time, in accordance with Law and the provisions of these Articles.

f) "Board Meeting" shall mean any meeting of the Board, as convened from time to time and any adjournment thereof, in accordance with law and the provisions of these Articles.

g) "Business Day" shall mean a day on which scheduled commercial banks are open for normal banking business;

h) "Capital" or "Share Capital" shall mean the authorized share capital of the Company.

i) "Chairperson" shall mean such person as is nominated or appointed in accordance with Article 43, 44 & 45 herein below.

j) "Company" or "this Company" shall mean **SMC GLOBAL SECURITIES LIMITED**.

k) "Committees" shall have the meaning ascribed to such term in Article 68.

l) "Depositories Act" shall mean The Depositories Act, 1996 and shall include any statutory modification or re-enactment thereof.

m) "Director" shall mean any director of the Company, including alternate directors, independent directors and nominee directors appointed in accordance with the Law and the provisions of these Articles.

n) "Dividend" shall include interim dividends.

o) "Encumbrance" shall mean any encumbrance including without limitation any mortgage, pledge, charge,

lien, deposit or assignment by way of security, bill of sale, option or right ofpre-emption, entitlement to beneficial ownership and any interest or right held, or claim thatcould be raised, by a third party or any other encumbrance or security interest of any kind;

p) "Equity Share Capital" shall mean the total issued and paid-up equity share capital of the Company, calculated on a fully diluted basis.

q) "Equity Shares" shall mean fully paid-up equity shares of the Company having a par value of INR 2 (Rupees Two) per equity share of the Company, or any other issued Share Capital of the Company that is reclassified, reorganized, reconstituted or converted into equity shares of the Company.

r) "Executor" or "Administrator" shall mean a person who has obtained probate or letters of administration, as the case may be, from a court of competent jurisdiction and shall include the holder of a succession certificate authorizing the holder thereof to negotiate or transfer the Shares or other Securities of the deceased Shareholder and shall also include the holder of a certificate granted by the Administrator-General appointed under the Administrator Generals Act, 1963.

s) "Extraordinary General Meeting" shall mean an extraordinary general meeting of the holders of Equity Shares duly called and constituted in accordance with the provisions of the Act.

t) "Financial Year" shall mean any fiscal year of the Company, beginning on April 1 of each calendar year and ending on March 31 of the following calendar year.

u) "Law/Laws" shall mean all applicable provisions of all (i) constitutions, treaties, statutes, laws (including the common law), codes, rules, regulations, circulars, ordinances or orders of any governmental authority and SEBI, (ii) governmental approvals, (iii) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any governmental authority, (iv) rules or guidelines for compliance, of any stock exchanges, (v) international treaties, conventions and protocols, and (vi) Indian GAAP or Ind-AS or any other generally accepted accounting principles.

v) "Memorandum" shall mean the memorandum of association of the Company, as amended from time to time.

w) "Office" shall mean the registered office for the time being of the Company.

x) "Paid-up" shall include the amount credited as paid up.

y) "Person" shall mean any natural person, sole proprietorship, partnership, company, body corporate, governmental authority, joint venture, trust, association or other entity (whether registered or not and whether or not having separate legal personality).

z) "Register of Members" shall mean the register of Shareholders to be kept pursuant to Section 88 of the Act. (bb) "Registrar" shall mean the Registrar of Companies, from time to time having jurisdiction over the Company. (cc) "Rules" shall mean the rules made under the Act and as notified from time to time.

aa) "Seal" shall mean the common seal(s) for the time being of the Company, if any.

bb) "SEBI" shall mean the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992. (ff) "SEBI Listing Regulations" shall mean the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, any statutory amendment thereto and any listing agreement entered into by the Company with the Stock Exchanges.

cc) "Securities" or "securities" shall mean any Share (including Equity Shares), scrips, stocks, bonds, debentures, warrants or options whether or not, directly or indirectly convertible into, or exercisable or exchangeable into or for Equity Shares, and any other marketable securities.

dd) "Shares" or "shares" shall mean any share issued in the Share Capital of the Company, including Equity Shares and preference shares.

ee) "Shareholder" or "shareholder" or "member" shall mean any shareholder of the Company, from time to time.

ff) "Shareholders' Meeting" shall mean any meeting of the Shareholders of the Company, including Annual General Meetings as well as Extraordinary General Meetings, convened from time to time in accordance with the Act, applicable Laws and the provisions of these Articles.

gg) "Stock Exchanges" shall mean Bombay Stock Exchange Limited, the National Stock Exchange of India Limited and any other stock exchange in India where the Securities are listed.

Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.

(ii) Share capital and variation of rights

(1) (a) The Authorized share capital of the Company is as stated in Clause V of the Memorandum of Association of the Company and the same may be divided in any manner as may be thought expedient.

(b) Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may, from time to time, think fit.

(2) (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided: -
(a) One certificate for all his shares without payment of any charges; or
(b) Several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.

(ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.

(iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one ofseveral joint holders shall be sufficient delivery to all such holders.

(3) (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.

(ii) The provisions of Articles (*2*) and (*3*) shall *mutatis mutandis* apply to debentures of the company.

(4) Except as required by law, no person shall be recognized by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way torecognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

(5) (i) the company may exercise the powers of paying commissions conferred by sub-section (6)

of section 40, provided that the rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rule made thereunder.

(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.

(iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares.

(6) (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

(ii) To every such separate meeting, the provisions of these regulations relating general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be at leasttwo persons holding at least one-third of the issued shares of the class in question.

(7) The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of theshares of that class, be deemed to be varied by the creation or issue of further share ranking *pari passu* therewith.

(8) Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms andin such manner as the company before the issue of the shares may, by special resolution, determine.

Lien

(9) **(i) The company shall have a first and paramount lien—**

(a) On every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and

(b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:

Provided that the Board of directors may at any time declare any share to wholly or in part exempt from the provisions of this clause.

(ii) The company's lien, if any, on a share shall extend to all dividend bonuses declaredfrom time to time in respect of such shares.

(10) The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:

Provided that no sale shall be made—

(c) Unless a sum in respect of which the lien exists is presently payable; or

(d) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the personentitled thereto by reason of his death or insolvency.

(11) (i) To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.

(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

(12) (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

(ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

(iii) Calls on shares

(13) **(**i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixedtimes.

(ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.

(iii) A call may be revoked or postponed at the discretion of the Board

(14) A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.

(15) The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

(16) **(**i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annumor at such lower rate, if any, as the Board may determine.

(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

(17) (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

(ii) In case of non-payment of such sum, all the relevant provisions of these regulations asto payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

(18) The Board—

(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent. per annum, as may be agreed upon between the Board and the member paying the sum in advance.

(iv) Transfer of shares

(19) **(**i) The instrument of transfer of any share in the company shall be executed by or on behalfof both the transferor and transferee.

(ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

(iii) No Transfer to any insolvent or to person of unsound mind:

The Board of Directors of the Company shall register or acknowledge any transfer or transmission of shares of the Company, not exceeding 10% shares of the Company held by the Promoter / Promoter Group, made/received pursuant to enforcement of rights under orin connection with any agreement arrangement entered into by the share-holders of the Company with any lender of such share-holders or creditors of the Company, in whose favour pledge/other arrangement over shares of the Company is credited (including but not limited to such lenders' or creditors' trustees) and with or without confirmation or undertaking issued at any time by the Company to support any such lending and security creation or arrangement transaction, shall be binding to the Company and then prevailing Directors and management of the Company at the time of enforcement of such security and shares.

(20) The Board may, subject to the right of appeal conferred by section 58 decline to register—

(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

(b) Any transfer of shares on which the company has a lien.

(21) The Board may decline to recognize any instrument of transfer unless—

(a) The instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;

(b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right ofthe transferor to make the transfer; and

(c) The instrument of transfer is in respect of only one class of shares.

(22) On giving not less than seven days' previous notice in accordance with section 91 and rules made there under, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

(v) Transmission of shares

(23) **(**i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a shareholder, shall be the only persons recognized by the company as having any title to his interest in theshares.

(ii) Nothing in clause (*i*) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

(24) (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board, elect, to be registered himself as holder of the share.

(25) A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled ifhe were the registered holder

of the share, except that he shall not, before being registeredas a member in respect of the share, be entitled in respect of it to exercise any rightconferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have complied with.

(vi) Forfeiture of shares

(26) If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.

(27) The notice aforesaid shall—

(e) Name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

(f) State that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

(28) If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect

(29) **(**i) A forfeited share may be sold or otherwise disposed of on such terms and in such manneras the Board thinks fit.

(ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeitureon such terms as it thinks fit.

(30) **(**i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.

(ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.

(31) **(**i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;

(ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom theshare is sold or disposed of;

(iii) The transferee shall thereupon be registered as the holder of the share; and

(iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

(32) The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum

which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

(vii) Alteration of capital

(33) The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

(34) Subject to the provisions of the Act, the company may, by ordinary resolution, —

(a) Increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient

(b) Consolidate and divide all or any of its share capital into shares of larger amount thanits existing shares;

(c) Convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

(d) Sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;

(e) Cancel any shares which, at the date of the passing of the resolution, have not been takenor agreed to be taken by any person.

(35) Where shares are converted into stock—

(a) the holders of stock may transfer the same or any part thereof in the same manner as,and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company andin the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

(c) Such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock"and "stock-holder" respectively.

(36) The company may, by special resolution, reduce in any manner and with, and subject to,any incident authorized and consent required by law: -

(a) Its share capital and /or;

(b) Any capital redemption reserve account; or

(c) Any share premium account.

(d) any other reserve in the nature of share capital.

(viii) Capitalization of profits

(37) (i) The company in general meeting may, upon the recommendation of the Board, resolve:

(a) that it is desirable to capitalize any part of the amount for the time being standingto the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

(b) That such sum be accordingly set free for distribution in the manner specified in clause (*ii*) amongst the members who would have been entitled thereto, if distributedby way of dividend and in the same proportions.

(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (*iii*), either in or towards:

(A) paying up any amounts for the time being unpaid on any shares held by such members respectively;

(B) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;

(C) Partly in the way specified in sub-clause (*A*) and partly in that specified in sub- clause (*B*);

(D) A securities premium account and a capital redemption reserve account may, forthe purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;

(E) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

(38) (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—

(a) Make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares if any; and

(b) Generally do all acts and things required to give effect thereto.

(ii) The Board shall have power—

(a) To make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable infractions; and

(b) to authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalization, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares;

(iii) Any agreement made under such authority shall be effective and binding on such members.

(ix) Buy-back of shares

(39) Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the timebeing in force, the company may purchase its own shares or other specified securities.

(x) General meetings

(40) All general meetings other than annual general meeting shall be called extraordinary generalmeeting.

(41) (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.

(ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

(xi) Proceedings at general meetings

(42) (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

(ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.

(43) The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.

(44) If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.

(45) If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the memberspresent shall choose one of their members to be Chairperson of the meeting.

(46) A person may be appointed or reappointed as the chairperson of the company as well as the Managing Director or Chief Executive Officer of the company at the same time.

(xii) Adjournment of meeting

(47) (i) The Chairperson may, with the consent of any meeting at which a quorum is present, andshall, if so directed by the meeting, adjourn the meeting from time to time and from place toplace.

(ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

(iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

(xiii) Voting rights

(48) Subject to any rights or restrictions for the time being attached to any class or classes of shares,
(a) on a show of hands, every member present in person shall have one vote; and
(b) on a poll, the voting rights of members shall be in proportion to his share in the paid-upequity share capital of the company.

(49) A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

(50) (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

(ii) For this purpose, seniority shall be determined by the order in which the names stand inthe register of members.

(51) A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

(52) Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.

(53) No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.

(54) **(**i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

(ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

(xiv) Proxy

(55) The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes tovote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

(56) An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

(57) A vote given in accordance with the terms of an instrument of proxy shall be valid,notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meetingor adjourned meeting at which the proxy is used.

(xv) Board of Directors

(58) Unless otherwise determined by the Company in general meeting, the number of the directors shall not be less than three and not more than twenty and the First Director of the Company shall be:

1. **SUBHASH CHAND AGGARWAL**
2. **MAHESH CHAND GUPTA**
3. **DAMODAR KRISHAN AGGARWAL**
4. **DINESH CHAND GUPTA**

(59) **(**i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

(ii) In addition to the remuneration payable to them in pursuance of the Act, the directorsmay be paid all travelling, hotel and other expenses properly incurred by them—

(a) in attending and returning from meetings of the Board of Directors or any committeethereof or general meetings of the company; or

(b) in connection with the business of the company.

(60) The Board may pay all expenses incurred in getting up and registering the company.

(61) The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that (section) make and vary such regulations as it may think fit, respecting the keeping of any such register.

(62) All cheques, promissory notes, s, *hundis*, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

(63) Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

(63A) Notwithstanding anything to the contrary contained in these Articles, so long as the money shall be owing by the Company to any financial institutions, corporations, bank, other financial entities or body corporate or so long as any of the aforesaid banks, financial institutions or such other financing entities holds any shares/ debentures in the Company as a result of subscription or so long as any guarantee given by any of the aforesaid financial institutions or such other financial entities in respect of any financial obligation or commitment of the Company remains outstanding, then in that event any of the said financial institutions or such other financial entities/body corporate shall, subject to an agreement in that behalf between it and the Company, have a right but not an obligation, to appoint one or more persons as Director(s) on the Board of Directors of the Company as Nominee Director on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their place/s."

(64) **(**i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximumstrength fixed for the Board by the articles.

(ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

(iii) The Company shall appoint such number of Independent Directors as it may deem fit, for a term specified in the resolution appointing him. An Independent Director may be appointed to hold office for a term of up to five consecutive years on the Board of the Company and shall be eligible for re-appointment on passing of Special Resolution and such other compliances as may be required in this regard. No Independent Director shall hold office for more than two consecutive terms. The provisions relating to retirement of directors by rotation shall not be applicable to appointment of Independent Directors.

(iv) Not less than two thirds of the total number of Directors shall (a) be persons whose period of the office is liable to determination by retirement of Directors by rotation and (b) save as otherwise expressly provided in the Act, be appointed by the Company in General Meeting.

Explanation:- for the purposes of this Article "total number of Directors" shall not include Independent Directors appointed on the Board of the Company.

(v) The remaining Directors of the Company shall also be appointed by the Company in General Meeting except to the extent that the Articles otherwise provide or permit.

(vi) Subject to the provisions of Section 152 of the Act at every Annual General Meeting of the Company, one-third of such of the Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three the number nearest to one-third shall retire from office.

(vii) The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between those who became Directors on the same day, those who are to retire shall in default of and subject to any agreement amongst themselves, be determined by lot.

(viii) A retiring Director shall be eligible for reelection.

(ix) A Whole time Director may be appointed as a rotational Director subject to compliance of Section 203, 197 and Schedule V of the Companies Act, 2013 and any other law applicable in this regard. The approval of members in respect of the rotation of Whole time Director has been already obtained by Company.

(x) The Board shall have power to determine the directors whose period of office is or is notliable to determination by retirement of directors by rotation.

(65) **(**i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

(iii) The quorum for a Board meeting shall be as provided in the Act.

(iv) The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribedby the Rules or permitted under law.

(66) **(**i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

(ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

(67) The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the numberof directors to that fixed for the quorum, or of summoning a general meeting of thecompany, but for no other purpose.

(68) **(**i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their numbers to be Chairperson of the meeting.

(69) (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.

(ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

(70) **(**i) A committee may elect a Chairperson of its meetings.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

(71) **(**i) a committee may meet and adjourn as it thinks fit.

(ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall havea second or casting vote.

(72) All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there wassome defect in the appointment of any one or more of such directors or of any person actingas aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.

(73) Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receivenotice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or

committee, duly convened and held.

(xvi) Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer

(74) Subject to the provisions of the Act, —

(i) A chief executive officer, manager, company secretary and chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary and chief financial officer so appointed may be removed by means of a resolution of the Board; the Board may appoint one or more chief executive officers forits multiple businesses.;

(ii) The same individual, at the same time, may be appointed as a director as well as the chief executive officer, manager, company secretary, chief financial officer or as any other key managerial person (KMP) of the company.

(75) A provision of the Act or these regulations requiring or authorizing a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

(xvii) The Seal

(76) **(**i) The Board shall provide for the safe custody of the seal.

(ii) The seal of the company shall not be affixed to any instrument except by the authorityof a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of at least one director or the company secretary, or such other person as the Board may appoint for the purpose; and such person shall sign every instrument to which the seal of the company is so affixed in his presence.

(xviii) Dividends and Reserve

(77) The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

(78) Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.

(79) (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends;and pending such application, may, at the like discretion, either be employed in the businessof the company or be invested in such investments (other than shares of the company) as theBoard may, from time to time, thinks fit.

(ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

(80) (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid orcredited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.

(ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.

(iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank fordividend as from a particular date such share shall rank for dividend accordingly.

(81) The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation tothe shares of the company.

(82) (i) Any dividend, interest or other monies payable in cash in respect of shares maybe paidby cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as theholder or joint holders may in writing direct.

(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

(83) Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

(84) Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

(85) No dividend shall bear interest against the company.

(xix) Accounts

(86) (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.

(ii) No member (not being a director) shall have any right of inspecting any account or bookor document of the company except as conferred by law or authorised by the Board or bythe company in general meeting.

Registers

(87) (i) The Company shall keep and maintain at its registered office or at such other place as may be decided by the Board, all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security andacquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules.

(ii) The registers and copies of annual return shall be open for inspection during such hours as Board may determine from time to time on all working days, other than Saturdays, at the registered office of the Company by the persons entitled thereto on payment, where required, ofsuch fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.

(xx) Contributions to national defense fund

Subject to the provisions of Section 183 of the Companies Act, 2013 and rules made thereunder—

(88) The Board of Directors of company or any person or authority exercising the powers of the Board of Directors of company, or of the company in general meeting, may contribute such amountas it thinks fit to the National Defense Fund or any other Fund approved by the Central Government for the purpose

of national defense.

(xxi) Political Contributions

Subject to the provisions of Section 182 of the Companies Act, 2013 and rules made thereunder—

(89) The Company may contribute any amount directly or indirectly to any political party subject tothe Compliance of the provisions of Section 182 of the Companies Act, 2013 read with rules made thereunder.

(xxii) Contribution to bona fide and charitable funds, etc.

Subject to the provisions of Section 181 of the Companies Act, 2013 and rules made thereunder-

(90) The Board of Directors of a company may contribute to *bona fide* charitable and other funds subject to the Compliance of the provisions of Section 181 of the Companies Act, 2013 read with rules made thereunder.

(xxiii) Winding up

(91) Subject to the provisions of Chapter XX of the Act and rules made thereunder—

(i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whetherthey shall consist of property of the same kind or not.

(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carriedout as between the members or different classes of members.

(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, butso that no member shall be compelled to accept any shares or other securities whereon thereis any liability.

(xxiv) Indemnity and Insurance

(92) (a) Subject to the provisions of the Act, every director, managing director, whole-time director, manager, chief executive officer, chief financial officer, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such director, manager,chief executive officer, chief financial officer, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, chief executive officer, chief financial officer, company secretary or officer or inany way in the discharge of his duties in such capacity including expenses.

(b) Subject as aforesaid, every director, managing director, manager, chief executive officer, chief financial officer, company secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favor or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.

(c) The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

(xxv) General Power

(93) Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorizedby its articles, then and in that case this Article authorizes and empowers the Company to havesuch rights, privileges or authorities and to carry out such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

We, the several persons whose names and addresses are subscribed hereto, are desirous of being formed into a company in pursuance of THIS ARTICLES OF ASSOCIATION and we respectivelyagree to take the number of shares in capital of the Company, set opposite our respective names:

S. No.	Name, Address, Description & Occupation of each subscriber	Number of and type of EquityShares	Signature of subscriber	Name, Address, description and signatureof witness
1.	**Mahesh Chand Gupta** S/o Shri Shyam Sunder Gupta R/o C-39, Anand Vihar, I.P. Extension, Delhi-110092 (Business)	100 Equity Shares	Sd/-	**I hereby witness the signatures of all the subscriberswho have signed in my presence** **Sd/-** **(R.S. CHAUHAN) ACA** **M. No. 89108** **S/o Shri J.S. Chauhan** **3072/40, Gola Market, Darya Ganj, New Delhi-110002D-19, Green Park, New Delhi--110016**
2.	**Subhash Chand Aggarwal** S/o Shri Madan Gopal Aggarwal R/o C-335, Saraswati Vihar, Delhi (Chartered Accountant)	100 Equity Shares	Sd/-	
3.	**Dinesh Chand Gupta** S/o Shri R.K. Gupta R/o C-39, Anand Vihar, I.P. Extension, Delhi-110092 (Business)	100 Equity Shares	Sd/-	
4.	**Om Kishan Gupta** S/o Shri R.K. Gupta R/o C-39, Anand Vihar, I.P. Extension, Delhi-110092 (Business)	100 Equity Shares	Sd/-	
5.	**Damodar Krishan Aggarwal** S/o Shri Madan Gopal Aggarwal R/o C-335, Saraswati Vihar, Delhi (Business)	100 Equity Shares	Sd/-	
6.	**Sushma Gupta** W/o Shri Mahesh Chand Gupta R/o C-39, Anand Vihar, I.P. Extension, Delhi-110092	100 Equity Shares	Sd/-	
7.	**Ashok K. Aggarwal** S/o Shri Madan Gopal Aggarwal R/o C-335, Saraswati Vihar, Delhi	100 Equity Shares	Sd/-	

Place: New Delhi Dated: 5th day of December, 1994

SECTION VIII – MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts which are or may be deemed material have been entered or are to be entered into by our Company. These contracts and the documents for inspection referred to hereunder, may be inspected on at the Registered Office of our Company situated at 11/6B, Shanti Chamber, Pusa Road, New Delhi -110 005, India, between 10 am to 5 pm on any Working Days from the date of the filing of this Prospectus with Stock Exchange until the Issue Closing Date.

MATERIAL CONTRACTS

1. Issue Agreement dated June 18, 2024, between the Issuer and the Lead Managers.

2. Registrar Agreement dated June 14, 2024, between the Issuer and the Registrar to the Issue.

3. Debenture Trustee Agreement dated June 14, 2024, executed between the Issuer and the Debenture Trustee.

4. Public Issue Account and Sponsor Bank Agreement dated July 11, 2024 amongst the Issuer, the Lead Manager, the Registrar, the Public Issue Account Bank, the Sponsor Bank and the Refund Bank.

5. Consortium Agreement dated July 10, 2024 among our Company and the Consortium Member.

6. Agreed form of Debenture Trust Deed and Deed of Hypothecation to be executed between the Issuer and the Debenture Trustee.

7. Tripartite agreement dated July 10, 2010, among the Issuer, the Registrar to the Issuer and CDSL.

8. Tripartite agreement dated August 3, 2010, among the Issuer, the Registrar to the Issuer and NSDL.

MATERIAL DOCUMENTS

1. Memorandum and Articles of Association of the Issuer, as amended to date.
2. Certificate of Incorporation of the Issuer dated December 19, 1994, issued by the RoC, Delhi.
3. Copy of shareholders' resolution passed on June 30, 2023, under Section 180(1)(c) of the Companies Act, 2013 on overall borrowing limits of the Board of Directors of the Issuer.
4. Copy of the resolution passed by the Board of Directors dated March 30, 2024, approving the Issue.
5. Copy of the resolution passed by the Non-Convertible Debenture Committee at its meeting held on June 19, 2024, approving this Prospectus.
6. Credit Rating Letter dated November 24, 2023, revalidated vide letter dated May 21, 2024, by CRISIL Ratings Limited assigning a rating of "CRISIL A /Stable" (pronounced as CRISIL A rating).
7. Credit Rating Letter dated July 24, 2023, revalidated vide letter dated June 12, 2024, by ICRA Limited assigning a rating of "A Stable".
8. Consents of the Directors, Chief Financial Officer, Company Secretary and Compliance Officer, Lead Managers, Legal Counsel to the Issue, CRISIL, Registrar to the Issue, Banker to the Issuer and the Debenture Trustee for the NCDs, to include their names in this Prospectus, in their respective capacities and the NOCs received from Lenders to the Issuer in relation to the Issue.
9. Consent of CARE Analytics and Advisory Private Limited dated June 12, 2024, as the agency issuing the industry report titled "Research Report on Financial Services" dated June 12, 2024, forming part of the Industry Overview chapter.
10. The Issuer has received the written consent dated June 17, 2024 from M/s. R. Gopal & Associates, Chartered Accountants, i.e. Erstwhile Statutory Auditors of the Company to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI NCS Regulations, in the Draft Prospectus, and as an “expert” to the extent and in their capacity as our Statutory Auditors, and in respect of the reports dated May 13, 2024, relating to 2024 Audited Financial Statements, May 18, 2023 relating to 2023 Audited Financial Statements, May 7, 2022 relating to 2022 Audited Financial Statements, and the statement of possible tax benefits dated June 18, 2024, which appear in this Prospectus, and such consent has not been withdrawn as on the date of this Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act, 1993.

11. The Issuer has received the written consent dated July 05, 2024 from M/s. P.C. Bindal & Co. i.e. Current Statutory Auditors of the Company to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI NCS Regulations, in this Prospectus, and as an "expert" to the extent and in their capacity as our Statutory Auditors, and such consent has not been withdrawn as on the date of this Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act, 1993.
12. The report on statement of possible tax benefits dated June 18, 2024.
13. Annual reports of the Issuer for the last three Fiscals.
14. In-principle listing approval from BSE by its letter no. DCS/BM/PI-BOND/10/24-25 dated July 08, 2024.
15. Due Diligence Certificate dated July 11, 2024 filed by Corporate Professionals Capital Private Limited (lead manager to the Issue) with SEBI.
16. Due Diligence Certificate dated July 11, 2024 filed by the Debenture Trustee to the Issue.

DECLARATION

We, the Directors of the Company, hereby certify and declare that all the applicable legal requirements in connection with the Issue including the all relevant provisions of the Companies Act, 2013, as amended, and the rules prescribed thereunder, to the extent applicable and the guidelines issued by the Government of India and/or the regulations/guidelines/circulars issued by the Reserve Bank of India and the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as applicable, including the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, provisions under the Securities Contracts (Regulation) Act, 1956, as amended, and rules made thereunder, including the Securities Contracts (Regulation) Rules, 1957, as amended, including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable, as the case may be have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines or circulars issued, as the case may be. We hereby confirm that the compliance with the Securities and Exchange Board of India Act, 1992 or rules made there under does not imply that payment of dividend or interest or repayment of debt securities, is guaranteed by the Central Government.

We further certify that all the disclosures and statements made in this Prospectus are true, correct and complete in all material respects, are in conformity with Companies Act, 2013, Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, the Securities Contracts (Regulation) Act, 1956, as amended and rules made thereunder including the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines or circulars issued, as the case may be and do not omit disclosure of any material information which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Prospectus does not contain any misstatements. Furthermore, all the monies received under this Issue shall be used only for the purposes and objects indicated in this Prospectus. No information material to the subject matter of this form has been suppressed or concealed and whatever is stated in this Prospectus thereto is true, correct, and complete.

Signed by the Directors of the Company

Subhash Chand Aggarwal Chairman and Managing Director DIN: 00003267 **Date:** July 11, 2024 **Place:** Delhi	**Mahesh C Gupta** Vice Chairman and Managing Director DIN: 00003082 **Date:** July 11, 2024 **Place:** Delhi	**Ajay Garg** Director and Chief Executive Officer DIN: 00003166 **Date:** July 11, 2024 **Place:** Delhi
Anurag Bansal Whole-Time Director DIN: 00003294 **Date:** July 11, 2024 **Place:** Mumbai	**Himanshu Gupta** Non-Executive Director DIN: 03187614 **Date:** July 11, 2024 **Place:** Delhi	**Shruti Aggarwal** Whole-Time Director DIN: 06886453 **Date:** July 11, 2024 **Place:** Gurugram

Hemant Bhargava
Non- Executive Independent Director
DIN: 01922717

Date: July 11, 2024
Place: Jaipur

Dinesh Kumar Sarraf
Non- Executive Independent Director
DIN: 00147870

Date: July 11, 2024
Place: Noida

Gobind Ram Choudhary
Non- Executive Independent Director
DIN: 01104704

Date: July 11, 2024
Place: Delhi

Narendra Kumar
Non- Executive Independent Director
DIN: 02307690

Date: July 11, 2024
Place: Delhi

Neeru Abrol
Non-Executive Independent Director
DIN: 01279485

Date: July 11, 2024
Place: Delhi

Naveen ND Gupta
Non- Executive Independent Director
DIN: 00271748

Date: July 11, 2024
Place: Delhi

ANNEXURE A

FINANCIAL STATEMENTS

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R. GOPAL & ASSOCIATES
CHARTERED ACCOUNTANTS
G-1, Ground Floor, South Extension-II, New Delhi-110049
Phone : 011-41649623, 41649624, 41649626

Independent Auditor's Report

To the Members of SMC Global Securities Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **SMC Global Securities Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matter

Key audit matter is those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in our opinion, there is no any such matter to be reported by us.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Business Responsibility Report and Report on Corporate Governance and

shareholder information, but does not include the standalone financial statements and our auditors' report thereon. The above-referred information is expected to be made available to us after the date of this audit report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone 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.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions necessitated by the circumstances and the applicable laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

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

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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



- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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



Report on Other Legal and Regulatory Requirements

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

2 As required by Section 143(3) of the Act, based on our audit we report that:

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

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books read with the matters stated in the paragraph 2(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

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

d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on March 31, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

f. The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2 (i)(VI) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

h. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Sec 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

i. 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 standalone financial statements. Refer Note no 34 to the standalone financial statements.

II. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses, and

III. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

IV. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in Note 40(xv) to the Financial Statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in Note 40 (xv) to the Financial Statements, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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

V As stated in Note 20 to the standalone financial statements: -

(a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

(b) The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with Section 123 of the Act.

(c) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.



VI Based on our examination which included test checks, the Company, has used accounting software for maintaining its books of account for the financial year ended 31 March 2024, which has a feature of recording audit trail (edit log) facility except that no audit trail enabled at the database level for accounting software relating to payroll and operations. Further, the audit trail facility has been operating throughout the year for all relevant transactions recorded in the software. During the course of our audit, we did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, as amended is applicable for the Company only w.e.f. 1 April 2023, therefore, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended, on preservation of audit trail as per the statutory requirements for record retention is not applicable for financial year ended 31 March 2024.

For R Gopal & Associates
Chartered Accountants
Firm Registration No.: 000846C



Vikash Aggarwal
Partner
Membership No: 519574
UDIN: 24519574BKDICT5003
Date: 13th May, 2024
Place: New Delhi

Annexure A to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March 2024, we report that:

(i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of Intangible Assets.

(b) Property, Plant & Equipment are physically verified by the management according to a phased manner to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant & Equipment have been physically verified by the management during the year and no material discrepancies have been noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right of use assets) and Intangible Assets during the year.

(e) As per information and explanations given to us, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii)

(a) Inventory comprises of stock of commodities which have been physically verified and reconciled by the management with reference to the confirmation / statements from brokers and holding statements of warehouse and depository participants, during the year and coverage and procedure of such verification by the management is appropriate. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed.

(b) During the year company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets and the quarterly returns or statements filed by the company with such banks or financial institutions are in accordance with terms and conditions.

R. Gopal & Associates
Vikash Aggarwal
New Delhi
M.No. 518574
Chartered Accountants

(iii)

(a) During the year company has granted loans to its subsidiaries. Details of the loan are stated below. During the year the Company has not provided advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties except margin trading funding.

Particulars	Rs in Lakhs
	Loan
Aggregate amount granted/ provided during the year to	
Subsidiary	14,873.00
Other	-
Balance outstanding as at balance sheet date in respect of above cases	
Subsidiary	-
Other	-

*The Company extends revolving credit facilities to its wholly owned subsidiaries which is within the limit assigned.

(b) According to the information and explanations given to us, the terms and conditions of loans granted by the company to its subsidiaries are not prejudicial to the interest of the Company. The company has not provided any guarantee during the year.

(c) The Company has granted loans during the year to its subsidiary which are repayable on demand and payment of interest has been stipulated and the repayment or receipts are regular.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there was an overdue amount of Rs 182.14 lakhs for more than 90 days in respect of loan given to one foreign subsidiary in the past against which the company had made full provision against the same in earlier years, which has been written off during the year.

(e) There were no loans granted to companies, firms, Limited Liability Partnerships or any other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.

(f) Based on our audit procedures, according to the information and explanation made available to us, 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 during the year.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provision of section 186 of the Act, with respect to the loans, investments, guarantees and security made as applicable.



(v) The Company has not accepted any deposits from the public within the meaning of sections 73 to 76 of the Act, 2013 and rules framed there under.

(vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.

(vii)

(a) According to the information and explanations given to us, Company has generally been regular in depositing undisputed statutory dues including provident fund, employee's state insurance, income-tax, goods and service tax, cess and other statutory dues applicable to it with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employee's state insurance, income-tax, goods and service tax, cess and other material statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub -clause (a) above which have not been deposited as on March 31,2024 on accounts of dispute are given below:

Name of the statute	Nature of dues	Amount (Rs in Lacs)	Period to which the amount relates	Forum where dispute is pending
Finance Act 1994	Service Tax	658.23	FY 2009-10 To FY 2012-13	Company is in process to file an appeal before CESTAT.
Finance Act 1994	Service Tax	582.55	01.07.2012 To 30.06.2017	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)
The Employee State Insurance Act,1948	ESI	18.63	September 2005 to December 2007	High Court, Delhi
The Indian Stamp Act, 1899*	Stamp Duty	-	2010 to 21.11.2014	High Court, Delhi
The Employees Provident Fund Act, 1952*	PF	-	October 1995 to November 2003	High Court, Delhi

* Amount not ascertained.

(viii) As per information and explanation given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

R. Gopal & Associates Vikash Aggarwal New Delhi M.No. 519574 Chartered Accountants

(ix)

(a) According to the information and explanations given to us the company has not defaulted in repayment of loans and borrowings including interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) According to the information and explanations given to us, the company has utilized the money obtained by way of term loan during the year for the purpose for purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. Company does not have any associate and joint venture.

(f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries. Company does not have any associate and joint venture.

(x)

(a) The Company has not raised any money by way of an initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under clause (x)(b) of the Order is not applicable.

(xi)

(a) According to the information and explanations given to us, no fraud by / on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.



(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.

(xiv)

(a) The Company has appointed a firm of chartered accountants to carry out the internal audit of the company. In our opinion and according to the information and explanation given to us, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, during the course of our audit the reports of the internal auditors for the period under audit issued to the company during the year and till date, in determining the nature, timing and extent of our audit procedures in accordance with the guidance provided in SA 610- "Using the work of Internal Auditors".

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi)

(a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), of the Order is not applicable.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(b), of the Order is not applicable.

(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) According to the information and explanations given to us, in the group (in accordance with Core Investment Companies (CICs) (Reserve Bank) Directions, 2016), there is one company forming part of the promoter/promoter group of the Company which is CICs (Core Investment Companies)

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty



exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx)

(a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub-section 5 of Section 135 of the Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

(b) In respect of the ongoing projects, there are no unspent amounts which is required to be transferred to special account in compliance with provision of sub section (6) of section 135 of the said Act; Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

For R Gopal & Associates
Chartered Accountants
Firm Registration No.: 000846C

Vikash Aggarwal
Partner
Membership No: 519574
UDIN: 24519574BKDICT5003
Date: 13th May, 2024
Place: New Delhi

Annexure - B to the Auditors' Report

Report on the Internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **SMC Global Securities Limited** ("the Company") as of 31st March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that: -

R. Gopal & Associates
Vikash Aggarwal
New Delhi
M No. 519574
Chartered Accountants

1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31st March, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For R Gopal & Associates
Chartered Accountants
Firm Registration No.: 000846C

Vikash Aggarwal
Partner
Membership No: 519574
UDIN: 24519574BKDICT5003
Date: 13th May, 2024
Place: New Delhi



SMC GLOBAL SECURITIES LIMITED

Standalone Balance Sheet

₹ in Lakhs

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
Assets			
Financial assets			
Cash and cash equivalents	3	5,317.54	2,059.29
Other bank balances	4	2,17,191.25	1,34,719.15
Receivables			
Trade receivables	5	44,614.02	29,859.61
Other receivables	6	401.80	1,202.48
Loans	7	23,595.35	18,873.73
Investments	8	40,287.33	42,018.86
Other financial assets	9	14,363.96	6,750.45
Non-financial assets			
Inventories	10	-	18.54
Current tax assets (net)	31	200.87	1,059.71
Deferred tax assets (net)	31	1,184.38	1,040.89
Property, plant and equipment	11	7,679.73	8,066.27
Right of use asset	12	1,984.86	1,774.10
Investment Property (ROU Asset)	12.3	700.95	764.91
Capital work-in-progress	12.1	2,681.17	893.49
Other intangible assets	13	159.24	129.66
Intangible assets under development	13.1	60.25	107.90
Other non-financial assets	14	817.68	1,393.27
Total assets		**3,61,140.33**	**2,50,732.31**
Liabilities and equity			
Liabilities			
Financial liabilities			
Payables			
Trade payables	15		
- to micro and small enterprises		1.11	-
- to other than micro and small enterprises		71,520.92	37,662.54
Lease liabilities	12.2	2,773.03	2,522.30
Borrowings	16	64,249.82	38,457.15
Other financial liabilities	17	1,29,581.46	91,265.24
Non-financial liabilities			
Current tax liabilities (net)	31	229.28	157.87
Provisions	18	2,395.51	1,932.69
Other non-financial liabilities	19	2,008.75	1,934.27
Equity			
Equity share capital	20	2,094.00	2,094.00
Other equity		86,286.45	74,706.25
Total liabilities and equity		**3,61,140.33**	**2,50,732.31**

The accompanying notes form an integral part of the standalone financial statements 1-43

In terms of our report of even date attached

For R. Gopal & Associates
Chartered Accountants
Firm Registration No. : 000846C

Vikash Aggarwal
Partner
Membership No. : 519574

Place: New Delhi
Date: May 13, 2024

For and on behalf of the Board

S.C. Aggarwal
Chairman &
Managing Director
DIN: 00003267

Mahesh C. Gupta
Vice-Chairman &
Managing Director
DIN: 00003083

Ajay Garg
Director & CEO
DIN: 00003166

Vinod Kumar Jamar
President & Group CFO

Suman Kumar
Company Secretary

SMC GLOBAL SECURITIES LIMITED

Standalone Statement of Profit and Loss

₹ in Lakhs

Particulars	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from operations			
Fee and commission income	21	48,005.74	37,749.75
Interest income	22	20,767.17	13,821.53
Dividend income		56.16	91.64
Net gain on proprietary trading		16,060.01	15,901.20
Net gain on fair value changes	23	425.06	351.29
Total revenue from operations		**85,314.14**	**67,915.41**
Other income	24	3,067.76	1,365.19
Total income		**88,381.90**	**69,280.60**
Expenses			
Fees and commission expenses	25	32,929.55	27,661.35
Employee benefits expenses	26	19,141.86	15,661.73
Finance cost	27	9,482.53	5,884.72
Depreciation and amortisation	28	2,409.22	1,704.59
Impairment on financial instruments	29	(63.81)	28.89
Other expenses	30	6,488.35	6,352.82
Total expenses		**70,387.70**	**57,294.10**
Profit before tax		**17,994.20**	**11,986.50**
Tax expense:			
Current tax	31	3,805.32	3,379.74
Income tax earlier year	31	226.60	89.94
Deferred tax	31	(140.28)	(820.41)
Total tax expense		**3,891.64**	**2,649.27**
Profit after tax		**14,102.56**	**9,337.23**
Other comprehensive income (OCI)			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit liability / asset		(12.75)	(36.94)
Tax effect of items that will not be reclassified subsequently to profit and loss		3.21	9.30
Total other comprehensive income (net of tax)		**(9.54)**	**(27.64)**
Total comprehensive income for the year (comprising profit and other comprehensive income for the year)		**14,093.02**	**9,309.59**
Earnings per equity share (Face value ₹ 2)			
Basic & Diluted (in ₹)	32	13.47	8.72
The accompanying notes form an integral part of the standalone financial statements	1-43		

In terms of our report of even date attached

For R. Gopal & Associates
Chartered Accountants
Firm Registration No. : 000846C

Vikash Aggarwal
Partner
Membership No. : 519574

Place: New Delhi
Date: May 13, 2024

For and on behalf of the Board

S.C. Aggarwal
Chairman &
Managing Director
DIN: 00003267

Mahesh C. Gupta
Vice-Chairman &
Managing Director
DIN: 00003082

Ajay Garg
Director & CEO
DIN: 00003166

Vinod Kumar Jamar
President & Group CFO

Suman Kumar
Company Secretary

SMC GLOBAL SECURITIES LIMITED
Standalone statement of changes in equity

A. Equity share capital (Refer note 20)

₹ in Lakhs

Particulars	Balance as at April 1, 2022	Changes in equity share capital due to prior period errors	Restated balance as on April 1, 2022	Changes in equity share capital during the period	Balance as at March 31, 2023
Equity share capital	2,262.69	-	-	(168.69)	2,094.00

₹ in Lakhs

Particulars	Balance as at April 1, 2023	Changes in equity share capital due to prior period errors	Restated balance as on April 1, 2023	Changes in equity share capital during the period	Balance as at March 31, 2024
Equity share capital	2,094.00	-	-	-	2,094.00

B. Other equity

₹ in Lakhs

Particulars	Reserves & surplus					Other comprehensive income	Total
	Securities premium reserve	Retained earnings	General reserve	Capital Redemption Reserve (CRR)	Capital reserve	Remeasurement of the net defined benefit liability / asset	
Balance as at April 1, 2022	**34,444.50**	**33,213.42**	**7,844.60**	**-**	**1,439.24**	**118.81**	**77,060.57**
Changes in equity for the year ended March 31, 2022							
Profit for the year	-	9,337.23	-	-	-	-	9,337.23
Other comprehensive income for the year	-	-	-	-	-	(27.64)	(27.64)
Total comprehensive income for the year	**-**	**9,337.23**	**-**	**-**	**-**	**(27.64)**	**9,309.59**
Transactions with owners in their capacity as owners :							
On Buyback of Shares	(9,073.37)	-	-	-	-	-	(9,073.37)
Transfer to CRR on buyback of shares	(168.69)	-	-	168.69	-	-	-
Refund of Excess Dividend Distribution Tax paid	-	6.16	-	-	-	-	6.16
Payment of dividend	-	(2,596.70)	-	-	-	-	(2,596.70)
Balance as at March 31, 2023	**25,202.44**	**39,960.11**	**7,844.60**	**168.69**	**1,439.24**	**91.17**	**74,706.25**
Balance as at April 1, 2023	**25,202.44**	**39,960.11**	**7,844.60**	**168.69**	**1,439.24**	**91.17**	**74,706.25**
Changes in equity for the year ended March 31, 2024							
Profit for the year	-	14,102.56	-		-	-	14,102.56
Other comprehensive income for the year	-	-	-		-	(9.54)	(9.54)
Total comprehensive income for the year	**-**	**14,102.56**	**-**	**-**	**-**	**(9.54)**	**14,093.02**
Transactions with owners in their capacity as owners :							
Payment of dividend	-	(2,512.82)	-		-	-	(2,512.82)
Balance as at March 31, 2024	**25,202.44**	**51,549.85**	**7,844.60**	**168.69**	**1,439.24**	**81.63**	**86,286.45**

Nature and purpose of reserves :

(A) Securities premium reserve
Securities premium is used to record the premium received on issue of shares. The reserve can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.

R. Gopal & Associates Vikash Agarwal New Delhi M.No. 519574 Chartered Accountants

SMC GLOBAL SECURITIES LTD. New Delhi

(B) Retained earnings
Retained earnings are the profits that the company has earned till date, less any transfers to generate reserve, dividends or other distributions paid to shareholders.

(C) 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 however, the same is not required to be created under Companies Act, 2013. This reserve can be utilised only in accordance with the specified requirements of Companies Act, 2013.

(D) Capital redemption reserve

The Companies Act, 2013 requires that when a Company purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve. The reserve is utilised in accordance with the provisions of Section 69 of the Companies Act, 2013.

(E) Capital reserve
Capital reserve is created out of capital profits and cannot be used for the distribution of profits and dividend.

In terms of our report of even date attached
For R. Gopal & Associates
Chartered Accountants
Firm Registration No.: 000846C

Vikash Aggarwal
Partner
Membership No.: 519574

Place: New Delhi
Date: May 13, 2024

For and on behalf of the Board

S.C. Aggarwal	**Mahesh C. Gupta**	**Ajay Garg**
Chairman & Managing Director	Vice-Chairman & Managing Director	Director & CEO
DIN: 00003267	DIN: 00003082	DIN: 00003166

Vinod Kumar Jamar
President & Group CFO

Suman Kumar
Company Secretary

SMC GLOBAL SECURITIES LIMITED

Standalone statement of cash flows

₹ in Lakhs

Particulars		For the year ended	
		March 31, 2024	March 31, 2023
Cash flow from operating activities:			
Profit after tax		14,102.56	9,337.23
Adjustments to reconcile net profit to net cash provided by operating activities:		-	-
Tax expense		3,891.64	2,649.27
Depreciation and amortization		2,409.22	1,704.59
Finance Cost		9,482.53	5,884.72
Dividend income		(2,362.71)	(808.00)
(Gain) / loss on modification of lease		(0.53)	(2.13)
Interest income other than from revenue from operation		(370.61)	(164.23)
Allowance for impairment on financial instruments		(63.81)	28.89
Rent income		(174.03)	(174.03)
Net loss/(gain) on derecognition of property, plant and equipment		(9.39)	(84.47)
Operating profit before working capital changes		**26,904.87**	**18,371.84**
Changes in assets and liabilities			
Other bank balances		(82,472.10)	(21,091.26)
Trade receivables		(14,330.58)	(3,113.90)
Other receivables		803.30	(723.64)
Loans		(4,469.56)	(7,965.56)
Inventories		18.54	2,347.87
Investments		1,869.24	12,806.36
Other financial assets		(7,613.01)	1,669.04
Other non-financial assets		432.88	(148.37)
Trade payables		33,859.46	(25,896.97)
Other financial liabilities		38,309.46	17,264.52
Other non-financial liabilities		74.47	702.03
Provisions		475.57	317.52
Cash generated from / (used in) operations		**(6,137.46)**	**(5,460.52)**
Income taxes paid (net of refund)		(3,101.62)	(2,246.42)
Net cash generated from / (used in) operating activities	**(A)**	**(9,239.08)**	**(7,706.94)**
Cash flow from investing activities:			
Expenditure on Property, Plant and Equipments including Capital work-in-progress and capital advance		(2,770.68)	(2,456.75)
Expenditure on Intangible assets		(135.14)	(121.09)
Sale proceeds on property, plant and equipment and intangible assets		30.36	121.96
Investment in Subsidiaries		-	(2,200.00)
Sale of Investment in Subsidiary		-	2,690.00
Interest received		392.36	122.51
Dividend received		2,362.71	808.00
Rent received		174.03	174.03
Net cash generating from / (used in) investing activities	**(B)**	**53.54**	**(861.34)**
Cash flow from financing activities:			
Payment of dividends (net of unpaid dividend)		(2,506.04)	(2,596.70)
Payment of interest		(9,167.90)	(5,551.43)
Repayment of lease liabilities		(1,332.65)	(1,048.69)
Proceeds from short term borrowings (other than repayable on demand)		15,597.84	3,000.00
Repayment of short term borrowings (other than repayable on demand)		(6,754.56)	-
Proceeds from long term borrowings		3,367.82	227.50
Repayment of long term borrowings		(1,603.87)	(282.65)
Proceeds / (repayment) from loan repayable on demand (net)		14,843.15	20,417.56
Buyback of Shares		-	(9,242.06)
Refund of Dividend distribution tax excess paid		-	6.16
Net cash generating from / (used in) financing activities	**(C)**	**12,443.79**	**4,929.69**
Net increase / (decrease) in cash and cash equivalents	**(A+B+C)**	**3,258.25**	**(3,638.59)**
Cash and cash equivalents at the beginning of the year		2,059.29	5,697.88
Cash and cash equivalents at the end of the year		**5,317.54**	**2,059.29**

R. Gopal & Associates, Vikash Aggarwal, New Delhi, M.No. 519574, Chartered Accountants

SMC GLOBAL SECURITIES LTD., New Delhi

SMC GLOBAL SECURITIES LIMITED

Standalone statement of cash flows

Notes :

1. Refer note no. 36.07 for changes in liabilities arising from financing activities.
2. The above statement of cash flows has been prepared under the "Indirect Method" as set out in Ind AS - 7 notified u/s 133 of the Companies Act, 2013.
3. Figures in brackets indicate cash outflow.
4. The material accounting policies information and notes to the financial statements (Refer note no. 1 - 43) form an integral part of the standalone financial statements.

In terms of our report of even date attached

For R. Gopal & Associates
Chartered Accountants
Firm Registration No.: 000846C

Vikash Aggarwal
Partner
Membership No. : 519574

Place: New Delhi
Date: May 13, 2024

For and on behalf of the Board

S.C. Aggarwal
Chairman &
Managing Director
DIN: 00003267

Mahesh C. Gupta
Vice-Chairman &
Managing Director
DIN: 00003082

Ajay Garg
Director & CEO
DIN: 00003166

Vinod Kumar Jamar
President & Group CFO

Suman Kumar
Company Secretary

SMC GLOBAL SECURITIES LIMITED
Notes to standalone financial statements

1 Basis of measurement

1.01 Company overview

SMC Global Securities Limited (CIN- L74899DL1994PLC063609) ("the company" or "SMC Global"), a limited liability company is domiciled in India, incorporated in the year 1994 having its registered office at 11/6B, Shanti Chambers, Pusa Road, New Delhi-110005. The Company's equity shares are listed and traded on National Stock Exchange ("NSE") and Bombay Stock Exchange ("BSE") in India with effect from Feburary 24, 2021. The Company is a Trading-cum-Clearing member of the National Stock Exchange of India Limited ("NSE") & BSE Limited ("BSE") in Equity, Equity Derivative, Currency Derivative & Commodity Derivative segments of Exchange and Trading member in Metropolitan Stock Exchange of India Limited ("MSEI") in Currency Derivative Segment. Further, the company is also a Trading-cum-Clearing member of the Multicommodity Exchange of India Ltd (MCX) and National Commodity Exchange of India Ltd. (NCDEX) in commodity segment of the Exchanges. The Company also holds depository participants registration of Central Depository Services (India) Limited (CDSL), National Securities Depository Limited (NSDL) and Comtrack. Further the company is also SEBI registered Research Analyst, Portfolio management service (PMS) and AMFI registered mutual fund distributor. The company is regulated by SEBI. The company has ten subsidiaries and one joint venture.

The company offers a wide range of services to meet client's needs including brokerage services, clearing services, depository services, distribution of third party financial products such as mutual fund and initial public offerings, fund management services, research support services and also engages in proprietary & commodity trading .

1.02 Statement of compliance

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

1.03 Basis of preparation

These standalone financial statements are prepared under the historical cost convention on the accrual basis except for certain assets and liabilities which are measured at fair value / amortised cost / transaction price as stated in respective accounting policies / notes.

Functional and presentation currency

These financial statements are presented in Indian Rupees ('INR' or 'Rs.') which is also the Company's functional currency. All amounts are rounded-off to the nearest lakhs, unless indicated otherwise.

1.04 Use of estimates

The preparation of the financial statements, requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the year in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Areas involving critical estimates and judgements are:

- Estimation of useful lives of property, plant and equipment (Refer note no. 2.02 below)
- Estimation of current tax expenses (Refer note no. 2.04 below)
- Estimation of allowance for imapirement of financial assets (Refer note no.2.06 below)
- Estimation of employee defined benefit obligations (Refer note no.2.07 below)
- Estimation of discount rate for lease asset (ROU assets) and lease liabilities (Refer note no. 2.08)

2 Material Accounting Policies information

2.01 Revenue recognition

The company derives it's revenue primarily from the brokerage services, clearing services, depository services, distribution of third party financial products such as mutual fund and initial public offerings, fund management services, research support services and also engages in proprietary & commodity trading.

(i) **Broking:** In these types of contract performance obligation is to provide the platform to traders for trading in securities, commodities and the performance obligation satisfies point in time i.e. as and when the trade is executed. Revenue on commission/brokerage on sale made on behalf of principals is accounted for at the time of purchase/sale made on their behalf.

(ii) **Distribution of third party financial products:** In these types of contract performance obligation is to sell the third party financial products to the subscriber and the performance obligation satisfies point in time i.e. as and when subscription is ensured and target based incentives are confirmed by registrar / respective companies. Unbilled revenue is the income that has become due on account of services rendered by the company but pending to be billed.





(iii) **Depository services**: In these types of contract performance obligation is periodic maintenance of customer account as depository participant and the performance obligation satisfies over time i.e. over the period and there is reasonable certainty of recovery.

(iv) **Proprietary trading**: Ind AS 115 Revenue from Contract with Customer is not applicable on this business and hence the revenue is recognised as per Ind AS 109 Financial Instruments i.e. as and when trade is executed. Refer to the Policy on Financial Instruments w.r.t regular way purchase and sales of Financial Assets.
Commodity trading: In these types of contracts the performance obligation satisfies in time i.e. when the sale is executed or ownership is transferred. Accordingly the revenue is recognised on whenever the transaction is executed.

(v) **Interest income**: Interest income on a financial asset at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ('EIR'). The EIR is the rate that exactly discounts estimated future cash flows of the financial assets through the expected life of the financial asset or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The internal rate of return on financial assets after netting off the fees received and cost incurred approximates the effective interest rate method of return for the financial asset. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets. For credit impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets.
It also comprises of interest on delayed payment/margin trading facility.

(vi) **Portfolio and Fund management services**: In these types of contracts the performance obligation satisfies over time i.e. the services are rendered on continuous basis and the revenue is recognised on periodical basis and also considering performance based criteria of fund (as applicable).

(vii) **Research support services:** In these types of contract performance obligation is periodic input to participants on the basis of capital market analysis and the performance obligation satisfies over time i.e. over the period.

(viii) **Incentives from exchange**: Incentives from exchange are recognised on point in time basis.

2.02 Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. The company depreciates property, plant and equipment over their estimated useful lives on written down value method. The estimated useful lives of assets are as follows:

Office building	60	years
Computer equipments	3-6	years
Office equipments	5	years
Furniture and fixtures	10	years
Vehicles	8-10	years

The useful lives for these assets is in compliance with the useful lives as indicated under Part C of Schedule II of the Companies Act, 2013.

Addition to the, property plant and equipment have been accounted only when the item is in location and condition necessary for its use. Depreciation on asset added/sold/discarded during the year is being provided on prorata basis from / upto the date on which such assets are added/sold/discarded.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non financial assets and the assets not ready for use are disclosed under 'Capital work-in-progress'.

2.03 Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment, if any. Intangible assets are amortized on a written down value basis, from the date that they are available for use. The rates used are as follows :

Computer software	40%
Trade mark logo	40%

2.04 Income tax

The income tax expense comprises of current and deferred tax.
The current tax is calculated on the basis of the tax rates, laws and regulations, which have been enacted or substantively enacted as at the reporting date. The payment made in excess / (shortfall) of the Company's income tax obligation for the year are recognised in the balance sheet as current income tax assets / liabilities.

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Deferred tax is recognised based on the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax is determined using tax rates that have been enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off current tax assets against current tax liabilities & the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

2.05 Investment in subsidiaries

Investment in subsidiaries are measured at cost less accumulated impairment, if any.

The Company assesses at the end of each reporting period if there are any indications of impairment on such investments. If so, the Company estimates the recoverable amount of the investment and provides for impairment.

2.06 Financial instruments

(a) Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognised at fair value on initial recognition, except for trade receivables which are initially measured at transaction price.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are adjusted from the fair value of financial asset or financial liabilities on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in Statement of profit and loss.

(b) Subsequent measurement

(i) Financial assets at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Advances, security deposits, rental deposits, cash and cash equivalents etc. are classified for measurement at amortised cost.

(ii) Financial assets at fair value through profit or loss

A financial asset which is not classified at amortised cost are subsequently fair valued through profit or loss. All investment held for trading, derivative financial instruments are measured at fair value through profit and loss.

(iii) Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method, except for contingent consideration recognised in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(c) Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognised from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

(d) Impairment

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in profit and loss.

When determining whether credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, including on historical experience and forward looking information.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Simplified approach The company follows 'simplified approach' for recognition of impairment loss allowance on loans, other receivables and other financial assets. The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The company uses a provision matrix to determine impairment loss allowance. The provision matrix is based on its historically observed default rates over the expected life of financial assets and is adjusted for forward looking estimates. At every reporting date, the historically observed default rates are updated for changes in the forward looking estimates.

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2.07 Employee benefits

(a) Defined contribution plans

Obligations for contributions to defined contribution plans (provident fund and employees state insurance) are recognized as a employee benefit expense in profit or loss in the years during which services are rendered by employees.

(b) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's gratuity scheme is a defined benefit plan and in accordance with Payment of Gratuity Act, 1972. As per the plan, employee is entitled to get 15 days of basic salary for each completed year of service with a condition of minimum tenure of 5 years subject to a maximum amount of INR 20.00 lakhs.

Defined benefit obligation (DBO) is evaluted by actuary based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Remeasurement of the net defined benefit liability / asset recognised in OCI are presented as a separate component in SOCE.

(c) Short-term employee benefits

Short term benefits comprises of Salary with allowances, Incentives, Bonus, Personal accident and Medical benefit policies etc. are expensed as the related service is provided.

(d) Other long-term employee benefits

Liability for leave encashment

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior years. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the year in which they arise. The valuation of leave encashment are obtained from actuary.

2.08 Leases

The Company enters into hiring/service arrangements for various assets/services. This requires significant judgements including but not limited to, whether asset is implicitly identified, substantive substitution rights available with the supplier, decision making rights with respect to how the underlying asset will be used, economic substance of the arrangement, etc.

The Company as a Lessee

As a lessee the Company has measured lease liability at the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. After the commencement date / transition date, the Company measures the right-of-use (ROU) asset applying a cost model, whereas the Company measures the right-of-use (ROU) asset at cost:

(a) less any accumulated depreciation and any accumulated impairment losses; and
(b) adjusted for any remeasurement of the lease liability.

The Company recognises the finance charges on lease expense on reducing balance of lease liability. The ROU asset is depreciated over the lease term on straight line basis.

The Company applies the above policy to all leases except:
(a) leases for which the lease term (as defined in Ind AS 116) ends within 12 months of the acquisition date;
(b) leases for which the underlying asset is of low value.

The Company as a Lessor

As a lessor the Company identifies leases as operating and finance lease. A lease is classified as a finance lease if the Company transfers substantially all the risks and rewards incidental to ownership of an underlying asset.

At the commencement date, the Company recognises assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease. After the initial recognition the Company recognises finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

The lease payments on operating leases are recognised as income on straight-line basis.

2.09 Statement of cash flows

Cash flows from operating activites are reported using the indirect method where by the profit after tax is adjusted for the effect of the transactions of a non-cash nature, any deferrals or accruals of past and future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

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3 Cash and cash equivalents

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
At amortised cost		
Cash in hand	24.11	19.44
Balances with banks		
In current accounts	5,293.43	2,039.85
Total cash and cash equivalents	**5,317.54**	**2,059.29**

4 Other bank balances

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
At amortised cost		
Deposit pledged with banks*	42,050.68	76,600.73
Deposit pledged with the clearing corporations and stock exchanges as margin	1,73,194.00	56,627.10
Deposit placed under lien with consumer court	2.12	2.12
Deposit placed with pension fund regulatory and development authority	20.00	20.00
Deposit placed under arbitration	216.68	243.11
Deposit - no lien	9.45	15.00
Earmarked balances (unpaid dividend account)	81.29	74.53
Interest accrued but not due	2,616.83	1,136.56
Total other bank balances	**2,17,191.25**	**1,34,719.15**

* Deposit pledged with bank as margin deposit for the guarantees of ₹ 71,430.75 lakhs and ₹ 1,19,486.75 lakhs as of March 31, 2024 and March 31, 2023, respectively.

5 Trade receivables

₹ in Lakhs

Particulars		As at March 31, 2024	As at March 31, 2023
At amortised cost			
Secured considered good		38,426.68	23,561.89
Secured credit impaired		172.61	183.72
Less: Provision for impairment		(141.56)	(118.93)
	(A)	**38,457.73**	**23,626.68**
Unsecured considered good		4,382.34	4,907.51
Unsecured credit impaired		46.45	523.26
Less: Provision for impairment		(99.00)	(545.45)
	(B)	**4,329.79**	**4,885.32**
Unbilled revenue	**(C)**	1,826.50	1,347.61
Total trade receivables	**(A+B+C)**	**44,614.02**	**29,859.61**

Includes amount due from related parties ₹ 0.04 lakhs(PY: ₹ 179.47) refer note no. 37.03

Trade receivables ageing schedule as on March 31, 2024

₹ in Lakhs

Particulars	Outstanding for following periods from due date of payment / transaction					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed Trade receivables – considered good	42,809.02	-	-	-	-	42,809.02
Undisputed Trade receivables - considered credit impaired	43.46	84.78	31.21	50.71	8.90	219.06
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade receivables - considered credit impaired	-	-	-	-	-	-
	42,852.48	**84.78**	**31.21**	**50.71**	**8.90**	**43,028.08**
Less: Provision for impairment						(240.56)
						42,787.52
Unbilled revenue						1,826.50
						44,614.02





SMC GLOBAL SECURITIES LIMITED

Notes to standalone financial statements

Trade receivables ageing schedule as on March 31, 2023

₹ in Lakhs

Particulars	Outstanding for following periods from due date of payment / transaction					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed Trade receivables - considered good	28,469.40	-	-	-	-	28,469.40
Undisputed Trade receivables - considered credit impaired	106.76	29.84	33.11	56.74	-	226.45
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade receivables - considered credit impaired	1.68	2.81	5.35	263.77	206.92	480.53
	28,577.84	**32.65**	**38.46**	**320.51**	**206.92**	**29,176.38**
Less: Provision for impairment						(664.38)
						28,512.00
Unbilled revenue						1,347.61
						29,859.61

6 Other receivables

₹ in Lakhs

Particulars	As at	
	March 31, 2024	March 31, 2023
At amortised cost		
Claims and other receivables	370.03	1,191.12
Receivable from related parties*	47.43	29.64
	417.46	**1,220.76**
Less: Provision for impairment	(15.66)	(18.28)
Total other receivables	**401.80**	**1,202.48**

*Refer note no 37.03

7 Loans

₹ in Lakhs

Particulars	As at	
	March 31, 2024	March 31, 2023
At amortised cost		
Secured		
Margin Trading Facility	23,285.13	18,638.05
Unsecured		
Carried at amortised cost		
Loans to related parties*	333.51	511.01
	23,618.64	**19,149.06**
Less: Provision for impairment	(23.29)	(275.33)
Net loans	**23,595.35**	**18,873.73**
In India	23,261.84	18,544.86
Outside India	333.51	328.87

*(Refer note no 37.03)

8 Investments

₹ in Lakhs

Particulars		As at March 31, 2024	As at March 31, 2023
Quoted			
Investments carried at fair value through profit and loss			
Held for trading			
Equity instruments		2,527.99	1,878.59
Debt instruments		13.62	661.37
	(A)	2,541.61	2,539.96
Other than held for trading			
Equity instruments		-	0.01
Equity instruments under portfolio management service		53.38	1,877.88
Mutual funds		5.16	-
Debt instruments		55.33	31.45
Interest accrued but not due		4.01	41.72
	(B)	117.88	1,951.06
Sub - Total	(A+B+C)	2,659.49	4,491.02
Unquoted			
Investments carried at cost			
Equity instrument of subsidiaries		37,687.18	38,161.12
Less : Provision for impairment*		(159.88)	(633.82)
	(D)	37,527.30	37,527.30
Investments carried at fair value through profit and loss			
Equity instruments		0.54	0.54
	(E)	0.54	0.54
Sub - Total	(D+E=F)	37,527.84	37,527.84
Total investments	(C+F)	40,187.33	42,018.86
In India		38,649.06	40,480.59
Outside India		1,538.27	1,538.27

*SMC Global USA Inc., a subsidiary company of SMC Global Securities Limited has been voluntarily dissolved w.e.f. 20th December,2023 and there is no financial impact.Necessary submissions to RBI through AD bank have been completed.

8.01 Investments in equity instruments of subsidiaries (Unquoted, fully paid-up)

₹ in Lakhs

Particulars	Face Value	No. of shares March 31, 2024	No. of shares March 31, 2023	As at March 31, 2024	As at March 31, 2023
Investments measured at cost (Unquoted)					
Investments in Equity shares of subsidiaries: (Fully paid up)					
Pulin Comtrade Limited*	10	95,00,000	95,00,000	950.00	950.00
SMC Investments and Advisors Limited	10	75,00,000	75,00,000	750.00	750.00
Moneywise Financial Services Private Limited	10	4,36,56,920	4,36,56,920	23,024.80	23,024.80
SMC Capitals Limited	10	1,00,00,000	1,00,00,000	1,248.77	1,248.77
SMC Insurance Brokers Private Limited	10	1,35,00,000	1,35,00,000	1,350.07	1,350.07
SMC Comex International DMCC	1000 AED	8,840	8,840	1,538.27	1,538.27
Moneywise Finvest Limited	10	3,50,00,000	3,50,00,000	3,625.49	3,625.49
SMC Global USA Inc.**	$ 5000	-	140	-	473.94
SMC Global IFSC Private Limited	10	1,19,99,800	1,19,99,800	1,199.98	1,199.98
SMC Real Estate Advisors Private Limited***	100	40,00,000	40,00,000	4,000.00	4,000.00
				37,687.18	38,161.12
Less : Provision for impairment				(159.88)	(633.82)
				37,527.30	37,527.30

* Formerly known as SMC Comtrade Limited.

**SMC Global USA Inc., a subsidiary company of SMC Global Securities Limited has been voluntarily dissolved w.e.f. 20th December,2023 and there is no financial impact.Necessary submissions to RBI through AD bank have been completed.

*** The investments in subsidiaries are strategic in nature and it is expected to be held for a long period of time. The company is carrying the investment at cost though the net worth has fully eroded as it is hopeful of turnaround in near future based on strategic initiatives of the management and plan of restructuring which is expected to result in positive cashflows and revival of the business. Further, the company has carried out impairment testing and on the basis of the valuation report from a SEBI Registered Category -1 Merchant Banker obtained in revious year, the fair value of shares is much more than the carrying amount.

R. Gopal & Associates Vikash Aggarwal New Delhi M.No. 519974 Chartered Accountants

SMC GLOBAL SECURITIES LTD. New Delhi

SMC GLOBAL SECURITIES LIMITED

Notes to standalone financial statements

Name of subsidiaries along with percentage of holding

Name of subsidiaries	Country of Incorporation	As at March 31, 2024	As at March 31, 2023
a. Pulin Comtrade Limited*	India	100%	100%
b. SMC Investments and Advisors Limited	India	100%	100%
c. Moneywise Financial Services Private Limited	India	100%	100%
d. SMC Capitals Limited	India	100%	100%
e. SMC Insurance Brokers Private Limited	India	90.00%	90.00%
f. SMC Comex International DMCC	UAE	100%	100%
g. Moneywise Finvest Limited	India	100%	100%
h. SMC Global USA Inc.**	USA	0%	50%
i. SMC Global IFSC Private Limited	India	100%	100%
j. SMC Real Estate Advisors Private Limited	India	100%	100%

* Formerly known as SMC Comtrade Limited.

**SMC Global USA Inc., a subsidiary company of SMC Global Securities Limited has been voluntarily dissolved w.e.f. 20th December,2023 and there is no financial impact. Necessary submission to RBI through AD bank have been completed.

9 **Other financial assets**

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Derivative financial instruments	2,584.75	5,539.20
Security deposits*	11,779.21	1,211.75
	14,363.96	**6,750.95**
Less : Provision for impairment	-	(0.50)
Total other financial assets	**14,363.96**	**6,750.45**
Financial asset carried at fair value through profit and loss	2,584.75	5,539.20
Financial asset carried at amortised cost	11,779.21	1,211.25

*Includes ₹ 6.12 Lakhs (P.Y ₹ 6.12 Lakhs) from related party. Refer note no. 37.03

10 **Inventories**

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Commodities (Held for Trading)	-	18.54
Total inventories	-	**18.54**

11 Property, plant and equipment

₹ in Lakhs

Particular	Office Building	Computer equipments	Office equipments	Furniture and fixtures	Vehicles	Freehold Land	Total
Opening gross carrying value as at April 1, 2022	2,059.52	3,050.31	752.25	1,858.38	678.80	5,178.26	13,577.32
Additions during the year	157.73	843.76	128.41	335.19	398.21	-	1,863.29
Deletions during the year	(56.71)	(162.22)	(37.40)	(148.40)	(6.01)	-	(410.74)
Closing gross carrying value as at March 31, 2023	**2,160.54**	**3,731.85**	**843.26**	**1,845.13**	**970.80**	**5,178.26**	**14,729.84**
Opening gross carrying value as at April 1, 2023	2,160.54	3,731.85	843.26	1,845.13	970.80	5,178.26	14,729.84
Additions during the year	-	500.20	181.19	101.24	135.36	-	867.99
Deletions during the year	-	(292.10)	(34.79)	(1.39)	(75.97)	-	(404.25)
Closing gross carrying value as at March 31, 2024	**2,160.54**	**3,939.95**	**989.66**	**1,944.98**	**1,030.19**	**5,178.26**	**15,193.58**
Opening accumulated depreciation as at April 1, 2022	724.93	2,619.97	671.76	1,707.41	459.75	-	6,183.82
Depreciation for the year	99.57	486.79	80.32	76.69	130.62	-	873.99
Accumulated depreciation on deletions	(24.73)	(161.82)	(34.32)	(146.43)	(5.64)	-	(373.24)
Closing accumulated depreciation as at March 31, 2023	**799.77**	**2,944.94**	**717.76**	**1,637.67**	**563.43**	-	**6,683.57**
Opening accumulated depreciation as at April 1, 2023	799.77	2,944.94	717.76	1,637.67	563.43	-	6,663.57
Depreciation for the year	93.26	604.12	114.36	99.43	209.92	-	1,131.09
Accumulated depreciation on deletions	-	(176.26)	(29.50)	-	(75.05)	-	(280.81)
Closing accumulated depreciation as at March 31, 2024	**893.03**	**3,382.80**	**802.62**	**1,737.10**	**698.30**	-	**7,513.85**
Carrying value as at March 31, 2023	**1,360.77**	**786.91**	**125.50**	**207.46**	**407.37**	**5,178.26**	**8,066.27**
Carrying value as at March 31, 2024	**1,267.51**	**557.15**	**187.04**	**207.88**	**331.89**	**5,178.26**	**7,679.73**

12 Right of use asset

₹ in Lakhs

Particulars	Lease hold assets	Total
Opening gross carrying value as at April 1, 2022	3,369.23	3,369.23
Additions during the year	1,024.32	1,024.32
Termination during the year	(49.68)	(49.68)
Closing gross carrying value as at March 31, 2023	**4,343.87**	**4,343.87**
Opening gross carrying value as at April 1, 2023	4,343.87	4,343.87
Additions during the year	1,289.04	1,289.04
Termination during the year	(609.80)	(609.80)
Closing gross carrying value as at March 31, 2024	**5,023.11**	**5,023.11**
Opening accumulated depreciation as at April 1, 2022	1,865.79	1,865.79
Depreciation for the year	725.62	725.62
Accumulated depreciation on termination	(21.64)	(21.64)
Closing accumulated depreciation as at March 31, 2023	**2,569.77**	**2,569.77**
Opening accumulated depreciation as at April 1, 2023	2,569.77	2,569.77
Depreciation for the year	1,073.42	1,073.42
Accumulated depreciation on termination	(668.90)	(668.90)
Closing accumulated depreciation as at March 31, 2024	**3,038.25**	**3,038.25**
Carrying value as at March 31, 2023	**1,774.10**	**1,774.10**
Carrying value as at March 31, 2024	**1,984.86**	**1,984.86**

12.1 Capital Work in Progress

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Projects in progress	2,681.17	891.45
Closing balance	**2,681.17**	**891.45**

Refer note no. 41 (vi)

12.2 Detail of lease liability

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	2,522.30	2,272.98
Addition during the year	1,291.81	895.51
Deletions during the year	(9.38)	(27.51)
Finance charges on lease	297.47	332.11
Lease termination benefit	(0.58)	(2.14)
Repayment during the year	(1,331.69)	(1,048.69)
Closing balance	**2,771.01**	**2,522.30**
Interest rate used for capitalisation	9.10%/9.66%	9.66%

Maturity analysis of lease liabilities

₹ in Lakhs

Particulars	Carrying amount	1-90 days	91-180 days	181-365 days	1-2 years	2-5 years	More than 5 years
As at March 31, 2024	2,771.01	393.16	428.02	686.78	1,097.95	913.01	427.22
As at March 31, 2023	2,522.30	272.59	158.40	512.14	990.67	1,356.34	793.57

R. Gopal & Associates, Vikash Aggarwal, New Delhi, M.No. 519574, Chartered Accountants

SMC GLOBAL SECURITIES LTD., New Delhi

12.3 Investment Property ROU Asset

₹ in Lakhs

Particulars	Lease hold assets	Total
Opening gross carrying value as at April 1, 2022	1,341.22	1,341.22
Additions during the year	-	-
Termination during the year	-	-
Closing gross carrying value as at March 31, 2023	**1,341.22**	**1,341.22**
Opening gross carrying value as at April 1, 2023	1,341.22	1,341.22
Additions during the year	-	-
Termination during the year	-	-
Closing gross carrying value as at March 31, 2024	**1,341.22**	**1,341.22**
Opening accumulated depreciation as at April 1, 2022	512.44	512.44
Depreciation for the year	63.87	63.87
Accumulated depreciation on termination	-	-
Closing accumulated depreciation as at March 31, 2023	**576.31**	**576.31**
Opening accumulated depreciation as at April 1, 2023	576.31	576.31
Depreciation for the year	63.96	63.96
Accumulated depreciation on termination	-	-
Closing accumulated depreciation as at March 31, 2024	**640.27**	**640.27**
Carrying value as at March 31, 2023	**764.91**	**764.91**
Carrying value as at March 31, 2024	**700.95**	**700.95**

13 Other intangible assets

₹ in Lakhs

Particular	Computer software	Trademark logo	Total
Opening gross carrying value as at April 1, 2022	759.12	0.20	759.32
Additions during the year	93.40	0.27	93.67
Deletions during the year	(8.22)	-	(8.22)
Closing gross carrying value as at March 31, 2023	**838.30**	**0.47**	**838.77**
Opening gross carrying value as at April 1, 2023	838.30	0.47	838.77
Additions during the year	170.27	-	170.27
Deletions during the year	-	-	-
Closing gross carrying value as at March 31, 2024	**1,008.57**	**0.47**	**1,009.04**
Opening accumulated amortisation as at April 1, 2022	676.50	0.20	676.70
Amortization for the year	41.08	0.06	41.13
Accumulated amortization on deletions	(8.21)	-	(8.21)
Closing accumulated amortisation as at March 31, 2023	**708.85**	**0.26**	**709.11**
Opening accumulated amortisation as at April 1, 2023	708.85	0.26	709.11
Amortization for the year	140.61	0.14	140.75
Accumulated amortization on deletions		(0.06)	(0.06)
Closing accumulated amortisation as at March 31, 2024	**849.46**	**0.34**	**849.80**
Carrying value as at March 31, 2023	**129.45**	**0.21**	**129.66**
Carrying value as at March 31, 2024	**159.11**	**0.13**	**159.24**

13.1 Intangible assets under development

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Intangible assets under development	60.25	107.90
Total intangible assets under development	**60.25**	**107.90**

Refer note no. 41 (vii)

IND AS 101 gives option to choose from fair value as its deemed cost or carrying value in the previous gaap as deemed cost, on the date of transition to Ind AS for property, plant & equipment and intangible assets, accordingly the company has taken the carrying value in the previous gaap as deemed cost.

14 **Other non-financial assets**

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Capital advances	29.09	171.81
Prepaid expenses	516.61	654.01
Balances with government authorities and other taxes receivable	164.29	272.54
Advance payment to vendors for supply of goods	107.69	294.91
Total other non financial assets	**817.68**	**1,393.27**

15 **Trade Payable**

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro enterprises and small enterprises	1.11	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Trade payables - Clients	68,576.81	30,570.58
Trade payables - Related party*	340.06	145.91
Trade payables - Expenses	2,604.05	6,946.05
Total trade payable	**71,522.03**	**37,662.54**

* Refer note no. 37.03

Ageing schedule as at March 31, 2024

₹ in Lakhs

Particulars	Outstanding for following periods from due date of payment / transaction				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
MSME	1.11	-	-	-	1.11
Others	68,836.82	27.65	51.83	61.01	68,977.31
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
	68,837.93	27.65	51.83	61.01	68,978.42
Accrued expenses					2,543.61
					71,522.03

Ageing schedule as at March 31, 2023

₹ in Lakhs

Particulars	Outstanding for following periods from due date of payment / transaction				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
MSME	-	-	-	-	-
Others	34,779.95	125.76	73.68	-	34,979.39
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
	34,779.95	125.76	73.68	-	34,979.39
Accrued expenses					2,683.15
					37,662.54

16 **Borrowings**

₹ in Lakhs

Particulars		As at March 31, 2024	As at March 31, 2023
Secured			
Term loan			
from banks		274.07	303.72
from others		17,176.90	6,512.37
Loan repayable on demand			
from banks		46,062.96	28,120.01
from others		400.81	-
Interest accrued but not due		335.08	21.05
Total secured borrowings	(A)	**64,249.82**	**34,957.15**





Unsecured			
Loan repayable on demand			
from related party (refer note no. 37.03)		-	3,500.00
Total Unsecured borrowings	(B)	-	**3,500.00**
Total borrowings	(A+B=C)	**64,249.82**	**38,457.15**
In India		64,249.82	38,457.15
Outside India		-	-

a) Term Loan from banks amounting ₹ 274.07 lakhs and ₹ 303.72 lakhs as of March 31, 2024 and March 31, 2023, respectively, are secured by way of hypothecation of vehicles and are repayable over a period up to five years.

b) Term Loan from others amounting ₹ 7,256.56 lakhs and ₹ 3,482.35 lakhs as of March 31, 2024 and March 31, 2023, respectively, are secured by way of hypothecation of freehold land, exclusive charge on collateral property situated at Pusa Road New Delhi and personal guarantee of promoters directors are repayable in 60 instalments.

c) Term Loan from others amounting ₹ 9900.00 lakhs and ₹ 3,000.00 lakhs as of March 31, 2024 and March 31, 2023 , respectively, are secured by way of Margin trading facility and personal guarantee of promoter directors.

d) Term Loan from others amounting ₹ 10.34 lakhs and ₹ 30.02 lakhs as of March 31, 2024 and March 31, 2023 , respectively, are secured by way of hypothecation of vehicles and are repayable over a period up to five years.

e) Loan from banks amounting ₹ 46,062.96 lakhs and ₹ 28,120.01 lakhs as of March 31, 2024 and March 31, 2023, respectively, are secured against shares, receivables (including exchange balances), fixed deposits, certain office buildings and personal guarantee of promoter directors.

f) Loan from others amounting ₹ 400.81 and ₹ Nil as of March 31, 2024 and March 31, 2023 , respectively, are secured by way of hypothecation of shares, receivable and personal guarantee of promoter directors.

Repayment terms of contractual borrowings ₹ in Lakhs

Particulars	**As at**	
	March 31, 2024	**March 31, 2023**
In the first year	58,284.49	35,608.36
In the second year	2,844.11	941.69
In the third to fifth year	3,176.49	1,907.10
Total	**64,305.09**	**38,457.15**

Segregation of Borrowing on the basis of Fixed & Floating interest rate ₹ in Lakhs

Particulars	**As at**	
	March 31, 2024	**March 31, 2023**
Secured		
Weighted average rate		
Fixed rate borrowings	9.30%	9.24%
Floating rate borrowings	9.78%	7.75%
Amount borrowed		
Fixed rate borrowings	11,961.97	3,816.09
Floating rate borrowings	52,287.85	34,641.06
Total borrowings	**64,249.82**	**38,457.15**

Refer note no. 36.05 for contractual maturities of borrowings

17 **Other financial liabilities** ₹ in Lakhs

Particulars	**As at**	
	March 31, 2024	**March 31, 2023**
Book overdraft from banks	-	1,680.02
Security deposits received	336.15	326.09
Employee benefit payable	396.13	330.61
Derivative financial instruments	2,813.55	5,592.66
Unpaid dividend	81.29	74.53
Margin received from clients*	1,25,954.34	83,261.39
Total other financial liabilities	**1,29,581.46**	**91,265.24**
Financial liability carried at amortized cost	1,26,767.91	85,672.58
Financial liability carried at fair value through profit and loss	2,813.55	5,592.66

*Includes margin received from realted parties ₹ 6,922.37 Lakhs (PY: ₹ 4,088.24 Lakhs) refer note no. 37.03

18 **Provisions**

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
i) Provision for employee benefits*		
Gratuity	1,602.54	1,244.58
Leave encashment	626.47	505.77
ii) Others**	166.50	182.34
Total provisions	**2,395.51**	**1,932.69**

***Refer Note 33**

₹ in Lakhs

**Provision- Others	As at March 31, 2024	As at March 31, 2023
Carrying amount as at beginning of the year	182.34	208.01
Additions	14.29	20.50
Amount used/reversed during the year	(30.13)	(46.17)
Closing Balance as at end of year	**166.50**	**182.34**

19 **Other non-financial liabilities**

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Contract liabilities- Unearned income	925.37	1,006.62
Withholding taxes and other taxes payable	1,083.38	927.65
Total other non-financial liabilities	**2,008.75**	**1,934.27**

Contractual liability-unearned income

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Carrying amount as at beginning of the year	1,006.62	398.23
Addition	2,888.07	3,785.25
Revenue recognised during the year	(2,969.32)	(3,176.86)
Closing balance at end of the year	**925.37**	**1,006.62**

20 **Equity share capital**

20.01 **Authorised issued and subscribed capital**

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Authorised		
47,75,50,000 (March 31, 2023 : 47,75,50,000) equity shares of ₹ 2/- each	9,551.00	9,551.00
	9,551.00	**9,551.00**
Issued, subscribed & fully paid up		
10,47,00,000 (March 31, 2023 : 10,47,00,000) equity shares of ₹ 2/- each	2,094.00	2,094.00
	2,094.00	**2,094.00**

20.02 **Reconciliation of number of equity shares outstanding**

(in numbers)

Particulars	As at March 31, 2024	As at March 31, 2023
At the beginning of the year	10,47,00,000	11,31,34,450
Issued during the year	-	-
Buyback during the year*	-	-84,34,450
At the end of the year	**10,47,00,000**	**10,47,00,000**

*Pursuant to the public announcement dated May 10, 2022 in respect of buy back of shares from the open market through stock exchange mechanism as prescribed under SEBI (Buy Back of Securities) Regulation, 2018, the Buy back of shares commenced on 20th May, 2022 and ended on 16th August, 2022. The Company under the scheme, bought back a total of 84,34,450 shares from the open market. A total sum of ₹ 9,242.06 lakhs was incurred on the shares bought back (including ₹ 1,769.21 lakhs towards buy back distribution tax and other expenses). Consequently the total number of paid up equity shares of the company (₹ 2/- nominal value of per share) reduced from 11,31,34,450 shares to 10,47,00,000 shares as at the end of 16th August, 2022. The consideration was paid towards buy-back of shares is adjusted against share capital by ₹ 168.69 lakhs and the balance in share premium by ₹ 9,073.37 lakhs in the previous year.





The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The Board of Directors has proposed an equity dividend @ 60% i.e. ₹ 1.20 (P.Y. ₹ 1.20) per share for the financial year ending March 31, 2024 at there meeting held on dated May 13, 2024 , which is subject to approval by the shareholders in the ensuing Annual General Meeting. The amount of per share dividend recognised as distribution to equity shareholders for Interim dividend is ₹ 1.20 (P.Y. ₹ 1.20).

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 shareholder₹

20.03 **Shares held by shareholders holding more than 5% shares**

(in numbers)

Name of Shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of Shares held	% held	No. of Shares held	% held
ASM Pipes Private Limited	1,86,67,140	17.83	1,86,67,140	17.83
Pulin Investments Private Limited	95,02,205	9.08	92,77,205	8.86
Mahesh C. Gupta	82,48,500	7.88	82,48,500	7.88
Subhash Chand Aggarwal	80,95,500	7.73	80,95,500	7.73
Sushma Gupta	75,66,550	7.23	75,66,550	7.23
Globe Capital Market Limited	11,84,960	1.13	54,43,055	5.20
Total	5,32,64,855		5,72,97,950	

20.04 **Shareholding of Promoters**

(in numbers)

Shares held by promoters as at March 31, 2024			% Change during the
Promoter Name	No. of Shares	% of total shares	year
Subhash Chand Aggarwal	80,95,500	7.73%	0.00%
Mahesh Chand Gupta	82,48,500	7.88%	0.00%
Sushma Gupta	75,66,550	7.23%	0.00%
Hemlata Aggarwal	50,00,000	4.78%	0.00%
Pranay Aggarwal	47,20,550	4.51%	0.00%
Ginni Devi	31,84,000	3.04%	0.00%
Himanshu Gupta	20,00,000	1.91%	0.00%
Ajay Garg	8,41,600	0.80%	0.00%
Damodar Krishan Aggarwal	7,81,970	0.75%	0.00%
Anurag Bansal	2,50,000	0.24%	0.00%
Shruti Aggarwal	20,175	0.02%	0.00%
Aditi Aggarwal	43,085	0.04%	0.00%
Archana Aggarwal	30,000	0.03%	0.00%
ASM Pipes Private Limited	1,86,67,140	17.83%	0.00%
Pulin Investments Private Limited	95,02,205	9.08%	0.21%
Jai Ambey Share Broking Limited	14,86,670	1.42%	(0.12%)
SMC Share Brokers Limited	-	0.00%	(0.21%)
Total	7,04,17,945	67.28%	

(in numbers)

Shares held by promoters as at March 31, 2023			% Change during the
Promoter Name	No. of Shares	% of total shares	year
Subhash Chand Aggarwal	80,95,500	7.73%	0.58%
Mahesh Chand Gupta	82,48,500	7.88%	0.59%
Sushma Gupta	75,66,550	7.23%	0.54%
Hemlata Aggarwal	50,00,000	4.78%	0.36%
Pranay Aggarwal	47,20,550	4.51%	0.34%
Ginni Devi	31,84,000	3.04%	1.10%
Himanshu Gupta	20,00,000	1.91%	0.14%
Madan Gopal Agarwal	-	0.00%	-0.87%
Ajay Garg	8,41,600	0.80%	0.06%
Damodar Krishan Aggarwal	7,81,970	0.75%	0.06%
Anurag Bansal	2,50,000	0.24%	0.02%
Shruti Aggarwal	20,175	0.02%	0.00%
Aditi Aggarwal	43,085	0.04%	0.01%
Archana Aggarwal	30,000	0.03%	0.00%
ASM Pipes Private Limited	1,86,67,140	17.83%	1.33%
Pulin Investments Private Limited	92,77,205	8.86%	0.66%
Jai Ambey Share Broking Limited	16,16,670	1.54%	0.12%
SMC Share Brokers Limited	2,25,000	0.21%	0.02%
Total	7,05,67,945	67.40%	

21 **Fee and commission income***

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Income from:		
Brokerage	12,503.87	13,588.53
Distribution of financial products	11,104.58	10,436.75
Depository activities	653.20	554.75
Management fees	805.79	106.31
Research support services	2,938.29	3,062.64
Incentives from exchange	-	0.77
Total fee and commission income	**48,005.74**	**37,749.75**

*Revenue from contracts with customers is ₹ 48,005.74 lakhs (Previous year ₹ 37,748.98 lakhs)

₹ in Lakhs

	For the year ended	
	March 31, 2024	March 31, 2023
Service transferred at a point of time	45,036.42	34,572.89
Service transferred over time	2,969.32	3,176.86
	48,005.74	**37,749.75**

22 **Interest income**

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
On financial assets measured at amortised cost		
Interest on deposits with banks	11,869.36	6,861.46
Interest on delayed payment / margin trading facility	8,879.87	6,798.05
Others	-	51.52
On financial assets carried at fair value through profit and loss		
Interest income from investments held for trading	17.94	110.50
Total interest income	**20,767.17**	**13,821.53**

23 **Net gain on fair value changes**

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Net gain on financial instruments at fair value through profit or loss		
Realised	202.39	565.92
Unrealised	222.67	(214.63)
Total fair value change of investments	**425.06**	**351.29**

24 **Other income**

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Interest income	354.65	164.23
Net gain on derecognition of property, plant and equipment	9.39	84.47
Dividend income*	2,362.71	808.00
Rent income	174.03	174.03
Liability no longer required written back	105.03	61.46
Net gain on translation of foreign currency monetary items	8.51	42.97
Miscellaneous income	53.44	30.03
Total other income	**3,067.76**	**1,365.19**

* represents dividend received from two subsidiaries company (PY: from one subsidiary)

25 **Fees and commission expenses**

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Borkerage & Commission	16,693.02	11,684.11
Exchange & other regulatory charges	4,972.18	5,002.01
Expense for distribution of financial products	8,174.16	7,735.66
VPN, leaseline & internet (net)	320.69	322.50
Securities transaction tax	2,869.50	2,917.07
Total fees and commission expenses	**32,929.55**	**27,661.35**

26 Employee benefits expenses

₹ in Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries and incentives	17,571.17	14,307.73
Staff welfare	347.62	332.24
Contribution to provident and other funds	890.37	701.67
Gratuity*	332.70	320.10
Total employee benefits expenses	**19,141.86**	**15,661.73**

*(refer note no: 33)

27 Finance costs

₹ in Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
On financial liabilities measured at amortised cost		
Interest on borrowings from banks and financial institution	3,064.91	2,826.11
Interest-others	5,408.54	2,986.58
Other borrowing cost	711.61	735.92
Finance charges on lease	297.47	332.11
Total finance costs	**9,482.53**	**6,884.72**

28 Depreciation and amortisation

₹ in Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation on tangible assets	1,131.09	873.99
Amortisation of intangible assets	140.75	41.11
Depreciation on lease assets	1,073.42	725.62
Depreciation on investment property (ROU Asset)	63.96	63.87
Total depreciation and amortisation	**2,409.22**	**1,704.59**

29 Impairment on financial instruments

₹ in Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
On financial assets measured at amortised cost/transaction price		
Trade receivables	1.19	(78.50)
Loans	(69.90)	107.39
Other receivables	4.90	-
Total impairment on financial instruments	**(63.81)**	**28.89**

Refer note no. 36.05 (i)

30 Other expenses

₹ in Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Advertisement and publicity	508.21	853.85
Business promotion	408.39	499.29
Conveyance & traveling expenses	514.67	418.56
Directors sitting fee	31.85	19.20
Donation	2.02	9.11
Insurance	65.11	40.89
Legal & professional charges	869.95	770.20
Bank charges	65.96	58.64
Repair & Maintenance		
Information Technology	839.90	688.85
Others	599.40	639.37
Printing and stationery	127.13	182.83
Rent	664.30	726.18
Electricity and water expenses	575.31	565.58
Membership fees & subscription	19.08	16.20
Communication expenses	322.86	366.43
Vehicle running & maintenance	63.92	66.98
Rates & taxes	97.64	42.22
CSR expenses	244.09	181.87
Research support services	170.15	60.65
Miscellaneous expenses	161.06	115.83
Auditor's fees and expenses		
as statutory auditor	30.00	30.00
as Tax auditor	3.00	3.00
as fee for other services	4.35	2.89
Total other expenses	**6,488.35**	**6,352.82**

31 Income taxes

31.01 Income tax expense in the statement of profit and loss

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Current tax expense		
For the year	3,805.92	3,379.76
Change in estimates relating to prior years	226.00	89.94
	4,031.92	3,469.68
Deferred tax charge/(benefit)		
Origination and reversal of temporary differences	(140.28)	(820.41)
	(140.28)	(820.41)
Total income tax expense	3,891.64	2,649.27

31.02 Tax expense recognised in other comprehensive income

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Remeasurement of the net defined benefit liability / asset	(9.21)	(9.30)
Total tax expense recognised in other comprehensive income	(9.21)	(9.30)

31.03 Reconciliation of the income tax expense to the amount computed by applying the statutory income tax rate to the income before income taxes

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Profit before tax	17,884.20	12,980.50
Enacted tax rates in India	25.168%	25.168%
Computed expected tax expense	4,328.78	3,014.76
Tax effect of expenses that are not deductible for tax purposes	(142.28)	66.46
Tax effect of expenses that are deductible for tax purposes	8.13	(13.15)
Change in estimates relating to prior years	226.00	89.94
Deductions under chapter VI A	(668.88)	(286.51)
Effect of change in tax rate due to different head of income	(60.77)	(206.23)
Income tax expense	3,891.64	2,649.27

The applicable Indian statutory tax rates for fiscal 2024 and fiscal 2023 is 25.168%.

31.04 Details of current tax assets and current tax liabilities

₹ in Lakhs

Particulars	As at	
	March 31, 2024	March 31, 2023
Current tax assets pertaining to current year	3,576.04	3,223.25
Current tax liabilities pertaining to current year	3,805.32	3,381.12
Net current tax assets/ (liability) pertaining to current year	(229.28)	(157.87)
Current tax assets pertaining to previous years	206.82	1,059.71

31.05 Movement in the temporary differences of deferred tax

₹ in Lakhs

Particulars	Balance as at April 1, 2022	Recognised in profit or loss during 2022-23	Recognised in other comprehensive income	Balance as at March 31, 2023	Recognised in profit or loss during 2023-24	Recognised in other comprehensive income	Balance as at March 31, 2024
Provision for Employee benefits	344.85	(140.14)	9.30	214.01	146.96	3.21	564.20
Investment securities	(251.68)	288.50	-	36.81	(38.21)	-	(1.40)
ICDs	(580.83)	811.12	-	24.29	(87.99)	-	(63.70)
Provisions disallowed under income tax act	164.58	89.22	-	253.80	1.47	-	255.27
Property, plant & equipment and intangible assets	261.35	(11.16)	-	250.00	95.08	-	345.08
Provision for impairment on receivable from clients	198.53	(26.91)	-	167.22	(170.89)	-	(3.67)
ROU assets and investment property (ROU assets) and lease liability (net)	85.58	9.18	-	94.76	(6.16)	-	88.60
Total	223.18	820.41	9.30	1,040.89	140.28	3.21	1,184.38

32 Earnings per share

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share

₹ in Lakhs except otherwise stated

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Profit attributable to equity share holders	14,101.56	9,937.23
Weighted average number of share outstanding during the year	10,47,00,000	10,75,92,379
Nominal Value per share (₹)	2.00	2.00
Basic & Diluted (₹)	13.47	8.72

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Notes to standalone financial statements

33 Employee Benefits

(a) Gratuity

33.01 Breakup of amount recognised in profit and loss

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Interest on defined benefit obligation	88.56	62.57
Current service cost	244.34	257.53
Total expense recognized in the statement of profit and loss	**332.70**	**320.10**

33.02 Break up of amount recognised in other comprehensive income

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Remeasurements of the net defined benefit liability/ (asset)		
Opening amount recognised in OCI outside profit and loss account	82.54	119.48
Actuarial gains / (losses)	(126.26)	(5.53)
Return on plan assets (greater) / less than discount rate	113.51	(31.41)
	69.79	**82.54**

33.03 Breakup of the amount recognised in balance sheet

₹ in Lakhs

Particulars	As at	
	March 31, 2024	March 31, 2023
Present value of the obligation as at the end of the year	2,691.19	2,234.64
Fair value of plan assets as at the end of the year	(1,088.65)	(990.06)
Net liability recognised in balance sheet	**1,602.54**	**1,244.58**

33.04 Reconciliation of defined benefit obligation and plan asset

₹ in Lakhs

Particulars		As at	
		March 31, 2024	March 31, 2023
Change in benefit obligations			
Present value of the obligation as at the beginning of the year		2,234.64	1,946.26
Current service cost		244.34	257.53
Interest cost		155.74	135.15
Actuarial (gain)/loss on obligations		126.26	5.53
Acquisitions (credit)/cost		12.50	28.58
Benefits paid		(82.29)	(138.41)
Benefit obligations at the end	**(A)**	**2,691.19**	**2,234.64**
Change in plan assets			
Fair value of plan assets at the beginning of the year		990.06	1,087.30
Interest income on plan assets		67.37	72.58
Contributions		-	20.00
Benefits paid		(82.29)	(138.41)
Return on plan assets greater (lesser) than discount rate		113.51	(31.41)
Fair value of plan assets at the end	**(B)**	**1,088.65**	**990.06**
Amount recognised in balance sheet [(surplus) / deficit]	**(A-B)**	**1,602.54**	**1,244.58**

33.05 Disaggregation of plan assets

Particulars	As at	
	March 31, 2024	March 31, 2023
Managed by insurance company	100.00%	100.00%
	100.00%	**100.00%**

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33.06 Sensitivity of significant assumptions used for DBO valuation

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Effect on DBO due to 0.5% increase in discount rate	(88.50)	(70.18)
Effect on DBO due to 0.5% decrease in discount rate	86.54	74.50
Effect on DBO due to 0.5% increase in salary escalation rate	69.64	61.68
Effect on DBO due to 0.5% decrease in salary escalation rate	(74.70)	(59.83)

33.07 Maturity profile of defined benefit obligation

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Within one year	378.22	338.87
One to five years	1,425.55	1,143.14
More than five years	2,163.44	1,778.04

33.08 Assumptions to determine the defined benefit obligations

Particulars	As at	
	March 31, 2024	March 31, 2023
Discount rate	7.00%	7.10%
Salary escalation rate (p.a.)	8.50%	8.50%

Assumptions regarding future mortality experience are set in accordance with the published statistics by the Life Insurance Corporation of India.

The company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The discount rate is based on the government securities yield.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by 50bps, keeping all other actuarial assumptions constant.

Gratuity is applicable only to employees drawing salary in Indian rupees.

(b) Compensated absences

33.09 Breakup of the amount recognised in balance sheet

₹ in Lakhs

Particulars	As at	
	March 31, 2024	March 31, 2023
Present value of the obligation as at the end of the year	626.47	505.77
Fair value of plan assets as at the end of the year	-	-
Net liability recognised in balance sheet	**626.47**	**505.77**

33.10 Number of compensated leave absences outstanding

in days

Particulars	As at	
	March 31, 2024	March 31, 2023
Total leave balance (days)	50,647.24	44,631.46

33.11 Assumption used in valuation

Particulars	As at	
	March 31, 2024	March 31, 2023
Discount rate	7.00%	7.10%
Salary escalation rate (p.a.)	8.50%	8.50%

The estimates of future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

34 Contingent liabilities and commitments

34.01 Contingent liabilities not provided in the financial statements:

₹ in Lakhs

Particulars	As at	
	March 31, 2024	March 31, 2023
1 ESI demand (Total amount paid under protest ₹ 12.43 Lakhs (Previous Year: ₹ 12.43 Lakhs))	31.06	31.06
2 Service Tax Demand (Total amount paid under protest ₹ 42.77 Lakhs (Previous Year: ₹ 42.77 Lakhs))	1,283.56	615.98
3 Income Tax Demand (A.Y. 2013-14 to 2019-20)	-	141.56
4 Provident Fund	-	-
5 Stamp Duty	-	-

Notes:

1 An ESI demand is being agitated by the Company at High Court, New Delhi.

2 Demand and penalty of ₹ 625.32 Lakhs (PY: ₹ 570.32 Lakhs) was being agitated by the Company before the Customs, Excise and Service Tax Appellate Tribunal (CESTAT) and for demand of ₹ 658.24 Lakhs (PY ₹ 45.66 Lakhs was being agitated by the Company before Commissioner of Service Tax, Audit 1, Delhi.) against which the Company is in process to file an appeal before Customs, Excise and Service Tax Appellate Tribunal (CESTAT) on or before due date.

3 PF matter is pending before High Court and amount is not quantifiable.

4 The Company had received a notice dated 21.11.2014 from the Collector of Stamp (HQ), Delhi on account of verification of records pertaining to Stamp duty chargeable on the basis of broker's Note for the period 2010 to 21.11.2014. Matter is sub-judice and has been stayed by jurisdictional High Court at New Delhi vide its order dated 09/12/2014 until further order.

The Demerged Company M/s Pulin Comtrade Limited had received a show cause notice of demand dated 05/01/2015 from the Office of The Collector of Stamps, Delhi, on account of levy of stamp duty on commodity transactions. The matter is sub-judice and has been stayed by jurisdictional High Court at Delhi vide its order dated 19/01/2015 in the matter of WP/C/516/2015.

34.02 Other litigations

1 Title of the property located at Office no 205, 2nd Floor, Plot no 4A, Community Centre, 21st Century Plaza, Sector 8, Rohini, New Delhi having gross carrying value of ₹ 46.12 Lakhs is under dispute and sealed due to the allegation of acquisition of the said property by the transferor from the funds of Ganga Yamuna Finvest Pvt. Ltd, which is under liquidation.

2 The company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the company's results of operations and financial condition.

Pending completion of the legal process the impact of liability, if any, cannot be ascertained at this stage, however, management believes that, based on legal advice, the outcome of these contingencies will be favourable and that outflow of economic resources is not probable.

34.03 Commitments

₹ in Lakhs

Particulars	As at	
	March 31, 2024	March 31, 2023
Contracts remaining to be executed on account of capital (net of advances)		
For Purchase/construction of office building	825.84	1,634.70
For purchase of software and others	77.25	185.00

35 The Company had given corporate guarantee towards credit facility on behalf of one of the subsidiary M/s Moneywise Financial Services Private Limited for ₹ Nil (PY : ₹ 1,938 lakhs). Pursuant to the requirement of NSE circular number NSE/COMP/50957 dated 8th January 2022, the company was required to unwind all corporate guarantees and accordingly it has withdrawn the same.

36 Financial instruments

36.03 Financial instruments by category

The carrying value and fair value of financial instruments by categories as of March 31, 2024 were as follows:

₹ in Lakhs

Particulars	Amortised cost	Financial assets/ liabilities carried at fair value through profit and loss #	Total carrying value	Total fair value**
		Mandatorily required		
Assets:				
Cash and cash equivalents	5,317.54	-	5,317.54	5,317.54
Other bank balance	2,17,191.25	-	2,17,191.25	2,17,191.25
Trade receivables	44,614.02	-	44,614.02	44,614.02
Other receivables	401.80	-	401.80	401.80
Loans	23,595.55	-	23,595.55	23,595.55
Investments*	0.54	2,660.03	2,660.03	2,660.03
Other financial assets	11,779.21	2,584.75	14,363.96	14,363.96
Total	**3,02,699.71**	**5,244.24**	**3,08,143.85**	**3,08,143.85**
Liabilities:				
Trade payables	71,522.03	-	71,522.03	71,522.03
Borrowings	64,249.82	-	64,249.82	64,249.82
Other financial liabilities	1,26,767.91	2,813.55	1,29,581.46	1,29,581.46
Total	**2,62,539.76**	**2,813.55**	**2,65,353.31**	**2,65,353.31**

* Investments in subsidiaries are at cost amounting to ₹ 37,527.30 lakhs (net of provision) which do not fall within the scope of financial instruments

The carrying value and fair value of financial instruments by categories as of March 31, 2023 were as follows:

₹ in Lakhs

Particulars	Amortised cost	Financial assets/ liabilities carried at fair value through profit and loss #	Total carrying value	Total fair value**
		Mandatorily required		
Assets:				
Cash and cash equivalents	2,059.29	-	2,059.29	2,059.29
Other bank balance	1,34,719.15	-	1,34,719.15	1,34,719.15
Trade receivables	29,859.61	-	29,859.61	29,859.61
Other receivables	1,202.48	-	1,202.48	1,202.48
Loans	18,873.73	-	18,873.73	18,873.73
Investments*	0.54	4,491.02	4,491.56	4,491.56
Other financial assets	1,211.25	5,539.20	6,750.45	6,750.45
Total	**1,87,926.06**	**10,030.22**	**1,97,956.28**	**1,97,956.28**
Liabilities:				
Trade payables	37,662.54	-	37,662.54	37,662.54
Borrowings	38,457.15	-	38,457.15	38,457.15
Other financial liabilities	85,671.58	5,592.66	91,265.24	91,265.24
Total	**1,61,792.27**	**5,592.66**	**1,67,384.93**	**1,67,384.93**

* Investments in subsidiaries are at cost amounting to ₹ 37,527.30 lakhs (net of provision) which do not fall within the scope of financial instruments

**The carrying amount of cash and bank balances, trade receivables, other receivables, loans, trade payables and borrowings are considered to be the same as their fair values considering the short term nature

Level-1

36.02 Credit quality of debt securities

The table below sets out the credit quality of debt securities

₹ in Lakhs

Particulars	As at	
	March 31, 2024	March 31, 2023
Government bonds:		
Rated sovereign	52.85	19.46
Corporate bonds:		
Rated AAA	-	322.07
Rated AA- to AA+	16.10	268.63
Rated A- to A+	-	70.80
Rated BBB- to BBB+	-	1.86
Fair value and carrying amount	**68.95**	**692.82**

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36.03 Collateral

(A) Assets pledged as collateral

The company has pledged its certain assets as collateral for liabilities

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Assets:		
Property, Plant and Equipment	6,777.66	6,946.41
Other bank balances	1,17,100.51	1,34,429.60
Trade receivables	44,614.02	29,859.61
Loan (Margin Trading Funding)	15,580.00	18,544.86
Investments held for trading	13.62	2,339.98
Other financial assets (net)	-	-
Total	2,84,085.81	1,92,520.46

(B) Asset taken as collateral

₹ in Lakhs

Particulars	As at March 31, 2024		As at March 31, 2023	
	Value of asset	Fair value of collateral held	Value of asset	Fair value of collateral held
Assets:				
Trade receivables (Gross)				
Secured	18,599.29	1,93,408.56	27,889.66	1,52,559.03
Loans (Gross)/Margin trading funding)				
Secured	23,285.13	36,320.07	18,638.05	29,967.17
Total	41,884.42	2,29,728.63	46,527.71	1,82,526.20

36.04 Fair value hierarchy

Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at March 31, 2024:

₹ in Lakhs

Particulars	As at March 31, 2024	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Assets:				
Investments:				
Equity instruments	3,582.91	3,581.37	-	0.54
Debt	72.96	50.46	22.50	-
Mutual funds	5.16	5.16	-	-

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at March 31, 2023:

₹ in Lakhs

Particulars	As at March 31, 2023	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Assets				
Investments				
Equity instruments	3,757.02	3,756.48	-	0.54
Debt	734.54	734.54	-	-

Valuation techniques used to determine fair value

Following valuation technique has been used for fair valuation of the assets:
Level 2 : Debt instruments have been fair valued based on interest yield and actual transaction data with unrelated parties.

36.05 Financial risk management

Financial risk factors

This note presents the information about the Company's exposure to financial risks, the Company's objectives, policies and processes for measuring and managing risk and the Company's management of capital.

The Company has exposure to the following risks arising from financial instruments:
- Credit risk
- Liquidity risk and
- Market risk

Financial Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. Financial risk management within the Company is governed by policies and guidelines approved by the management. The Board has established a Risk Management Committee which is responsible for developing and monitoring the Company's risk management policies. Company policies and guidelines cover areas such as cash management, investment of excess funds and raising of debt and are managed by segregated functions within the Company.

The Company's risk management policies and procedures are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees and stakeholders understand their roles and obligations.

Different types of risks arising from financial instruments as identified by the Company above have been explained below:

(i) **Credit risk**

The credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivable from clients and exchange and trading members, loan and advances, investments other than the quoted securities given. Credit risk in respect of quoted securities is expected to have a direct correlation with the quoted market prices and risk.

The Company is exposed to the risk that third parties that owe money or securities will not perform their obligations. Such third parties include clients, trading members, exchanges, clearing houses, and other financial intermediaries. These parties may default on their obligations owed to the Company due to insolvency, lack of liquidity, operational failure, government or other regulatory intervention or other reasons. In these circumstances, the Company is exposed to risks arising, for example, from holding securities of third parties; executing securities trades that fail to settle at the required time due to non-delivery by the counterparty trading members, exchanges, clearing houses or other financial intermediaries. Significant failures by third parties to timely perform their obligations owed could materially and adversely affect the Company's financial position, and ability to borrow in the credit markets and ability to operate the business.
For the risk management purposes, the Company considers and consolidates all elements of credit risk exposures such as individual obligator default risk, country and sector risk.

Management / mitigation of credit risk

The Company operates in a highly regulated environment which limits its credit risk against exchanges and clearing houses. The Company collects upfront margins in form of funds and/or securities/commodities from clients and trading members against their trading positions. The Company monitors positions, margins, mark to market losses and risks on real time basis through risk management systems and policies specially designed to mitigate the credit risk.

The Company's Board of Directors has delegated responsibility for the oversight of credit risk to the Risk Management Committee ("the Committee"). The Committee is responsible for management of the Company's credit risk, including the following:

(i) Formulating credit policies in consultation with business units, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements.

(ii) Establishing the organizational structure for the approval of new customers or counter parties. Authorization limits are allocated to business unit credit officers or the Arbitrager as appropriate.

(iii) Providing advice, guidance and specialist skills to business units through periodic reviews to promote best practices throughout the Company in the management of credit risk.

(iv) The Committee assesses the credit worthiness of client or counterparties, prior to taking exposure on them. Accordingly, limits are assigned and the monitoring mechanism ensures that exposure to single client does not cross the laid down threshold limits. Collateral securities are also collected from clients to cover the exposure.

(v) Limiting concentrations of exposure to counterparties, geographies and industries (for loans and advances and similar exposures), and by issuer, credit rating band, market liquidity and country (for investment securities and trading assets).

(vi) Reviewing compliance of business units with agreed exposure limits, including those for selected industries, country risk and product types. Regular reports on the credit quality of local portfolios are provided to the management, which may require appropriate corrective action to be taken.

The Board of Directors has also constituted Audit Committee, which is responsible for evaluation of internal financial controls and risk management systems. The company conducts regular internal audits of various business units to identify scope of improvement/enhancement of the Company's processes, quality control, fraud prevention and legal compliance. The internal audit reports are reviewed by audit committee and also placed with the Board.

Credit Exposure:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

₹ in Lakhs

Particular	As at March 31, 2024	As at March 31, 2023
Trade receivables	44,614.02	29,859.61
Other receivables	401.80	1,202.48
Loans	23,595.45	18,873.73
Other financial assets	14,363.90	6,750.45
Total	**82,975.18**	**56,686.27**

The Company monitors all the receivables, loans and other financial assets continuously basis the factors considered while dealing. If there are any indicators of impairment on management assessment of these receivables, loans and other financial assets, these are provided for. The Company uses ECL method for impairment.

Following are the reconciliations of the provision for impairment of financial assets

₹ in Lakhs

Particulars	As at March 31, 2024					As at March 31, 2023				
	Trade receivables	Other receivables	Loans*	Other financial assets	Total	Trade receivables	Other receivables	Loans*	Other financial assets	Total
Opening balance at the beginning of the year	664.38	18.28	275.33	0.50	958.49	724.38	20.39	212.48	0.50	957.75
Addition/reversal during the year	1.19	4.90	(69.90)	-	(63.81)	(70.50)	-	107.19	-	36.69
Written off	(425.01)	(7.52)	(182.14)	(0.50)	(615.17)	10.50	(2.11)	(44.34)	-	(35.13)
Closing balance at the end of the year	**240.56**	**15.66**	**23.29**	**-**	**279.51**	**664.38**	**18.28**	**275.33**	**0.50**	**958.49**

* Gross carrying value of credit impaired - ₹ Nil (PY - ₹ 182.14 lakhs), impairment provision - ₹ Nil (PY - ₹ 182.14 lakhs)





SMC GLOBAL SECURITIES LIMITED
Notes to standalone financial statements

(ii) Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company require sufficient liquidity to meet their obligations. Individual companies are generally responsible for their own fund management, including the short-term investment of surpluses and the raising of loans to cover deficits from third parties/companies.

The Company's primary liquidity requirements are to finance the working capital needs, which are typically towards margin maintenance at various exchanges. The principal portion of the working capital requirement is utilized by:

(a) depositing funds with banks to obtain term deposits and guarantees towards margins payable to the exchanges/clearing houses;
(b) payments to stock exchanges/clearing houses towards settlement obligations;
(c) payment towards purchase of various trading assets; and
(d) meeting expenses incurred for operations.

Management of liquidity risk

Working capital requirements fluctuate on a regular basis depending on the business requirements. The Company's approach to managing liquidity is to ensure, as far as possible to have sufficient funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

To fund the working capital requirements, the Company currently relies principally on internal accruals and short term credit facilities from banks and financial institutions against pledge of derivative assets, term deposits, receivables from clients and investments carried at fair value through profit and loss. By maintaining sufficient liquid funds and drawing facilities with banks, the Company comfortably meets the foreseeable liabilities in the present and immediate future, as well as unforeseeable contingencies.

Central treasury receives information from business units regarding the liquidity profile of their financial assets and liabilities and projected cash flows. Central treasury maintains surplus funds in cash and cash equivalents including term deposits with banks and in investment securities for which there is an active and liquid market. These assets can be readily sold to meet liquidity requirements. Hence, the Company believes that the above monetary mechanism adequately addresses the liquidity risk.

Maturity analysis for assets and liabilities

₹ in Lakhs

Particulars	As at March 31, 2024			As at March 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets:						
Cash and cash equivalents	5,317.54	-	5,317.54	2,059.29	-	2,059.29
Other bank balances	2,15,701.13	1,490.12	2,17,191.25	80,134.63	54,584.52	1,34,719.15
Trade receivables	44,614.02	-	44,614.02	29,859.61	-	29,859.61
Other receivables	401.80	-	401.80	1,202.48	-	1,202.48
Loans	23,261.84	333.51	23,595.35	18,548.86	328.87	18,877.73
Investments	2,659.49	37,527.84	40,187.33	4,491.01	37,527.84	42,018.86
Other financial assets	13,243.23	1,120.73	14,363.96	1,671.20	1,079.25	2,750.45
Inventories	-	-	-	18.54	-	18.54
Current tax assets (net)	-	200.82	200.82	-	1,059.71	1,059.71
Deferred tax assets (net)	-	1,184.38	1,184.38	-	1,040.89	1,040.89
Property, plant and equipment	-	7,679.73	7,679.73	-	8,066.27	8,066.27
Right of use asset	-	1,984.86	1,984.86	-	1,774.10	1,774.10
Investment Property (ROU Asset)	-	700.95	700.95	-	764.91	764.91
Capital work-in-progress	-	2,681.17	2,681.17	-	893.49	893.49
Other intangible assets	-	159.24	159.24	-	129.66	129.66
Intangible assets under development	60.25	-	60.25	107.90	-	107.90
Other non-financial assets	788.59	29.09	817.68	1,221.46	171.81	1,393.27
Total	**3,06,047.91**	**55,092.42**	**3,61,140.33**	**1,43,310.99**	**1,07,421.32**	**2,50,732.31**
Liabilities:						
Trade payables	71,522.04	-	71,522.04	37,662.54	-	37,662.54
Lease liabilities	1,296.96	1,476.07	2,773.03	1,043.07	1,479.23	2,522.30
Borrowings	58,284.49	5,965.33	64,249.82	35,608.36	2,848.79	38,457.15
Other financial liabilities	1,28,091.34	1,490.12	1,29,581.46	57,510.00	33,755.24	91,265.24
Current tax liabilities (net)	229.28	-	229.28	157.97	-	157.97
Provisions	149.88	1,246.03	1,395.91	326.10	1,806.59	1,992.69
Other non-financial liabilities	1,672.60	336.15	2,008.75	326.09	1,808.24	1,934.27
Total	**2,61,246.18**	**11,513.70**	**2,72,759.88**	**1,32,453.97**	**41,478.09**	**1,73,932.06**

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SMC GLOBAL SECURITIES LTD., New Delhi

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Analysis of financial assets and liabilities by remaining contractual maturities

March 31, 2024

₹ in Lakhs

Particulars	Contractual Maturity	1-90 days	91-180 days	181-365 days	1-2 years	2-5 years	More than 5 years
Assets:							
Cash and cash equivalents	5,317.54	5317.54	-	-	-	-	-
Other bank balances	2,17,191.15	1,03,790.67	24,539.88	87,370.38	309.00	1,181.12	-
Trade receivables	44,614.02	44,614.02	-	-	-	-	-
Other receivables	401.80	401.8	-	-	-	-	-
Loans	28,595.35	28,261.84	-	-	-	333.51	-
Investments	2,660.09	2,546.62	-	113.88	-	-	0.58
Other financial assets	24,565.96	13,243.25	-	-	-	-	1,129.71
Total	**3,08,143.95**	**1,98,174.94**	**24,539.88**	**87,484.26**	**309.00**	**1,514.63**	**1,121.24**
Liabilities:							
Trade payables	71,522.03	71,522.03	-	-	-	-	-
Lease liabilities	3,736.16	633.16	328.01	635.79	1,097.95	913.01	427.22
Borrowings	84,305.09	40,373.60	5,909.38	12,001.53	2,844.11	3,176.49	-
Other financial liabilities*	1,29,581.46	16,181.08	24,539.88	87,370.38	309.00	1,181.12	-
Total	**2,89,143.73**	**1,28,409.87**	**30,777.26**	**1,00,007.69**	**4,251.06**	**5,270.61**	**427.22**
Assets over liabilities	**19,000.22**	**64,765.07**	**-6,237.38**	**-12,523.43**	**-3,942.06**	**-3,756.00**	**694.02**
Cumulative basis	**19,000.22**	**64,765.07**	**58,527.69**	**46,004.26**	**42,062.20**	**38,306.20**	**39,000.22**

* Maturity analysis of margin from clients (under other financial liabilities) ₹ 1,25,954.34 Lakhs has been bench marked to the corresponding fixed deposits (under other bank balances).

March 31, 2023

₹ in Lakhs

Particulars	Contractual Maturity	1-90 days	91-180 days	181-365 days	1-2 years	2-5 years	More than 5 years
Assets:							
Cash and cash equivalents	2,059.29	2,059.29	-	-	-	-	-
Other bank balances	1,34,759.55	30,080.13	19,108.87	30,876.60	52,281.93	2,303.19	-
Trade receivables	29,859.61	29,859.61	-	-	-	-	-
Other receivables	1,202.48	1,202.48	-	-	-	-	-
Loans	18,873.73	18,344.87	-	-	-	528.87	-
Investments	4,401.56	2,581.68	-	1,809.34	-	-	0.54
Other financial assets	4,760.45	3,471.20	-	-	-	-	1,079.25
Total	**1,97,956.26**	**90,008.26**	**19,108.87**	**32,785.97**	**52,281.93**	**2,832.06**	**1,079.79**
Liabilities:							
Trade payables	57,662.56	57,662.56	-	-	-	-	-
Lease liabilities	4,129.84	272.53	268.42	512.14	980.87	1,356.34	739.57
Borrowings	88,457.15	241.95	934.84	35,030.57	941.68	1,907.10	-
Other financial liabilities*	91,265.24	26,600.04	11,847.00	19,082.89	32,321.79	1,423.46	-
Total	**1,71,514.80**	**84,778.08**	**12,440.30**	**54,625.60**	**34,244.35**	**4,686.89**	**739.57**
Assets over liabilities	**26,441.48**	**25,230.18**	**6,728.56**	**(21,839.63)**	**18,036.98**	**(2,054.83)**	**340.22**
Cumulative basis	**26,441.48**	**25,230.18**	**31,958.74**	**10,119.11**	**28,156.09**	**26,101.26**	**26,441.48**

* Maturity analysis of margin from clients (under other financial liabilities) ₹ 83,261.39 Lakhs has been bench marked to the corresponding fixed deposits (under other bank balances).

(iii) **Market risk**

The Company participates in trading and investing in various asset classes such as equity, debt securities, commodities, foreign currency and derivatives. These assets classes experience volatility due to economic growth levels, inflation, prices, interest rates, foreign exchange rates and other macro-economic factors. Any changes in market prices of these asset classes will affect the Company's income or the value of its holdings of financial instruments.

The Company segregates its exposure to market risks between price risk, interest rate risk and currency risk.

Management of market risks:

The objective of market risk management is to manage and minimize market risk exposures within acceptable parameters, while optimizing the return on risk. The Company's exposure to market risk is determined by a number of factors, including size, composition and diversification of positions held and market volatility.

(a) Price risk

Trading and investment portfolios include proprietary positions taken in equities, fixed income securities, commodities, foreign currency and their derivatives mainly for availing arbitrage opportunities. All financial assets and liabilities are accounted on fair value basis. Management actively monitors its market risk by reviewing the effectiveness of arbitrage and setting outstanding position limits. The Company manages market risk with central oversight, analysis and formation of risk policy, specific maximum risk levels to which the individual trader must adhere to and real time continuous monitoring by the senior management.

In respect of the proprietary positions, the Company is exposed to volatility in the price of the underlying securities.

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(b) Interest rate risk

Interest rate risk arises from movements in interest rates which could have effects on the Company's net income or financial position. Changes in interest rates may cause variations in interest income and expenses resulting from interest-bearing assets and liabilities. Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's exposure to interest rate risk relates to the loans taken from banks, investment in term deposits placed with banks, investment in debt securities and investments of its excess funds in liquid instruments. A majority of the financing of the Company has come from overdraft facility with banks. The business of the Company is exposed to fluctuation in interest rate for the following activities:

(i) Term deposits placed with banks are generally for short term on fixed interest rates.

(ii) Facilities availed from banks and other financial institutions generally include short term working capital loans on floating interest rates.

(iii) Interest paid by Company on clients' funds earmarked as fixed margin are generally for short term on fixed interest rates.

Management of Interest Rate Risk

Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for re-pricing bands. However the Company does not use derivative financial instruments to hedge its interest rate risk.

The Company's investments in majority of term deposits with banks are for both short and long duration, and therefore do not expose the Company to significant interest rate risk. Further significant portion of exposure on term deposits with banks is offset with clients' funds earmarked as margins on fixed rate basis. The interest rates on the overdraft facility availed are marginally higher than the interest rates on term deposits with the banks and generally linked to the term deposit rates with the bank. Accordingly, there is limited interest rate risk exposure on the company.

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short-term and long-term debt obligations with floating / fixed interest rates, which are included in loans and borrowings. The loans and borrowings represent loans and borrowing taken both fixed and floating interest rate.

(c) Currency risk

The Company is not significantly exposed to currency risk as there is no mismatch between the currencies in which sales of services, purchase of goods/services and borrowings are dominated and the respective functional currencies of Company . Further, the functional currency of the Company is primarily the Indian Rupee and do not expose the Company to significant currency risk. The Company considers the valuation changes in foreign currency derivatives it trades in as part of investment/price risk as those derivatives are exchange traded, managed and monitored based on exchange price and are settled in near term in Indian Rupees.

Exposure

The table below sets out the assets and liabilities subject to price risk.

₹ in Lakhs

Particulars		As at March 31, 2024	As at March 31, 2023
Assets subject to price risk			
Equity instrument fair value through profit and loss		2,581.37	3,756.48
Debt instrument fair value through profit and loss		68.95	692.82
Mutual fund fair value through profit and loss		5.16	-
Derivative financial assets		2,584.75	5,539.20
	(A)	**5,240.23**	**9,988.51**
Liabilities subject to price risk			
Derivative financial liabilities		2,813.55	5,592.66
	(B)	**2,813.55**	**5,592.66**
Total	(A-B)	**2,426.68**	**4,395.85**

R. Gopal & Associates Vikash Aggarwal New Delhi M.No. 519574 Chartered Accountants

SMC GLOBAL SECURITIES LTD. New Delhi

Sensitivity analysis

Below table shows the sensitivity analysis for different financial instrument

₹ in Lakhs except otherwise stated

Particulars				For the year ended March 31, 2024		For the year ended March 31, 2023	
	Risk category	% change increase	% change decrease	Impact on profit before tax due to increase in parameter	Impact on profit before tax due to decrease in parameter	Impact on profit before tax due to increase in parameter	Impact on profit before tax due to decrease in parameter
Investment in equity instrument fair value through profit and loss and derivatives*	Price risk	5%	5%	317.63	(317.63)	185.15	(185.15)
Inventories	Price risk	5%	5%	-	-	0.99	(0.99)
Debt instruments	Interest rate risk	1%	1%	(0.69)	0.69	(6.93)	6.93
Borrowings	Interest rate risk	1%	1%	522.88	(522.88)	384.57	(384.57)
Currency risk	Currency risk	5%	5%	16.68	(16.68)	25.55	(25.55)

*The Company engages in proprietary transactions of equities, commodities and derivatives of equities, commodities & currencies. These transactions are primarily undertaken using various arbitrage models to capitalize pricing inefficiencies in the markets. Any change in the market prices of their underlying would result in changes in the fair value of these trading assets, trading liabilities and inventories and also result in profit/loss on futures positions.

36.06 Capital Management

Risk Management

The Company manages its capital structure and makes necessary adjustments in light of changes in economic conditions and the requirement of financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return on capital to shareholders, issue new shares or raise / repay debt.

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value and to ensure the Company's ability to continue as a going concern. There is no non compliance with any covenants of borrowings.

The Capital Composition is as follows:

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Borrowings	64,249.82	38,457.15
Less: Cash and Cash equivalents	5,917.54	2,059.19
Net Debt (i)	58,532.28	36,397.96
Total Equity (ii)	88,380.45	76,900.25
Gearing Ratio (i)/(ii)	66.68%	47.38%

36.07 Change in liabilities arising from financing activities

	Term Loan	Demand loan	Total
As at 1st April, 2022	**3,871.30**	**11,222.26**	**15,093.56**
Loan taken	5,227.50	20,417.56	25,645.06
Loan repaid	(282.65)	-	(282.65)
Non cash changes and others*	(0.06)	1.24	1.18
As at 31st March 2023	6,816.09	31,641.06	38,457.15
As at 1st April, 2023	**6,816.09**	**31,641.06**	**38,457.15**
Loan taken	18,965.66	14,843.15	33,808.81
Loan repaid	(8,358.43)	-	(8,358.43)
Non cash changes and others*	27.65	314.64	342.29
As at 31st March 2024	**17,450.97**	**46,798.85**	**64,249.82**

*** Represents adjustments on account of EIR and other adjustments as required under Ind AS.**





37 Related party disclosures

As per Ind AS 24, the disclosures of transactions with related parties are given below :

37.01 List of related parties where control exists and also other related parties with whom transactions have taken place and relationships :

Sr. No.	Name of related parties	Relationship
1	Pulin Comtrade Limited (formerly known as SMC Comtrade Limited)	Subsidiary
2	Moneywise Financial Services Private Limited	Subsidiary
3	SMC Capitals Limited	Subsidiary
4	Moneywise Finvest Limited	Subsidiary
5	SMC Investments & Advisors Limited	Subsidiary
6	SMC Global USA Inc (Foreign company) (voluntarily dissolved w.e.f 20/12/2023)*	Subsidiary
7	SMC Global IFSC Private Limited	Subsidiary
8	SMC Insurance Brokers Private Limited	Subsidiary
9	SMC Comex International DMCC (Foreign company)	Subsidiary
10	SMC Real Estate Advisors Private Limited	Subsidiary
11	Pulin Investments Private Limited	Entity controlled by KMPs
12	ASM Pipes Private Limited	Entity controlled by KMPs
13	Jai Ambey Share Broking Limited	Entity controlled by KMPs
14	SMC & IM Capitals Investment Managers LLP	Jointly controlled entity
15	SMC Global Foundation	Trust controlled by KMPs
16	SMC IFSC Global Opportunities Fund	Trust where in the company act as investment manager
17	Mr. Subhash Chand Aggarwal	Key managerial personnel
18	Mr. Mahesh Chand Gupta	Key managerial personnel
19	Mr. Ajay Garg	Key managerial personnel
20	Mr. Anurag Bansal	Key managerial personnel
21	Mr. Himanshu Gupta	Key managerial personnel
22	Ms. Shruti Aggarwal	Key managerial personnel
23	Mr. Vinod Kumar Jamar	Key managerial personnel
24	Mr. Suman Kumar	Key managerial personnel
25	Ms. Madhu Vij	Key managerial personnel (Independent director)
26	Mr. Kundan Mal Aggarwal	Key managerial personnel (Independent director)
27	Mr. Hari Das Khuntata	Key managerial personnel (Independent director)
28	Mr. Naveen ND Gupta	Key managerial personnel (Independent director)
29	Mr. Chandra Wadhwa	Key managerial personnel (Independent director)
30	Mr.Dinesh Kumar Sarraf (w.e.f 09/08/2023)	Key managerial personnel (Independent director)
31	Mr.Gobind Ram Choudhary (w.e.f 22/06/2023)	Key managerial personnel (Independent director)
32	Mr Hemant Bhargava (w.e.f 09/08/2023)	Key managerial personnel (Independent director)
33	Mr. Narendra Kumar (w.e.f 16/08/2022)	Key managerial personnel (Independent director)
34	Ms. Neeru Abrol (w.e.f 30/03/2024)	Key managerial personnel (Independent director)
35	Mr. Ayush Aggarwal	Close family member of KMPs
36	Ms. Hemlata Aggarwal	Close family member of KMPs
37	Ms. Sushma Gupta	Close family member of KMPs
38	Ms. Reema Garg	Close family member of KMPs
39	Ms. Meetu Goel	Close family member of KMPs
40	Ms. Nidhi Bansal	Close family member of KMPs
41	Mr. Anuj Kansal	Close family member of KMPs
42	Mrs. Neha Gupta	Close family member of KMPs
43	Mr Pranay Aggarwal	Close family member of KMPs
44	Mrs.Ginni Devi	Close family member of KMPs
45	Mr Damodar Krishan Aggarwal	Close family member of KMPs
46	Mrs Asha Aggarwal	Close family member of KMPs
47	Mrs Archana Aggarwal	Close family member of KMPs
48	Mrs. Uma Agrawal	Close family member of KMPs

Note : Related party relationship is as identified by the company and relied upon by the auditors.

*SMC Global USA Inc., a subsidiary company of SMC Global Securities Limited has been voluntarily dissolved w.e.f. 20th December 2023 and there is no financial impact. Necessary submission to RBI through AD bank have been completed.

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37.02 Disclosure of transactions between the company & related parties:- ₹ in Lakhs

Sr. No.	Particulars of Transactions	Relationship	For the year ended March 31, 2024	For the year ended March 31, 2023
1	**Remuneration**			
	Salaries, wages & other benefits	Key managerial personnel	787.77	654.60
	Contribution to defined benefit plan	Key managerial personnel	42.53	37.95
	Total		830.30	692.55
	Salaries, wages & other benefits	Close family member of KMPs	279.23	355.21
	Contribution to defined benefit plan	Close family member of KMPs	7.69	6.40
	Total		286.92	361.61
2	**Directors sitting fee**	Independent director	31.85	39.20
3	**Investment (equity shares)**			
	Pulin Comtrade Limited	Subsidiary	-	700.00
	Moneywise Finvest Limited	Subsidiary	-	1,500.00
4	**Capital Reduction**			
	SMC Insurance Brokers Private Limited	Subsidiary	-	(2,576.25)
5	**Investment (purchase NCD)**			
	SMC Insurance Brokers Private Limited	Subsidiary	696.23	-
6	**Investment (sale NCD)**			
	SMC Real Estate Advisors Private Limited	Subsidiary	108.80	102.67
	SMC Insurance Brokers Private Limited	Subsidiary	361.48	1,238.48
7	**Investment (purchase MLD)**			
	SMC Insurance Brokers Private Limited	Subsidiary	986.76	1,690.75
8	**Investment (sale MLD)**			
	SMC Insurance Brokers Private Limited	Subsidiary	200.00	-
9	**Loans & advances given**			
	SMC Real Estate Advisors Private Limited	Subsidiary	-	512.00
	SMC Investments & Advisors Limited	Subsidiary	-	500.00
	Pulin Comtrade Limited	Subsidiary	14,873.00	-
10	**Loans & advances recovered**			
	SMC Investments & Advisors Limited	Subsidiary	-	858.57
	SMC Real Estate Advisors Private Limited	Subsidiary	-	512.00
	Pulin Comtrade Limited	Subsidiary	14,873.00	1,432.77
11	**Loans & advances taken (net)**			
	SMC Insurance Brokers Private Limited	Subsidiary	5,897.17	6,925.00
	Pulin Comtrade Limited	Subsidiary	-	7,522.54
	Moneywise Financial Services Private Limited	Subsidiary	11,143.83	5,600.00
	Moneywise Finvest Limited	Subsidiary	20.00	1,300.00
12	**Loans & advances repaid**			
	SMC Insurance Brokers Private Limited	Subsidiary	5,897.17	6,925.00
	Pulin Comtrade Limited	Subsidiary	-	7,522.54
	Moneywise Financial Services Private Limited	Subsidiary	13,643.83	3,100.00
	Moneywise Finvest Limited	Subsidiary	1,020.00	300.00
13	**Brokerage received**			
	Moneywise Finvest Limited	Subsidiary	68.10	69.54
	SMC Real Estate Advisors Private Limited	Subsidiary	38.90	300.11
	Pulin Comtrade Limited	Subsidiary	2.13	2.64
	Moneywise Financial Services Private Limited	Subsidiary	6.17	3.51
	Pulin Investments Private Limited	Entity controlled by KMPs	118.42	240.63
14	**Rent received**			
	SMC Capitals Limited	Subsidiary	4.23	4.23
	SMC Insurance Brokers Private Limited	Subsidiary	120.00	120.00
	Moneywise Finvest Limited	Subsidiary	49.80	49.80
15	**Other income**			
	Moneywise Financial Services Private Limited	Subsidiary	-	0.63

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₹ in Lakhs

Sr. No.	Particulars of transactions	Relationship	For the year ended	
			March 31, 2024	March 31, 2023
16	**Demat charges received**			
	Moneywise Finvest Limited	Subsidiary	4.68	4.12
	SMC Insurance Brokers Private Limited	Subsidiary	0.04	0.04
	SMC Real Estate Advisors Private Limited	Subsidiary	0.04	0.06
	Moneywise Financial Services Private Limited	Subsidiary	1.05	0.50
	Pulin Comtrade Limited	Subsidiary	0.01	0.02
	SMC Investments & Advisors Limited	Subsidiary	0.36	0.03
	Pulin Investments Private Limited	Entity controlled by KMPs	0.01	0.03
17	**Interest income**			
	SMC Investments & Advisors Limited	Subsidiary	-	38.81
	SMC Real Estate Advisors Private Limited	Subsidiary	-	14.10
	SMC Comex International DMCC	Subsidiary	16.58	16.08
	Pulin Comtrade Limited	Subsidiary	200.40	30.73
18	**Interest income on NCD**			
	Moneywise Financial Services Private Limited	Subsidiary	2.77	100.10
	SMC Real Estate Advisors Private Limited	Subsidiary	1.80	2.67
19	**Fair value gain on MLD**			
	Moneywise Financial Services Private Limited	Subsidiary	3.44	-
	SMC Insurance Brokers Private Limited	Subsidiary	20.94	-
20	**Delay payment charges**			
	Moneywise Financial Services Private Limited	Subsidiary	0.12	-
	Pulin Investments Private Limited	Entity controlled by KMPs	-	66.38
21	**Income from distribution of financial products**			
	SMC Capitals Limited	Subsidiary	14.35	658.34
22	**Dividend received**			
	SMC Insurance Brokers Private Limited	Subsidiary	1,053.00	808.00
	Moneywise Financial Services Private Limited	Subsidiary	1,309.71	-
23	**Other borrowing cost**			
	SMC Investments & Advisors Limited	Subsidiary	60.90	-
24	**Interest expenses**			
	Pulin Comtrade Limited	Subsidiary	5.21	4.26
	SMC Insurance Brokers Private Limited	Subsidiary	138.54	251.63
	Moneywise Finvest Limited	Subsidiary	433.38	340.35
	Moneywise Financial Services Private Limited	Subsidiary	115.71	55.94
25	**Rent expenses**			
	Pulin Comtrade Limited	Subsidiary	24.48	24.48
26	**Fees & Commission expense**			
	Moneywise Finvest Limited	Subsidiary	478.85	439.98
27	**Impairment on financial instruments (Loan write off)**			
	SMC Global USA Inc	Subsidiary	182.14	-
28	**Other Expenses**			
	Moneywise Financial Services Private Limited	Subsidiary	102.54	72.67
	Pulin Comtrade Limited	Subsidiary	13.93	-
29	**Contribution to Trust**			
	SMC Global Foundation	Trust controlled by KMPs	5.27	-





₹ in Lakhs

Sr. No.	Particulars of transactions	Relationship	For the year ended	
			March 31, 2024	March 31, 2023
30	**Dividend paid**			
	Subhash Chand Aggarwal	Key managerial personnel	194.29	194.29
	Mahesh Chand Gupta	Key managerial personnel	197.96	197.96
	Sushma Gupta	Close family member of KMPs	181.60	181.60
	Hemlata Aggarwal	Close family member of KMPs	120.00	120.00
	Pranay Aggarwal	Close family member of KMPs	113.29	113.29
	Gitni Devi	Close family member of KMPs	76.42	76.42
	Himanshu Gupta	Close family member of KMPs	48.00	48.00
	Ajay Garg	Key managerial personnel	20.20	20.20
	Damodar Krishan Aggarwal	Close family member of KMPs	18.77	18.77
	Anurag Bansal	Key managerial personnel	6.00	3.00
	Shruti Aggarwal	Key managerial personnel	0.48	0.48
	Aditi Aggarwal	Close family member of KMPs	1.03	0.24
	Archana Aggarwal	Close family member of KMPs	0.72	0.72
	ASM Pipes Private Limited	Entity controlled by KMPs	448.01	448.01
	Pulin Investments Private Limited	Entity controlled by KMPs	228.05	225.36
	(a) Ambey Share Broking Limited	Entity controlled by KMPs	35.68	37.35
	SMC Share Brokers Limited*	Entity controlled by KMPs	-	2.70
	(*Merged with Pulin Investments Private Limited)			
31	**Reimbursement of expenses received (net)**			
	Moneywise Financial Services Private Limited	Subsidiary	16.94	9.56
	SMC Global IFSC Private Limited	Subsidiary	-	-
	Moneywise Finvest Limited	Subsidiary	99.54	59.87
	SMC Capitals Limited	Subsidiary	3.50	2.26
	Pulin Comtrade Limited	Subsidiary	1.15	1.80
	SMC Investments & Advisors Limited	Subsidiary	12.59	1.99
	SMC Insurance Brokers Private Limited	Subsidiary	24.24	10.02
	SMC Real Estate Advisors Private Limited	Subsidiary	12.03	15.85
	SMC Global IFSC Private Limited	Subsidiary	0.07	0.86

Transactions and balances with KMPs and their relatives, related parties (except subsidiaries) through stock exchanges / depositories / PMS in the normal course of business have not been disclosed as the same have been transacted at prevailing market prices under online trade mechanism and not material in nature.

As the liabilities for gratuity and compensated absences are provided on actuarial basis for the Company as a whole, the amounts pertaining to individual Key Management Personnel are not separately available.

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37.01 **Balances outstanding**

₹ in Lakhs

			March 31, 2024	March 31, 2023
1	**Loans**			
	SMC Global USA Inc (net of provision)	Subsidiary	-	182.14
	Provision for impairment	Subsidiary	-	(182.14)
	SMC Comex International DMCC	Subsidiary	333.51	328.97
2	**Trade receivables**			
	Moneywise Financial Services Private Limited	Subsidiary	-	-
	SMC Insurance Brokers Private Limited	Subsidiary	0.04	21.50
	SMC Capitals Limited	Subsidiary	-	157.97
3	**Other receivables**			
	SMC Capitals Limited	Subsidiary	0.22	1.88
	SMC Real Estate Advisors Private Limited	Subsidiary	-	2.35
	SMC Investments & Advisors Limited	Subsidiary	11.15	0.72
	Moneywise Finvest Limited	Subsidiary	25.34	0.75
	Pulin Comtrade Limited	Subsidiary	10.72	15.83
	Moneywise Financial Services Private Limited	Subsidiary	-	7.32
	SMC Global IFSC Private Limited	Subsidiary	-	0.79
4	**Other Financial Assets**			
	Pulin Comtrade Limited	Subsidiary	6.12	6.12
5	**Trade payables**			
	Moneywise Finvest Limited	Subsidiary	273.28	90.10
	Moneywise Financial Services Private Limited	Subsidiary	31.66	-
	Pulin Comtrade Limited	Subsidiary	34.80	5.75
	SMC Real Estate Advisors Private Limited	Subsidiary	0.52	50.06
6	**Borrowings**			
	Moneywise Finvest Limited	Subsidiary	-	1,000.00
	Moneywise Financial Services Private Limited	Subsidiary	-	2,500.00
7	**Other financial liabilities**			
	Moneywise Finvest Limited	Subsidiary	6,782.12	3,991.70
	SMC Insurance Brokers Private Limited	Subsidiary	49.00	49.00
	Pulin Comtrade Limited	Subsidiary	91.25	47.54

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38 Disclosure under The Micro, Small and Medium Enterprises Development Act, 2006

The Company has sent letters to vendors to confirm whether they are covered under micro, small and medium enterprise development act 2006 as well as they have filed required memorandum with prescribed authority. Out of the letter sent to the party, based on the confirmation received till the date of finalisation of balance sheet. Based on and to the extent of the information received by the Company from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors, the relevant particulars as at the year end are furnished below:

₹ in Lakhs

Particulars	As at	
	March 31, 2024	March 31, 2023
The Principal amount remaining unpaid at the year end	1.11	-
The interest amount remaining unpaid at the year end	-	-
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
The amount of interest due and payable for the year (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-
The amount of interest accrued and remaining unpaid at the year end	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act, 2006	-	-

39 Segment reporting

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on analysis of various performance indicators by business segments and geographic segments. Accordingly, information has been presented both along industry classes and geographic segmentation of customers, industry being the primary segment. Secondary segmental reporting is performed on the basis of the geographical location of customers. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the note on significant accounting policies.

a. Business Segment

The Company's primary business comprises of dealing in shares, securities, commodities, derivatives and portfolio management services either on its own or on behalf of its constituents and other related ancillary services.
Accordingly the primary business segment has been identified as below:

Broking, Distribution & Trading : Comprises of brokerage income earned on secondary market transactions done on behalf of clients, services rendered as depository participant, clearing services, research support services, proprietary trading in securities, commodities, derivatives portfolio and fund management services.

b. Geographical Segment

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

(Non-Ind AS Information)

40 Additonal Regulatory disclosures

i. Title Deeds of all immovable properties are held in the name of the company
ii. The company does not have any investment property, hence disclosure relating to its valuation are not applicable
iii. During the year the company has not revalued its property, plant and Equipment.
iv. During the year the company has not revalued its intangible assets.

v. During the year no Scheme of Arrangements related to the company has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

vi. **Capital Work in Progress Ageing Schedule as at March 31, 2024**

₹ in Lakhs

Particulars	Total	Amount of CWIP for a period of			
		Less than 1 year	1-2 Years	2-3 years	More than 3 Years
Projects in Progress	2681.17	1,787.68	893.49	-	-
Projects temporarily suspended	-	-	-	-	-
Total	2,681.17	1,787.68	893.49	-	-

Capital Work in Progress Ageing Schedule as at March 31, 2023

₹ in Lakhs

Particulars	Total	Amount of CWIP for a period of			
		Less than 1 year	1-2 Years	2-3 years	More than 3 Years
Projects in Progress	893.49	893.49	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	893.49	893.49	-	-	-

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vi. Intangible assets under development ageing schedule as at March 31, 2024

₹ in Lakhs

Particulars	Outstanding for following periods from due date of payment / transaction				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	12.75	47.50	-	-	60.25
Projects temporarily suspended	-	-	-	-	-

Intangible assets under development ageing schedule as at March 31, 2023

₹ in Lakhs

Particulars	Outstanding for following periods from due date of payment / transaction				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	107.90	-	-	-	107.90
Projects temporarily suspended	-	-	-	-	-

vii. No proceeding has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ix. Quarterly statements of current assets filed with banks and financial institutions for fund borrowed from those banks and financial institutions on the basis of security of current assets are in accordance with terms and conditions.

x. The company has not been declared as wilful defaulter by any bank or financial institution.

xi. The company has not entered in any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956, except following:

₹ in Lakhs

Name of struck off Company	Nature of transactions with struck-off Company	Transactions during the year March 31, 2024	Balance Outstanding as at March 31, 2024	Relationship with the Struck off company
Lookline Commodities Private Limited	Payables	0.30	0.11	Client
Micro Forex Equity & Derivatives Private Limited	Payables	-	0.04	Client
Mkb Securities Private Limited	Payables	-	0.29	Client
Overreach Merchants Private Limited	Payables	0.30	0.59	Client
Simplex Commodities Trade Private Limited	Payables	-1.29	0.08	Client
P6 Commodities Private Limited	Payables	-0.29	1.09	Client
Ori Finance Limited	Payables	0.25	0.34	Client
Adventures India Financial Services Limited	Payables	-0.12	0.59	Client

₹ in Lakhs

Name of struck off Company	Nature of transactions with struck-off Company	Transactions during the year March 31, 2023	Balance Outstanding as at March 31, 2023	Relationship with the Struck off company
Lookline Commodities Private Limited	Payables	0.30	0.41	Client
Micro Forex Equity & Derivatives Priv	Payables	-	0.04	Client
Mkb Securities Private Limited	Payables	-	0.29	Client
Overreach Merchants Private Limited	Payables	-	0.29	Client
Simplex Commodities Trade Private Limited	Payables	0.30	1.37	Client
P6 Commodities Private Limited	Payables	-	1.38	Client
Ori Finance Limited	Payables	0.30	0.09	Client
Adventures India Financial Services Limited	Payables	0.30	0.71	Client

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xii. No charges or satisfaction yet to be registered with ROC beyond the statutory period.

xiii. The company has complied with the number of layers prescribed under clause (87) of section 2 of the act read with companies (Restriction on number of layers) rule 2017.

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

xv. Utilisation of Borrowed funds and share premium:-

A) The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or
(i) 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
(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;
(B) The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in
(i) 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
(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

41 The company does not have any transactions which are not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax 1961(such as search or survey or any other relevant provisions of the Income Tax 1961).

42 **Corporate Social Responsibility (CSR)**

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend atleast 2% of its average net profit for the immediately

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Amount required to be spent by the company during the year	244.09	181.85
Amount of expenditure incurred	244.09	181.87
Shortfall / (excess) at the end of the year	-	-0.02
Total of previous years shortfall	-	-
Reason for shortfall	NA	NA
Nature of CSR activities	Promoting education , including special	
Details of related party transactions, e.g.,contribution to a trust controlled by KMPs in relation to CSR expenditure as	5.27	-
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements	NA	NA

43 The company has not traded or invested in Crypto Currency or Virtual currency during the year.

In terms of our report of even date attached
For R. Gopal & Associates
Chartered Accountants
Firm Registration No : 000846C

Vikash Aggarwal
Partner
Membership No.: 519674

Place : New Delhi
Date : May 13, 2024

For and on behalf of the Board

S.C. Aggarwal	Mahesh C. Gupta	Ajay Garg
Chairman & Managing Director	Vice-Chairman & Managing Director	Director & CEO
DIN: 00003267	DIN: 00003082	DIN: 00003166

Vinod Kumar Jamar
President & Group CFO

Suman Kumar
Company Secretary

Independent Auditors' Report

To the Members of SMC Global Securities Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **SMC Global Securities Limited** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its jointly controlled entity, which comprise the Consolidated Balance Sheet as at March 31, 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in and in our opinion, there is no any such matter to be reported by us.

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

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's

Information, but does not include the consolidated financial statements and our auditor's report thereon. The above-referred information is expected to be made available to us after the date of this audit report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions necessitated by the circumstances and the applicable laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and Joint venture are also responsible for overseeing the financial reporting process of the Group and Joint venture.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements, which have been audited by other auditors; such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

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

Other Matters

Seven subsidiaries whose financial statements reflect the total assets of Rs 26,108.88 lakhs as at 31.03.2024, total revenue of Rs 7,808.60 lakhs, net profit after tax of Rs 600.67 lakhs and total comprehensive income Rs 722.20 lakhs and net cash inflow of Rs 533.66 lakhs for the year ended 31.03.2024 as considered in the consolidated financial statements. The Consolidatated financial statements includes the financial result of 1 jointly controlled entity which reflect groups share of net loss of Rs (2.77) lakhs for the year ended 31.03.2024. These Financial Statements have been audited by other auditors have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entity , and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries , and jointly controlled entity , are based solely on the reports of the other auditors.

The consolidated financial result includes the financial result of one subsidiary which has not been reviewed by their auditor, whose financial results reflect total assets of Rs Nil as at 31.03.2024, total revenue of Rs. Nil, total net profit after tax of Rs 183.41 lakhs, total comprehensive income Rs 182.14 lakhs and net cash inflow of Rs Nil for the year ended 31.03.2024. The financial statement has been certified by the management and has been furnished to us and in our opinion insofar as it relates to the amount included in respect of subsidiary are based solely on such financial results as certified by the management.

Attention is drawn to Note No 45 to the financial results regarding restatement of the figures for the year ended March 31,2023 which are in accordance with the requirements of applicable Ind AS. In our opinion, such adjustments are appropriate and have been properly applied.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

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

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books read with the matters stated in paragraph 1(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

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

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

e. On the basis of the written representations received from the directors of the holding Company as on March 31, 2024 taken on record by the Board of Directors of the Company and its subsidiaries incorporated in India and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

f. The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 1(b) above on reporting under Section 143(3)(b) of the Act and paragraph 1 (i) (vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g. With respect to the adequacy of the internal financial controls with reference to financial statements of the holding company and the operating effectiveness of such controls; refer to our separate Report in "Annexure A" which is based on the auditor's reports of the Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control with reference to financial statements of those companies, for reasons stated therein.

h. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

i. 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 consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, in its consolidated financial statements – Refer Note 37 to the consolidated financial statements.

ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended 31 March, 2024.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiaries company incorporated in India.

iv.

a) The respective Managements of the holding Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, as disclosed in Note 41 (xv) to the Financial Statements, no funds (which are material either individually or in the aggregate) 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 or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b) The respective Managements of the holding Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, as disclosed in Note Note 41 (xv) to the Financial Statements, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

v)

(a) The final dividend proposed in the previous year, declared and paid by the holding Company and its subsidiaries company during the year is in accordance with Section 123 of the Act, as applicable.

(b) The interim dividend declared and paid by the holding Company and its subsidiary company during the year and until the date of this report is in compliance with Section 123 of the Act.

(c) The Board of Directors of the holding Company and its subsidiaries company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed are in accordance with section 123 of the Act, as applicable.

VI Based on our examination which included test checks, and as communicated by the respective auditors of two subsidiaries, the holding company and its subsidiaries companies incorporated in India have used accounting software for maintaining its books of account for the financial year ended 31 March 2024, which have a feature of recording audit trail (edit log) facility except for the instances mentioned below

(a) In case of Holding company and its two subsidiary companies incorporated in India, the feature of recording audit trail (edit log) facility was not enabled at the database level for accounting software relating to payroll.

(b) In case of Holding company the feature of recording audit trail (edit log) facility was not enabled at the database level for accounting software relating to operations.

(c) In case of one of the subsidiary company incorporated in India, the feature of recording audit trail (edit log) facility was not enabled at the database level for accounting software relating to loan book.

Further, the audit trail facility has been operating throughout the year for all relevant transactions recorded in the software. During the course of our audit, we did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, as amended is applicable for the Company only w.e.f. 1 April 2023, therefore, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended, on preservation of audit trail as per the statutory requirements for record retention is not applicable for financial year ended 31 March 2024.

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

For R Gopal & Associates
Chartered Accountants
Firm Registration No.: 000846C

Vikash Aggarwal
Partner
Membership No: 519574
UDIN: 24519574BKDICU7895
Date: 13th May, 2024
Place: New Delhi

Annexure - A to the Independent Auditors' Report
Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2024, we have audited the internal financial controls with reference to financial statements of SMC Global Securities Limited ("the Holding Company") and its subsidiaries company which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to 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. 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 over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matter

Our aforesaid reports u/s 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding company, in so far as it relates to six subsidiaries which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

For R Gopal & Associates
Chartered Accountants
Firm Registration No.: 000846C

Vikash Aggarwal
Partner
Membership No: 519574
UDIN: 24519574BKDICU7895
Date: 13th May, 2024
Place: New Delhi

SMC GLOBAL SECURITIES LIMITED

Consolidated Balance Sheet

₹ in Lakhs

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023*
Assets			
Financial assets			
Cash and cash equivalents	3	12,811.70	3,249.96
Other bank balances	4	2,23,041.49	1,42,746.43
Receivables			
Trade receivables	5	52,287.26	37,382.93
Other receivables	6	884.12	1,657.38
Loans	7	1,37,200.98	1,08,817.08
Investments	8	7,025.64	5,699.66
Other financial assets	9	16,962.48	8,309.96
Non-financial assets			
Inventories	10	648.63	523.23
Current tax assets (net)	34	1,651.28	2,904.88
Deferred tax assets (net)	34	3,217.58	3,037.98
Investment property under development	11	448.29	175.83
Property, plant and equipment	12	8,451.80	8,949.68
Capital work-in-progress	12.1	2,681.17	893.49
Right of use asset	13	4,403.11	3,550.54
Other intangible assets	14	238.22	287.73
Intangible assets under development	14.1	64.60	109.75
Other non-financial assets	15	2,400.27	2,172.56
Asset held for sale	16	240.76	240.76
Total assets		**4,74,659.34**	**3,30,703.83**
Liabilities and equity			
Liabilities			
Financial liabilities			
Payables			
Trade payables	17		
- to micro and small enterprises		11.67	17.15
- to other than micro and small enterprises		82,929.91	47,381.56
Lease liabilities	13.1	4,602.31	3,615.49
Debt securities	18	3,966.65	6,366.88
Borrowings	19	1,38,113.13	84,397.62
Other financial liabilities	20	1,27,139.80	89,094.98
Non-financial liabilities			
Current tax liabilities (net)	34	755.44	428.06
Provisions	21	3,578.34	2,935.42
Other non-financial liabilities	22	3,767.59	2,952.10
Equity			
Equity share capital	23	2,094.00	2,094.00
Other equity		1,07,478.71	91,179.46
Non-controlling interest		221.79	241.11
Total liabilities and equity		**4,74,659.34**	**3,30,703.83**

*** restated, refer note 45**

The accompanying notes form an integral part of the Consolidated financial statements. 1-46

In terms of our report of even date attached

For R. Gopal & Associates
Chartered Accountants
Firm Registration No. : 000846C

Vikash Aggarwal
Partner
Membership No. : 519574

Place: New Delhi
Date: May 13, 2024

For and on behalf of the Board

S.C. Aggarwal
Chairman &
Managing Director
DIN: 00003267

Mahesh C. Gupta
Vice-Chairman &
Managing Director
DIN: 00003082

Ajay Garg
Director & CEO
DIN: 00003166

Vinod Kumar Jamar
President & Group CFO

Suman Kumar
Company Secretary

SMC GLOBAL SECURITIES LIMITED

Consolidated Statement of Profit and Loss

₹ in Lakhs

Particulars	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023*
Revenue from operations			
Fee and commission income	24	1,05,669.07	77,533.72
Interest income	25	35,314.14	25,103.94
Rental income		117.85	11.41
Dividend income		64.39	108.01
Net gain on proprietory trading		17,004.41	16,506.32
Net gain on fair value changes	26	5,081.62	1,893.93
Net gain on derecognition of financial instruments under amortized cost		598.21	-
Total revenue from operations		**1,63,849.69**	**1,21,157.33**
Other income	27	654.49	408.13
Total income		**1,64,504.18**	**1,21,565.46**
Expenses			
Fees and commission expenses	28	78,648.64	58,445.56
Employee benefits expenses	29	29,947.22	25,051.71
Finance cost	30	15,456.22	8,932.73
Depreciation and amortisation	31	3,210.18	2,269.41
Impairment on financial instruments	32	1,603.81	640.01
Other expenses	33	11,185.96	10,030.52
Total expenses		**1,40,052.03**	**1,05,369.94**
Profit before share of profit/(loss) of joint venture and tax		**24,452.15**	**16,195.52**
Share in profit/(loss) in joint venture		(2.77)	0.14
Profit before tax		**24,449.38**	**16,195.66**
Tax expense:			
Current tax	34	5,624.54	5,036.12
Income tax earlier year	34	189.07	147.08
Deferred tax	34	(191.88)	(1,027.16)
Total tax expense		**5,621.73**	**4,156.04**
Profit after tax		**18,827.65**	**12,039.62**
Other comprehensive income (OCI)			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit liability / asset		(33.73)	62.60
Tax effect of items that will not be reclassified subsequently to profit and loss		13.44	(8.26)
Items that may be reclassified subsequently to profit or loss			
Exchange difference on translation of foreign operations		102.37	448.54
Total other comprehensive income (net of tax)		**82.08**	**502.88**
Total comprehensive income for the year (comprising profit and other comprehensive income for the year)		**18,909.73**	**12,542.50**
Profit attributable to:			
Owners of the equity		18,727.65	12,005.47
Non controlling interest		100.00	34.15
Total comprehensive income attributable to:			
Owners of the equity		18,812.05	12,509.75
Non controlling interest		97.68	32.75
Earnings per equity share (Face value ₹ 2)			
Basic & Diluted (in ₹)	35	17.89	11.35
The accompanying notes form an integral part of the Consolidated financial statements.	1-46		

* restated, refer note 45

In terms of our report of even date attached
For R. Gopal & Associates
Chartered Accountants
Firm Registration No. : 000846C

Vikash Aggarwal
Partner
Membership No. : 519574

Place: New Delhi
Date: May 13, 2024

For and on behalf of the Board

S.C. Aggarwal
Chairman &
Managing Director
DIN: 00603267

Mahesh C. Gupta
Vice-Chairman &
Managing Director
DIN: 00603282

Ajay Garg
Director & CEO
DIN: 00003166

Vinod Kumar Jamar
President & Group CFO

Suman Kumar
Company Secretary

SMC GLOBAL SECURITIES LTD. New Delhi

SMC GLOBAL SECURITIES LIMITED
Consolidated statement of changes in equity

A. Equity share capital [Refer note 23]

₹ in Lakhs

Particulars	Balance as at April 1, 2022	Changes in equity share capital due to prior period errors	Restated balance as on April 1, 2022	Changes in equity share capital during the period	Balance as at March 31, 2023
Equity share capital	2,262.69	-	-	(168.69)	2,094.00

₹ in Lakhs

Particulars	Balance as at April 1, 2023	Changes in equity share capital due to prior period errors	Restated balance as on April 1, 2023	Changes in equity share capital during the period	Balance as at March 31, 2024
Equity share capital	2,094.00	-	-	-	2,094.00

B. Other equity

₹ in Lakhs

Particulars	Reserves & surplus							Other comprehensive income		Total	Non Controlling Interest
	Securities premium reserve	Retained earnings	General reserve	Capital Redemption Reserve	Capital reserve	Debenture redemption reserve	Reserve fund u/s 45-IC of RBI act 1934	Remeasurement of the net defined benefit liability / asset	Exchange differences on translation of foreign operations		
Balance as at April 1, 2022	38,448.90	68,801.86	10,414.09	-	1,895.71	2,500.00	3,080.66	356.87	209.79	90,147.68	190.29
Changes in equity for the year ended March 31, 2022										-	
Profit for the year	-	12,005.47	-	-	-	-	-	-	-	12,005.47	44.15
Other comprehensive income for the year	-	-	-	-	-	-	-	91.74	448.54	504.28	(1.40)
Total comprehensive income for the year	-	12,005.47	-	-	-	-	-	91.74	448.54	12,509.75	42.75
Transactions with owners in their capacity as owners:											
Adjustment for changes in ownership interest without loss of control (refer note no. 1.05)	-	(34.07)	-	-	-	-	-	-	-	(34.07)	127.77
Adjustment for Capital Reduction in Subsidiary	-	-	-	-	-	-	-	-	-	-	(83.70)
On Buyback of Shares	(9,073.27)	-	-	-	-	-	-	-	-	(9,073.27)	-
Transfer to CRR on buyback of shares	(168.69)	-	-	168.69	-	-	-	-	-	-	-
Refund of Excess Dividend Distribution Tax paid	-	0.24	-	-	-	-	-	-	-	0.24	-
Transfer to Reserve fund	-	(722.88)	-	-	-	-	722.88	-	-	-	-
Transfer to General reserve	-	-	2,500.00	-	-	(2,500.00)	-	-	-	-	-
Payment of dividend	-	(2,196.70)	-	-	-	-	-	-	-	(2,196.70)	(23.00)
Balance as at March 31, 2023	29,206.93	48,379.84	12,914.09	168.69	1,895.71	-	3,803.54	412.41	658.33	91,179.46	341.11
Balance as at April 1, 2023	29,206.93	48,379.84	12,914.09	168.69	1,895.71	-	3,803.54	412.41	658.33	91,179.46	341.11
Changes in equity for the year ended March 31, 2024											
Profit for the year	-	18,727.43	-	-	-	-	-	-	-	18,727.43	100.00
Other comprehensive income for the year	-	-	-	-	-	-	-	(17.97)	102.97	84.99	(2.42)
Total comprehensive income for the year	-	18,727.43	-	-	-	-	-	(17.97)	102.97	18,812.42	97.58
Transactions with owners in their capacity as owners:											
Payment of dividend	-	(2,512.80)	-	-	-	-	-	-	-	(2,512.80)	(117.00)
Transfer to Reserve fund	-	(1,119.53)	-	-	-	-	1,119.53	-	-	-	-
Balance as at March 31, 2024	29,206.93	62,075.26	12,914.09	168.69	1,895.71	-	4,923.07	394.44	760.70	1,07,479.71	321.78

Nature and purpose of reserves :

(A) Securities premium reserve
Securities premium is used to record the premium received on issue of shares. The reserve can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013

(B) Retained earnings
Retained earnings are the profits that the Group has earned till date, less any transfers to generate reserve, dividends or other distributions paid to shareholders.

(C) 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 however, the same is not required to be created under Companies Act, 2013. This reserve can be utilised only in accordance with the specified requirements of Companies Act, 2013.

(D) Capital redemption reserve
The Companies Act, 2013 requires that when a Company purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve. The reserve is utilised in accordance with the provisions of section 69 of the Companies Act, 2013

(E) Capital reserve
A capital reserve is created out of capital profits and cannot be used for the distribution of profits and dividend.

(F) Reserve fund u/s 45-IC of RBI act 1934
As required by section 45-IC of the RBI Act 1934, the company listed at 'c' in note no. 1.05 is required to maintain a reserve fund and transfers therein a sum not less than twenty per cent of its net profit every year as disclosed in the statement of profit and loss and before any dividend is declared. The company cannot appropriate any sum from the reserve fund except for the purpose specified by Reserve Bank of India from time to time. Till date, RBI has not specified any purpose for appropriation of Reserve fund maintained under section 45-IC of RBI Act, 1934.

In terms of our report of even date attached
For R. Gopal & Associates
Chartered Accountants
Firm Registration No. 000846C

Vikash Aggarwal
Partner
Membership No. 513519

Place: New Delhi
Date: May 10, 2024

For and on behalf of the Board

S.C. Aggarwal
Chairman &
Managing Director
DIN: 00042167

Mahesh C. Gupta
Vice-Chairman &
Managing Director
DIN: 00001083

Ajay Garg
Director & CFO
DIN: 00001166

Vinod Kumar Sanwal
President & Group CFO

Subhas Bansal
Company Secretary

SMC GLOBAL SECURITIES LTD. New Delhi

SMC GLOBAL SECURITIES LIMITED

Consolidated statement of cash flows

₹ in Lakhs

Particulars		For the year ended	
		March 31, 2024	March 31, 2023
Cash flow from operating activities:			
Profit after tax		18,827.65	12,099.62
Adjustments to reconcile net profit to net cash provided by operating activities:			
Tax expense		5,621.79	4,156.04
Depreciation and amortization		4,210.18	2,269.41
Finance cost		15,456.22	8,932.73
Dividend income		(0.02)	(3.03)
(Gain) / loss on modification of lease		(9.40)	(1.08)
Interest income other than from revenue from operation		(372.75)	(13.78)
Allowance for impairment on financial instruments		1,609.81	640.01
Change in investment in joint venture		2.77	(0.14)
Net gain on derecognition of financial instruments under amortised cost		(598.21)	-
Net loss/(gain) on derecognition of property, plant and equipment		(0.69)	(75.64)
Exchange difference on conversion of foreign currency monetary items		(8.78)	(43.10)
Operating profit before working capital changes		**43,732.53**	**27,961.04**
Changes in assets and liabilities			
Other bank balances		(60,299.06)	(23,776.12)
Trade receivables		(14,611.45)	(4,172.69)
Other receivables		775.88	(909.65)
Loans		(30,216.55)	(30,256.02)
Investments		(1,328.78)	11,359.27
Inventories		(125.40)	2,928.63
Other financial assets		(8,652.51)	4,118.20
Other non-financial assets		1,095.10	(738.49)
Trade payables		35,542.89	(23,681.97)
Other financial liabilities		38,098.08	14,700.53
Other non-financial liabilities		391.64	762.01
Provisions		620.90	765.47
Cash generated from / (used in) operations		**(15,033.27)**	**(21,995.70)**
Income taxes paid (net of refund)		(4,232.64)	(4,012.73)
Net cash generated from / (used in) operating activities	**(A)**	**(19,265.91)**	**(26,008.43)**
Cash flow from investing activities:			
Expenditure on Property, Plant and Equipments		(2,921.96)	(3,032.48)
Expenditure on intangible assets		(140.96)	(204.21)
Sale proceeds on property, plant and equipments		95.56	195.01
Investment property under development		(272.46)	(15.83)
Interest received		372.73	13.78
Dividend received		0.02	3.03
Net cash generating from / (used in) investing activities	**(B)**	**(2,866.47)**	**(3,100.67)**
Cash flow from financing activities:			
Payment of dividends (net of unpaid dividend)		(2,508.04)	(2,596.70)
Payment of interest		(14,552.25)	(8,502.12)
Repayment of lease liabilities		(1,727.62)	(1,276.26)
Proceeds from short term borrowings (other than repayable on demand)		15,597.84	3,000.00
Repayment of short term borrowings (other than repayable on demand)		(6,754.36)	-
Proceeds from long term borrowings		47,817.82	37,659.57
Repayment of long term borrowings		(22,301.68)	(16,099.35)
Proceeds / (repayment) from loan repayable on demand (net)		18,529.85	20,808.90
Proceeds from sale of investment of Subsidiary without loss of control		-	80.00
Buyback of Shares		-	(9,142.06)
Repayment of debt securities		-	(653.64)
Purchase of debt securities		(2,400.24)	-
Refund of Dividend distribution tax excess paid		-	6.16
Net cash generating from / (used in) financing activities	**(C)**	**33,700.12**	**25,128.50**
Net increase / (decrease) in cash and cash equivalents	**(A+B+C)**	**9,567.74**	**(5,980.60)**
Cash and cash equivalents at the beginning of the year		3,243.96	9,224.56
Cash and cash equivalents at the end of the year		**12,811.70**	**3,243.96**

SMC GLOBAL SECURITIES LIMITED
Consolidated statement of cash flows
Notes :
1. Changes in liabilities arising from financing activities refer note no. 38.06
2. The above statement of cash flows has been prepared under the "Indirect Method" as set out in Ind AS - 7 notified u/s 133 of the Companies Act, 2013.
3. Figures in brackets indicate cash outflow.

4. The material accounting policies information and notes to the financial statements (Refer note no. 1 - 46) form an integral part of the consolidated financial statements.

For and on behalf of the Board

In terms of our report of even date attached
For R. Gopal & Associates
Chartered Accountants
Firm Registration No.: 000846C

Vikash Aggarwal
Partner
Membership No. : 519574

Place: New Delhi

Date: May 13, 2024

S.C. Aggarwal	**Mahesh C. Gupta**	**Ajay Garg**
Chairman &	Vice-Chairman &	Director & CEO
Managing Director	Managing Director	DIN: 00003166
DIN: 00005257	DIN: 00005082	

Vinod Kumar Jamar
President & Group CFO

Suman Kumar
Company Secretary

SMC GLOBAL SECURITIES LTD. New Delhi

SMC GLOBAL SECURITIES LIMITED
Notes to consolidated financial statements

1 Basis of measurement

1.01 Group overview

SMC Global Securities Limited (CIN- L74899DL1994PLC063609) (the "Parent Company") together with its subsidiaries and joint venture (collectively, "the Group") offers its customers a wide range of services across different business segments. The Company's equity shares are listed and traded on National Stock Exchange ("NSE") and Bombay Stock Exchange ("BSE") in India with effect from Feburary 24, 2021. The Parent Company is a Limited Liability Company incorporated in the year 1994 and domiciled in India. The registered address of the company is 11/6B, Shanti Chamber, Pusa Road, New Delhi-110005.

The Group provides the following range of services:
a) Broking, distribution and trading services includes brokerage services (in equity, derivative, commodity and currency segments on all major stock exchanges in India) , clearing services, depository participant services, fund management, wealth management, distribution of financial products such as mutual funds and initial public offerings, fund management services, research support services, financing mortgage and loan advisory, real estate brokerage and investment banking services which advises middle class to high net worth individuals.
The Group also engages in proprietary transactions in equity securities, commodities, currencies and derivative. Such trading activities are entered primarily to capitalize on the pricing differences in equity, commodity and currency markets. These trades are executed in identical or similar financial instruments, on different markets or in different but analogous forms, such that the positions are generally hedged.
b)Financing business services offer wide spectrum of financial products like SME- LAP (loan against property), Onward-lending (to NBFC/MFI), SME Equipment Finance (Medical & Industrial Equipment), SME-WCTL (Unsecured Business Loans), Gold Loans and Loan against securities. .
c)Insurance broking services comprises of providing services in life and non-life insurance products.

The Parent Company is a Trading-cum-Clearing member of the National Stock Exchange of India Limited ("NSE") & BSE Limited ("BSE") in Equity, Equity Derivative, Currency Derivative & Commodity Derivative segments of Exchange and Trading member in Metropolitan Stock Exchange of India Limited ("MSEI") in Currency Derivative Segment. Further, the company is also a Trading-cum-Clearing member of the Multicommodity Exchange of India Ltd (MCX) and National Commodity Exchange of India Ltd. (NCDEX) in commodity segment of the Exchanges. The Company also holds depository participants registration of Central Depository Services (India) Limited (CDSL), National Securities Depository Limited (NSDL) and Comtrack. Further the company is also SEBI registered Research Analyst, Portfolio management service (PMS) and AMFI registered mutual fund distributor. The company is regulated by Securities and Exchange Board of India ("SEBI").

1.02 Statement of compliance

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

1.03 Basis of preparation

These Consolidated financial statements are prepared under the historical cost convention on the accrual basis except for certain assets and liabilities which are measured at fair value / amortised cost / transaction price as stated in respective accounting policies / notes. 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.

Functional and presentation currency
These financial statements are presented in Indian Rupees ('INR' or '₹') which is also the Group's functional currency. All amounts are rounded-off to the nearest lakhs, unless indicated otherwise. There are certain companies in the group which have USD as their functional currency.

1.04 Principles of consolidation

(a) The financial statements of the Parent Company and its subsidiaries are combined on a line by line basis by adding together sums of like nature, comprising assets, liabilities, income and expenses (including taxes) and after fully eliminating intra-group balances/ transactions.

(b) Profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant and equipment are eliminated in full.

(c) In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in other comprehensive income (OCI).

SMC GLOBAL SECURITIES LTD. New Delhi

(d) Subsidiaries are consolidated from the date on which effective control is transferred to the Group and are no longer consolidated from the date of disposal.

(e) The Company's cost of its investment in its subsidiaries has been eliminated against the Company's portion of equity of each subsidiary as on the date of investment in that subsidiary. The excess/short is recognized as 'Goodwill' or 'Capital Reserve', as the case may be.

(f) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

(g) Investment in joint venture has been accounted under equity method as per Ind AS 28 - Investments in joint ventures and associates.

(h) Non controlling interest's share of profit/loss of consolidated subsidiaries for the years identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the company.

(i) Non controlling interest's share of net assets of consolidated subsidiaries is identified and presented in consolidated balance sheet.

1.05 The consolidated financial statements comprise the financial statements of the company, its subsidiaries and joint venture consolidated in accordance with Ind AS 110 and Ind AS 28, which have been listed as below :

Name of subsidiaries / joint venture	Country of Incorporation	As at March 31, 2024	As at March 31, 2023
Subsidiaries of SMC Global Securities Limited			
a. Pulin Comtrade Limited*	India	100%	100%
b. SMC Investments and Advisors Limited	India	100%	100%
c. Moneywise Financial Services Private Limited	India	100%	100%
d. SMC Capitals Limited	India	100%	100%
e. SMC Insurance Brokers Private Limited	India	90.00%	90.00%
f. SMC Comex International DMCC	UAE	100%	100%
g. Moneywise Finvest Limited	India	100%	100%
h. SMC Global USA Inc.**	USA		50%
i. SMC Global IFSC Private Limited	India	100%	100%
j. SMC Real Estate Advisors Private Limited	India	100%	100%
Joint venture of SMC Investments and Advisors Limited			
k. SMC & IM Capitals Investment Manager LLP	India	50%	50%

* Formerly known as SMC Comtrade Limited.

**SMC Global USA Inc., a subsidiary company of SMC Global Securities Limited has been voluntarily dissolved w.e.f. 20th December,2023 and there is no financial impact. Necessary submission to RBI through AD bank have been completed.

Pulin Comtrade Limited is engaged in business of bullion trading.

SMC Investments and Advisors Limited is engaged in the business of mortgage advisory services.

Moneywise Financial Services Private Limited (MWFS) is registered with RBI and is categorised as a Middle Layer NBFCs based on Asset size as per "Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023" dated October 19, 2023 and updated from time to time.

SMC Capitals Limited is registered as Category I Merchant Banker with Securities and Exchange Board of India ("SEBI").

SMC Insurance Brokers Private Limited holds direct insurance broking license from Insurance & Regulatory Development Authority of India ("IRDAI") in the life and non-life insurance.

SMC Comex International, DMCC is a trading and clearing member of Dubai Gold Commodity Exchange ("DGCX").

Moneywise Finvest Limited is a trading and self clearing member of the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") in the capital market and trading member of NSE and BSE in future and option segment and currency derivative segment. Also the company is a trading member of Multi Commodity Exchange of India Limited ("MCX") in commodity segment and having AMFI registered mutual fund distributor. The company is regulated by the Securities and Exchange Board of India ("SEBI").

SMC Global IFSC Private Limited is carrying on the business as IFSC (International Financial Service Centre) Unit in accordance with the Securities Exchange Board of India (IFSC) Guidelines, 2015 to provide financial services in International Financial Services Centre, GIFT SEZ, Gandhinagar, Gujarat and is member of NSE IX, India INX and IIBX.

SMC Real Estate Advisors Private Limited is engaged into real estate broking services and governed by Real Estate (Regulation and Development) Act, 2016 ("RERA").

1.06 Use of estimates

The preparation of the financial statements in conformity with Ind AS 8, requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the year in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Areas involving critical estimates and Judgements are:

Estimation of useful lives of property, plant and equipment (Refer note no. 2.02 below)
Estimation of current tax expenses (Refer note no. 2.04 below)
Estimation of allowance for imapirement of financial assets (Refer note no.2.06 below)
Estimation of employee defined benefit obligations (Refer note no.2.07 below)
Estimation of discount rate for lease assest (ROU assets) and lease liabilities (Refer note no. 2.08)

2 Material Accounting Policy Information

2.01 Revenue recognition

The group derives it's revenue primarily from the brokerage services, clearing services, depository services, distribution of financial products such as mutual fund and initial public offerings, proprietary trading, fund management services, research support services, management and consultancy and interest income from financing business.

(i) **Broking**: In these types of contract performance obligation is to provide the platform to traders for trading in securities, commodities and the performance obligation satisfies point in time i.e. as and when the trade is executed. In real estate broking, the performance obligation is satisfied as and when the property is booked by the customer and a minimum threshold amount specified in the agreement is paid to the developer. The revenue is recorded when the threshold limit is achieved and the same is confirmed by the Real Estate developer. In insurance broking, the performance obligation satisfies as and when the policy is logged in/placed in case of general insurance and on Weighted Received Premium (WRP) basis in case of life insurance. Unbilled revenue regarding insurance broking is the income that has become due on account of policy issued by the company but pending to be billed. Further contract liabilities are recognized for cancellation of Life Insurance business on the basis of past trend of business cancellation owing to the very peculiar nature of Life Insurance business and is netted off from revenue.

(ii) **Distribution of third party financial products:** In these types of contract performance obligation is to sell the third party financial products to the subscriber and the performance obligation satisfies point in time i.e. as and when subscription is ensured and target based incentives are confirmed by registrar / respective companies. Unbilled revenue is the income that has become due on account of services rendered by the Group but pending to be billed.

(iii) **Depository**: In these types of contract performance obligation is periodic mainterance of customer account as depository participant and the performance obligation satisfies over time i.e. over the period and there is reasonable certainty of recovery.

(iv) **Proprietary trading**: Refer to note 2.06 on the Policy on Financial Instruments w.r.t regular way purchase and sales of Financial Assets

(v) **Fund management services**: In these types of contracts the performance obligation satisfies over time i.e. the services are rendered on continuous basis and the revenue is recognised on periodical basis and also considering performance based criteria of fund (as applicable).

(vi) **Management and consultancy:** Revenue from management & advisory services is accounted for when the rendering of service under a contract is completed or substantially completed.

(vii) **Interest income:** Interest income on a financial asset at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ('EIR'). The EIR is the rate that exactly discounts estimated future cash flows of the financial assets through the expected life of the financial asset or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The internal rate of return on financial assets after netting off the fees received and cost incurred approximates the effective interest rate method of return for the financial asset. The future cash flows are estimated taking into account all the contractual terms of the instrument.
The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance).
Interest income on credit-impaired loan assets, unless realized, is not being recognised as a matter of prudence
It also comprises of Interest on delayed payment/margin trading facility.

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(viii) **Commodity trading**: In these types of contracts the performance obligation satisfies in time i.e. when the sale is executed or ownership is transferred. Accordingly the revenue is recognised on whenever the transaction is executed.

(ix) **Research support services**: In these types of contract performance obligation is periodic input to participants on the basis of capital market analysis and the performance obligation satisfies over time i.e. over the period.

(x) **Incentives from exchange**: Incentives from exchange are recognised on point in time basis.

2.02 Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. The Group depreciates property, plant and equipment over their estimated useful lives on written down value method. The estimated useful lives of assets are as follows:

Medical Equipments	13	years
Office Building	60	years
Computer equipment	3-6	years
Office equipment	5	years
Furniture and fixtures	10	years
Vehicles	8-10	years

The useful lives for these assets is in compliance with the useful lives as indicated under Part C of Schedule II of the Companies Act, 2013.
Addition to the, property plant and equipment have been accounted for when the item is in location and condition necessary for its use irrespective of date of invoice. Depreciation on asset added/sold/discarded during the year is being provided on prorata basis from / upto the date on which such assets are added/sold/discarded.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non financial assets and the assets not ready for use are disclosed under 'Capital work-in-progress'.

2.03 Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment, if any. Intangible assets are amortized on a written down value basis, from the date that they are available for use. The rates used are as follows :

Computer software	40%
Trade mark logo	40%

2.04 Income tax

The income tax expense comprises of current and deferred tax.
The current tax is calculated on the basis of the tax rates, laws and regulations, which have been enacted or substantively enacted as at the reporting date. The payment made in excess / (shortfall) of the Group's income tax obligation for the year are recognised in the balance sheet as current income tax assets / liabilities.

Deferred tax is recognised based on the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax is determined using tax rates that have been enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India.

2.05 Investment in joint venture

Investment in joint venture is accounted for under equity method.

2.06 **Financial instruments**

(a) Initial recognition

All financial assets and liabilities are recognised at fair value on initial recognition, except for trade receivables which are initially measured at transaction price.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to or subtracted from the fair value of financial asset or financial liabilities on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

(b) Subsequent measurement

(i) Financial assets at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Advances, security deposits, loan, rental deposits, cash and cash equivalents etc. are classified for measurement at amortised cost.

(ii) Financial assets at fair value through profit or loss

A financial asset which is not subsequently measurd at amortised cost are subsequently fair valued through profit or loss. All investment held for trading, derivative financial instruments are valued at fair value through profit and loss.

(iii) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognised in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(c) Derecognition of financial instruments

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognised from the group's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

(d) Impairment

The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in profit or loss.

When determining whether credit risk of a financial asset has increased significantly since initial recognition an when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, including on historical experience and forward-looking information.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Simplified approach-The company follows 'simplified approach' for recognition of impairment loss allowance on loans, other receivables and other financial assets. The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The company uses a provision matrix to determine impairment loss allowance. The provision matrix is based on its historically observed default rates over the expected life of financial assets and is adjusted for forward-looking estimates. At every reporting date, the historically observed default rates are updated for changes in the forward looking estimates.

2.07 **Employee benefits**

(a) Defined contribution plans

Obligations for contributions to defined contribution plans (provident fund and employees state insurance) are recognized as a employee benefit expense in profit or loss in the years during which services are rendered by employees.

(b) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's gratuity scheme is a defined benefit plan and in accordance with Payment of Gratuity Act, 1972. As per the plan, employee is entitled to get 15 days of basic salary for each completed year of service with a condition of minimum tenure of 5 years subject to a maximum amount of INR 20.00 lakhs. Gratuity liability is a defined obligation and is partly funded.

Defined benefit obligation (DBO) is evaluated by actuary based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

(c) Short-term employee benefits

Short term benefits comprises of Salary with allowances, Incentives, Bonus, Personal accident and Medical benefit policies etc. are expensed as the related service is provided.

(d) Other long-term employee benefits

Liability for leave encashment

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior years. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the year in which they arise. Un-availed leave liability is a defined obligation and is not funded. The valuation of the leave encashment are obtained from actuary.

2.08 Leases

The Group enters into hiring/service arrangements for various assets/services. This requires significant judgements including but not limited to, whether asset is implicitly identified, substantive substitution rights available with the supplier, decision making rights with respect to how the underlying asset will be used, economic substance of the arrangement, etc.

As a lessee, the group has measured lease liability at the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. After the commencement date / transition date, The group measures the right-of-use asset applying a cost model, where the group measures the right-of-use asset at cost:

(a) less any accumulated depreciation and any accumulated impairment losses; and
(b) adjusted for any remeasurement of the lease liability

The group recognises the finance charges on lease expense on reducing balance of lease liability. The ROU asset is depreciated over the lease term on straight line basis.

The group applies the above policy to all leases except:

(a) leases for which the lease term (as defined in Ind AS 116) ends within 12 months of the acquisition date;

(b) leases for which the underlying asset is of low value.

Lease payments for such leases are recognised as expensed on straight-line basis.

At the commencement date, the group recognises assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease. After the initial recognition the group recognises finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

For Operating leases as a lessor the Group recognises lease payments from/for operating leases as income/expense on straight-line basis.

2.09 Statement of cash flows

Cash flows from operating activites are reported using the indirect method where by the profit after tax is adjusted for the effect of the transactions of a non-cash nature, any deferrals or accruals of past and future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the group are segregated.

3 **Cash and cash equivalents**

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
At amortised cost		
Cash in hand	34.72	36.09
Balances with banks		
In current accounts	12,776.98	3,217.87
Total cash and cash equivalents	**12,811.70**	**3,253.96**

4 **Other bank balances**

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
At amortised cost		
Deposit pledged with banks*	43,902.34	82,756.10
Deposit pledged with the clearing corporations and stock exchanges as margin	1,76,112.42	58,413.83
Deposit placed under lien with consumer court	2.12	2.12
Placed under lien with statutory authority	0.20	3.60
Deposit placed with pension fund regulatory and development authority	20.00	20.00
Deposit placed under arbitration	116.68	243.11
Deposit - no lien	33.21	49.97
Earmarked balances (unpaid dividend account)	81.29	74.53
Interest accrued but not due	2,673.23	1,183.17
Total other bank balances	**1,23,041.49**	**1,42,746.43**

* Deposit pledged with bank as margin deposit for the guarantees issued of ₹ 71,462.00 Lakhs and ₹ 1,19,986.00 Lakhs as of March 31, 2024 and March 31, 2023, respectively, credit facilities or otherwise.

5 **Trade receivables**

₹ in Lakhs

Particulars		As at March 31, 2024	As at March 31, 2023
At amortised cost			
Secured considered good		38,480.77	25,875.15
Secured credit impaired		172.61	183.72
Less: Provision for impairment		(141.56)	(118.93)
	(A)	**38,511.82**	**25,939.94**
Unsecured considered good*		7,782.70	6,215.56
Unsecured credit impaired		1,033.71	1,734.17
Less: Provision for impairment		(858.83)	(1,537.95)
	(B)	**7,957.58**	**6,411.78**
Unbilled revenue	(C)	5,817.86	5,031.21
Total trade receivables	**(A+B+C)**	**52,287.26**	**37,382.93**

*Includes amount receivable from realated party ₹ 311.62 Lakhs (PY: ₹ 622.00 Lakhs) refer note no 39.08

Trade receivables ageing schedule as on March 31, 2024

₹ in Lakhs

Particulars	Outstanding for following periods from due date of payment / transaction					Total
	Less than 6 months*	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed Trade receivables - considered good	46,246.60	9.70	5.35	1.82	-	46,263.47
Undisputed Trade receivables - considered credit impaired	97.12	112.66	70.44	119.22	697.48	1,096.92
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade receivables - considered credit impaired	16.53	21.34	-	-	71.53	109.40
	46,360.25	**143.70**	**75.79**	**121.04**	**769.01**	**47,469.79**
Less: Provision for impairment						**(1,000.39)**
						46,469.40
Unbilled revenue						5,817.86
						52,287.26

Trade receivables ageing schedule as on March 31, 2023 ₹ in Lakhs

Particulars	Outstanding for following periods from due date of payment / transaction					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed Trade receivables - considered good	32,038.64	20.64	3.66	1.83	25.94	32,090.71
Undisputed Trade receivables - considered credit impaired	143.41	71.63	121.63	125.33	642.49	1,104.58
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade receivables - considered credit impaired	1.68	2.81	23.69	263.77	521.26	813.21
	32,183.73	**95.27**	**148.98**	**390.93**	**1,189.69**	**34,008.60**
Less: Provision for impairment						**(1,656.88)**
						32,351.72
Unbilled revenue						5,031.21
						37,382.93

6 Other receivables ₹ in Lakhs

Particulars	As at	
	March 31, 2024	March 31, 2023
At amortised cost		
Claim & other receivable	899.78	1,676.26
	899.78	**1,676.26**
Less: Provision for impairment	(15.66)	(18.88)
Total other receivables	**884.12**	**1,657.38**

7 Loans ₹ in Lakhs

Particulars		As at	
		March 31, 2024	March 31, 2023*
At amortised cost			
Secured			
Loans relating to financing business		71,682.92	44,630.30
Margin Trading Facility		23,671.82	18,838.06
Others		1,000.00	1,000.00
		96,354.74	**64,468.36**
Less: Provision for impairment		(1,232.79)	(992.71)
	(A)	**95,121.95**	**63,475.65**
Unsecured**			
Carried at amortised cost			
Loans relating to financing business		42,907.04	45,676.25
Others		-	283.11
		42,907.04	**45,959.36**
Less: Provision for impairment		(828.03)	(617.93)
	(B)	**42,079.01**	**45,341.43**
Net loans	**(A+B)**	**1,37,200.95**	**1,08,817.08**

* restated, refer note 45
**Includes amount receivable from related party ₹ 337.71 Lakhs (PY: ₹ 92.46 Lakhs) refer note no 39.03

In India	1,37,200.95	1,08,741.27
Outside India	-	75.81

8 Investments

₹ in Lakhs

Particulars		As at March 31, 2024	As at March 31, 2023
Quoted			
Investments carried at fair value through profit and loss			
Held for trading			
Equity instruments		3,408.16	1,878.74
Debt instruments		953.96	647.46
Government securities		127.72	74.63
	(A)	**4,489.84**	**2,600.83**
Other than held for trading			
Equity instruments		1.88	612.27
Equity instruments under portfolio management service		53.38	1,877.88
Mutual funds		5.16	172.15
Debt instruments		32.83	363.05
	(B)	**94.25**	**3,025.35**
Sub - Total	(A+B+C)	**4,584.09**	**5,626.18**
Unquoted			
Investments carried at cost			
Investment in joint venture (partnership firm)		1.67	37.94
	(D)	**1.67**	**37.94**
Investments carried at fair value through profit and loss			
Equity instruments		2.77	35.54
Debt instruments		1,298.32	-
Government securities		526.82	-
IPO Application pending allotment		200.88	-
Investment in Trust/ AIF		410.09	-
	(E)	**2,439.88**	**35.54**
Sub - Total	(D+E+F)	**2,441.55**	**73.48**
Total investments	(C+F)	**7,025.64**	**5,699.66**
In India		7,025.64	5,699.66
Outside India		-	-

9 Other financial assets

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Receivables on assigned loans	661.38	-
Derivative financial instruments	2,584.75	5,540.19
Security deposits	13,483.85	2,787.77
Advances	250.00	-
	16,979.98	**8,327.96**
Less : Provision for impairment	(17.50)	(18.00)
Total other financial assets	**16,962.48**	**8,309.96**
Financial asset carried at fair value through profit and loss	2,584.75	5,540.19
Financial asset carried at amortized cost	14,377.73	2,769.77

10 Inventories

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Commodities (Held for Trading)	648.63	523.23
Total inventories	**648.63**	**523.23**

11 Investment property under development

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023*
Investment property under development	448.29	175.83
Total investment property under development	**448.29**	**175.83**

*** restated, refer note 45**

11.01 Movement in investment property under development

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023*
Opening	175.83	0
Addition/(Deletion) during year	272.46	175.83
Closing	**448.29**	**175.83**

*** restated, refer note 45**

12 Property, plant and equipment

₹ in Lakhs

Particular	Medical Equipments*	Office Building	Computer equipments	Office equipments	Furniture and fixtures	Vehicles	Freehold Land	Total
Opening gross carrying value as at April 1, 2022	-	2,360.33	4,570.97	1,031.74	2,279.51	948.69	5,178.26	16,369.50
Additions during the year	186.44	313.48	964.60	156.60	144.88	474.22	-	2,222.26
Deletions during the year	-	(34.71)	(206.07)	(41.15)	(148.40)	(57.29)	-	(509.62)
Translation difference	-	20.36	27.84	2.96	7.34	-	-	58.52
Closing gross carrying value as at March 31, 2023	**186.44**	**2,659.46**	**5,157.37**	**1,150.16**	**2,283.33**	**1,365.62**	**5,178.26**	**17,940.66**
Opening gross carrying value as at April 1, 2023	186.44	2,659.46	5,157.37	1,150.16	2,283.33	1,365.62	5,178.26	17,940.66
Additions during the year	-	-	575.99	162.96	167.59	221.93	-	1,129.47
Deletions during the year	(25.00)	-	(337.20)	(34.79)	(1.39)	(75.97)	-	(474.38)
Translation difference	-	3.48	3.11	0.38	1.04	-	-	8.01
Closing gross carrying value as at March 31, 2024	**161.43**	**2,662.94**	**5,399.25**	**1,279.73**	**2,450.57**	**1,511.58**	**5,178.26**	**18,603.76**
Opening accumulated depreciation as at April 1, 2022	-	630.78	3,766.35	924.13	2,094.43	946.16	-	8,265.86
Depreciation for the year	0.14	110.84	655.38	103.68	89.52	156.97	-	1,116.09
Accumulated depreciation on deletions	-	(24.73)	(104.65)	(37.88)	(146.43)	(96.16)	-	(409.85)
Translation difference	-	7.38	27.40	2.77	6.89	-	-	45.02
Closing accumulated depreciation as at March 31, 2023	**0.14**	**999.88**	**4,246.98**	**992.70**	**2,044.41**	**766.87**	**-**	**8,990.98**
Opening accumulated depreciation as at April 1, 2023	0.14	999.88	4,246.98	992.70	2,044.41	766.87	-	8,990.98
Depreciation for the year	48.86	111.99	739.61	145.78	126.19	317.59	-	1,484.03
Accumulated depreciation on deletions	(4.28)	-	(220.12)	(29.50)	-	(75.05)	-	(328.95)
Translation difference	-	1.43	3.11	0.37	1.00	-	-	5.91
Closing accumulated depreciation as at March 31, 2024	**44.71**	**1,093.30**	**4,769.59**	**1,109.35**	**2,171.60**	**1,009.41**	**-**	**10,151.96**
Carrying value as at March 31, 2023	**186.30**	**1,659.58**	**910.39**	**157.48**	**238.92**	**598.75**	**5,178.26**	**8,949.68**
Carrying value as at March 31, 2024	**86.72**	**1,569.64**	**629.66**	**170.38**	**278.97**	**502.17**	**5,178.26**	**8,451.80**

*One of the subsidiary company, Moneywise Financial Services Private Limited has given medical equipments on lease

12.1 Capital Work in Progress

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Capital Work in Progress	2,681.17	893.49
Closing balance	2,681.17	893.49

Refer note no. 41 (v) for ageing

13 Right of use asset

₹ in Lakhs

Particulars	Lease hold assets	Total
Opening gross carrying value as at April 1, 2022	5,708.26	5,708.26
Additions during the year	1,359.45	1,359.45
Termination during the year	(91.68)	(91.68)
Closing gross carrying value as at March 31, 2023	**6,976.03**	**6,976.03**
Opening gross carrying value as at April 1, 2023	6,976.03	6,976.03
Additions during the year	2,617.36	2,617.36
Termination during the year	(1,100.08)	(1,100.08)
Closing gross carrying value as at March 31, 2024	**8,493.31**	**8,493.31**
Opening accumulated depreciation as at April 1, 2022	2,404.85	2,404.85
Depreciation for the year	1,042.81	1,042.81
Accumulated depreciation on termination	(22.17)	(22.17)
Closing accumulated depreciation as at March 31, 2023	**3,425.49**	**3,425.49**
Opening accumulated depreciation as at April 1, 2023	3,425.49	3,425.49
Depreciation for the year	1,533.70	1,533.70
Accumulated depreciation on termination	(868.99)	(868.99)
Closing accumulated depreciation as at March 31, 2024	**4,090.20**	**4,090.20**
Carrying value as at March 31, 2023	**3,550.54**	**3,550.54**
Carrying value as at March 31, 2024	**4,403.11**	**4,403.11**

13.1 Detail of lease liability

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	3,615.49	3,291.47
Addition during the year	2,617.36	1,251.92
Termination during the year	(926.92)	(81.17)
Finance charges on lease	433.40	430.81
Lease termination benefit	(3.40)	(1.08)
Repayment during the year	(1,727.02)	(1,276.26)
Closing balance	4,602.31	3,615.49
Interest rate used for capitalisation	9.20%/ 9.66%	9.66%

Maturity analysis of lease liabilities

₹ in Lakhs

Particulars	Carrying amount	Not Later than 1 year	Later than 1 year and not later than 5 years	Later than 5 years
As at March 31, 2024	4,602.31	1,813.04	3,457.10	806.39
As at March 31, 2023	3,615.49	1,278.22	3,047.26	1,027.22

14 Other intangible assets

₹ in Lakhs

Particular	Computer softwares	Trademark /logo	Total
Opening gross carrying value as at April 1, 2022	1,221.99	0.63	1,222.62
Additions during the year	212.18	0.27	212.45
Deletions during the year	(8.22)	-	(8.22)
Translation difference	1.24	-	1.24
Closing gross carrying value as at March 31, 2023	**1,427.19**	**0.90**	**1,428.09**
Opening gross carrying value as at April 1, 2023	1,427.19	0.90	1,428.09
Additions during the year	186.11	-	186.11
Deletions during the year	(99.32)	-	(99.32)
Closing gross carrying value as at March 31, 2024	**1,513.98**	**0.90**	**1,514.88**
Opening accumulated amortization as at April 1, 2022	1,046.37	0.43	1,046.80
Amortization for the year	100.42	0.13	100.55
Accumulated amortization on deletions	(8.21)	-	(8.21)
Translation difference	1.22	-	1.22
Closing accumulated amortization as at March 31, 2023	**1,139.80**	**0.56**	**1,140.36**
Opening accumulated amortization as at April 1, 2023	1,139.80	0.56	1,140.36
Amortization for the year	192.30	0.18	192.48
Accumulated amortization on deletions	(56.11)	(0.05)	(56.16)
Closing accumulated amortization as at March 31, 2024	**1,275.99**	**0.67**	**1,276.66**
Carrying value as at March 31, 2023	**287.39**	**0.34**	**287.73**
Carrying value as at March 31, 2024	**237.99**	**0.23**	**238.22**

14.1 Intangible assets under development

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Intangible assets under development	64.60	109.75
Total intangible assets under development	**64.60**	**109.75**

Refer note no. 41 (vi) for ageing

IND AS 101 gives option to choose from fair value as its deemed cost or carrying value in the previous gaap as deemed cost, on the date of transition to Ind AS for property, plant & equipment and intangible assets, accordingly the company has taken the carrying value in the previous gaap as deemed cost.

15 Other non-financial assets

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023*
Capital advances	29.09	328.87
Prepaid expenses	618.07	766.69
Balances with government authorities and other taxes receivable	1,198.78	608.94
Advance payment to vendors for supply of goods	554.33	468.06
Total other non financial assets	**2,400.27**	**2,172.56**

*** restated, refer note 45**

16 Asset held for sale

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023*
Immovable Property-Residential	240.76	240.76
Total asset held for sale	**240.76**	**240.76**
In India	240.76	240.76
Outside India	-	-

*** restated, refer note 45**

The Group classifies an asset as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The Group accounts for a non-financial assets classified as held for sale at the lower of its carrying amount and fair value less costs to sell.

One of the subsidiary company namely, Moneywise Financial Services Private Limited, has acquired certain residential property in the process of settlement with the borrowers, those properties are not used in business and held for sale in the future course of action. The management takes the appropriate action to find the buyer for the sale of property, though the same was pledged as collateral against bank facility in the Previous year.

17 Trade Payables

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro enterprises and small enterprises	11.67	17.15
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Trade payables - Clients	73,831.24	33,141.78
Trade payables - Expenses	9,098.67	14,239.78
Total trade payables	**82,941.58**	**47,398.71**

Ageing schedule as at March 31, 2024

₹ in Lakhs

Particulars	Outstanding for following periods from due date of payment / transaction				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
MSME	11.68	-	-	-	11.68
Others	74,459.71	102.24	90.01	63.82	74,715.78
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
	74,471.39	**102.24**	**90.01**	**63.82**	**74,727.46**
Accrued expenses					8,214.12
					82,941.58

Ageing schedule as at March 31, 2023

₹ in Lakhs

Particulars	Outstanding for following periods from due date of payment / transaction				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
MSME	17.15	-	-	-	17.15
Others	39,940.34	125.76	73.68	14.82	40,154.60
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
	39,957.49	125.76	73.68	14.82	40,171.75
Accrued expenses					7,226.96
					47,398.71

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18 **Debt securities**

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Secured - at amortised cost*		
Non convertible debentures/NCD	3,890.01	6,062.00
Interest accrued but not due	76.64	304.88
Total debt securities	**3,966.65**	**6,366.88**
* Includes amount due to realated party ₹ 518.22 Lakhs (PY: ₹ 392.52 Lakhs) refer note no. 39.03		
In India	3,966.65	6,366.88
Outside India	-	-

Debt securities are secured against loan receivables.

Refer note no. 38.04 (ii) for contractual maturities of debt securities.

19 **Borrowings**

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023*
Secured		
Term loan		
from banks	56,577.66	36,505.36
from others	31,906.68	11,267.62
Loan repayable on demand		
from banks	53,844.68	36,437.00
from others	1,256.80	130.90
Interest accrued but not due	527.31	56.74
Total secured borrowings	**1,38,113.13**	**84,397.62**
In India	1,38,113.13	84,397.62
Outside India	-	-

*** restated, refer note 45**

a) Term Loan from banks amounting ₹ 50259.52 lakhs and ₹ 36192.00 lakhs as of March 31, 2024 and March 31, 2023, respectively, are secured against receivables (including exchange balances), loan receivable, fixed deposits, certain office buildings and personal guarantee of promoter directors.

b) Term Loan from bank amounting ₹ 318.14 lakhs and ₹ 313.36 lakhs as of March 31, 2024 and March 31, 2023 , respectively, are secured by way of hypothecation of vehicles and are repayable over a period up to five years.

c) Term Loan from others amounting ₹ 7,256.56 lakhs and ₹ 3,482.35 lakhs as of March 31, 2024 and March 31, 2023, respectively, are secured by way of hypothecation of freehold land, exclusive charge on collateral property situated at Pusa Road New Delhi and personal guarantee of promoters directors are repayable in 60 instalments.

d) Term Loan from others amounting ₹ 5900.00 lakhs and ₹ 3,000.00 lakhs as of March 31, 2024 and March 31, 2023 , respectively, are secured by way of Margin trading facility and personal guarantee of promoters directors.

e) Term Loan from others amounting ₹ 20.34 lakhs and ₹ 30.02 lakhs as of March 31, 2024 and March 31, 2023 , respectively, are secured by way of hypothecation of vehicles and are repayable over a period up to five years.

f) Term Loan from others amounting ₹ 14,729.78 lakhs and ₹ 4,755.25 lakhs as of March 31, 2024 and March 31, 2023, respectively, are secured against debt securities, receivables (including exchange balances), loan receivable, fixed deposits, certain office buildings and personal guarantee of promoter directors.

g) Loan repayable on demand from banks amounting ₹ 53,844.68 Lakhs and ₹ 36,437.00 Lakhs as of March 31, 2024 and March 31, 2023 , respectively, are secured by way of hypothecation of securities, receivable, loan receivable and personal guarantee of promoter directors.

h) Loan repayable on demand from others others amounting ₹ 1,256.80 Lakhs and ₹ 130.90 Lakhs as of March 31, 2024 and March 31, 2023 , respectively, are secured by way of hypothecation of securities receivable, loan receivable and personal guarantee of promoter directors.

Repayment terms of borrowings*

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
In the first year	53,433.71	56,421.15
In the second year	33,026.67	14,731.43
In the third to fifth year	11,013.07	12,603.34
Over fifth Year	1,175.57	1,000.37
Total	**1,38,649.02**	**84,756.29**

*Excludes EIR impact

Segregation of Borrowing on the basis of Fixed & Floating interest rate

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Secured		
Secured		
Fixed rate borrowings	9.22%	7.72%
Floating rate borrowings	9.84%	8.81%
Amount borrowed		
Secured		
Fixed rate borrowings	25,909.22	12,178.25
Floating rate borrowings	1,12,203.91	72,219.37
Unsecured		
Floating rate borrowings	-	-
Total borrowings	**1,38,113.13**	**84,397.62**

Refer note no. 38.04 (ii) for contractual maturities of borrowings.

20 **Other financial liabilities**

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Book overdraft from banks	44.63	1,680.02
Security deposits received	1,186.31	1,312.40
Employee benefit payable	1,063.14	794.83
Derivative financial instruments	2,813.95	5,592.66
Unpaid dividend	81.29	74.53
Margin received from clients	1,21,140.86	79,624.28
Other liabilities	809.62	16.26
Total other financial liabilities	**1,27,139.80**	**89,094.98**
Financial liability carried at amortized cost	1,24,325.85	83,502.32
Financial liability carried at fair value through profit and loss	2,813.95	5,592.66

21 **Provisions**

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits*		
Gratuity	2,305.36	1,823.28
Leave encashment	962.70	784.14
Others**	310.28	328.00
Total provisions	**3,578.34**	**2,935.42**

***Refer Note 36**

**Provision- Others

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Carrying amount as at beginning of the year	328.00	438.44
Additions	67.05	38.79
Amount used/reversed during the year	(84.77)	(149.23)
Closing Balance as at end of year	**310.28**	**328.00**

22 **Other non-financial liabilities**

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023*
Contract liability- Unearned income**	951.77	1,020.44
Withholding taxes and other taxes payable	2,737.03	1,905.87
Others	78.79	25.79
Total other non-financial liabilities	**3,767.59**	**2,952.10**

*** restated, refer note 45**

**Contract liability-unearned income

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Carrying amount as at beginning of the year	1,020.44	409.59
Addition	2,931.79	3,803.63
Revenue recognised during the year	(3,000.46)	(3,192.78)
Closing balance at end of the year	**951.77**	**1,020.44**

23 Equity share capital

23.01 Authorised issued and subscribed capital

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Authorised		
47,75,50,000 (March 31, 2023 : 47,75,50,000) equity shares of ₹ 2/- each	9,551.00	9,551.00
	9,551.00	**9,551.00**
Issued, subscribed & fully paid up		
10,47,00,000 (March 31, 2023 : 10,47,00,000) equity shares of ₹ 2/- each	2,094.00	2,094.00
	2,094.00	**2,094.00**

23.02 Reconciliation of number of equity shares outstanding

(In numbers)

Particulars	As at March 31, 2024	As at March 31, 2023
At the beginning of the year	10,47,00,000	11,31,34,450
Issued during the year	-	-
Buyback/forfeiture during the year*	-	(84,34,450)
At the end of the year	**10,47,00,000**	**10,47,00,000**

*Pursuant to the public announcement dated May 10, 2022 in respect of buy back of shares from the open market through stock exchange mechanism as prescribed under SEBI (Buy Back of Securities) Regulation, 2018, the Buy back of shares commenced on 20th May, 2022 and ended on 16th August, 2022. The Company under the scheme, bought back a total of 84,34,450 shares from the open market. A total sum of ₹ 9,242.06 lakhs was incurred on the shares bought back (including ₹ 1,769.21 lakhs towards buy back distribution tax and other expenses). Consequently the total number of paid up equity shares of the company (₹ 2/- nominal value of per share) reduced from 11,31,34,450 shares to 10,47,00,000 shares as at the end of 16th August, 2022. The consideration paid towards buy-back of shares is adjusted against share capital by ₹ 168.69 lakhs and the balance in share premium by ₹ 9,073.37 lakhs in the previous year.

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The Board of Directors has proposed an equity dividend @ 60% i.e. ₹ 1.20 (P.Y. ₹ 1.20) per share for the financial year ending March 31, 2024 at there meeting held on dated May 13, 2024 , which is subject to approval by the shareholders in the ensuing Annual General Meeting. The amount of per share dividend recognised as distribution to equity shareholders for interim dividend is ₹ 1.20 (P.Y. ₹ 1.20).

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.

23.03 Shares held by shareholders holding more than 5% shares

(In numbers)

Name of Shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of Shares held	% held	No. of Shares held	% held
ASM Pipes Private Limited	1,86,67,140	17.83	1,86,67,140	17.83
Pulin Investments Private Limited	95,02,205	9.08	92,77,205	8.86
Mahesh C. Gupta	82,48,500	7.88	82,48,500	7.88
Subhash Chand Aggarwal	80,95,500	7.73	80,95,500	7.73
Sushma Gupta	75,66,550	7.23	75,66,550	7.23
Globe Capital Market Limited	11,84,960	1.13	54,43,065	5.20
Total	**5,32,64,855**	**50.87**	**5,72,97,950**	**54.73**

23.04 Shareholding of Promoters

(In numbers)

Shares held by promoters as at March 31, 2024			% Change during the year
Promoter Name	No. of Shares	% of total shares	
Subhash Chand Aggarwal	80,95,500	7.73%	0.00%
Mahesh Chand Gupta	82,48,500	7.88%	0.00%
Sushma Gupta	75,66,550	7.23%	0.00%
Hemlata Aggarwal	50,00,000	4.78%	0.00%
Pranay Aggarwal	47,20,550	4.51%	0.00%
Ginni Devi	31,84,000	3.04%	0.00%
Himanshu Gupta	20,00,000	1.91%	0.00%
Ajay Garg	8,41,600	0.80%	0.00%
Damodar Krishan Aggarwal	7,81,970	0.75%	0.00%
Anurag Bansal	2,50,000	0.24%	0.00%
Shruti Aggarwal	20,175	0.02%	0.00%
Aditi Aggarwal	43,085	0.04%	0.00%
Archana Aggarwal	30,000	0.03%	0.00%
ASM Pipes Private Limited	1,86,67,140	17.83%	0.00%
Pulin Investments Private Limited	95,02,205	9.08%	0.21%
Jai Ambey Share Broking Limited	14,86,670	1.42%	(0.12%)
SMC Share Brokers Limited	-	0.00%	(0.22%)
Total	**7,04,37,945**	**67.28%**	

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(in numbers)

Shares held by promoters as at March 31, 2023

Promoter Name	No. of Shares	% of total shares	% Change during the year
Subhash Chand Aggarwal	80,95,500	7.73%	0.58%
Mahesh Chand Gupta	82,48,500	7.88%	0.59%
Sushma Gupta	75,66,550	7.23%	0.54%
Hemlata Aggarwal	50,00,000	4.78%	0.36%
Pranay Aggarwal	47,20,550	4.51%	0.34%
Ginni Devi	31,84,000	3.04%	1.10%
Himanshu Gupta	20,00,000	1.91%	0.14%
Madan Gopal Agarwal	-	0.00%	(0.87%)
Ajay Garg	8,41,600	0.80%	0.06%
Damodar Krishan Aggarwal	7,81,970	0.75%	0.06%
Anurag Bansal	2,50,000	0.24%	0.02%
Shruti Aggarwal	20,175	0.02%	0.02%
Aditi Aggarwal	43,085	0.04%	0.04%
Archana Aggarwal	30,000	0.03%	0.00%
ASM Pipes Private Limited	1,86,67,140	17.83%	1.33%
Pulin Investments Private Limited	92,77,205	8.86%	0.66%
Jai Ambey Share Broking Limited	16,16,670	1.54%	0.12%
SMC Share Brokers Limited	2,25,000	0.21%	0.02%
Total	7,05,67,945	67.40%	





24 Fee and commission income

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Income from:		
Brokerage income	88,638.93	60,764.00
Distribution of financial products	11,310.72	10,128.31
Depository activities	647.12	550.04
Research support services	2,938.29	3,149.46
Service & Administrative charges	453.32	326.31
Portfolio Management Service	180.58	96.85
Management fees	625.21	9.45
Advisory fees	212.77	1,485.13
Incentives from exchange	662.13	1,024.17
Total fee and commission income*	**1,05,669.07**	**77,533.72**

*Revenue from contracts with customers is ₹ 1,05,006.94 lakhs (Previous year ₹ 76,509.55 lakhs)

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Service transferred at a point of time	1,02,668.61	74,340.94
Service transferred over time	3,000.46	3,192.78
Total	**1,05,669.07**	**77,533.72**

25 Interest income

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2024	March 31, 2023*
On financial assets measured at amortised cost		
Interest on loans	14,205.90	11,107.72
Interest on deposits with banks	12,088.02	6,991.89
Interest on delayed payment / margin trading facility	9,020.22	6,961.15
Others	-	35.45
On financial assets carried at fair value through profit and loss		
Interest income from investments held for trading	-	7.73
Total interest income	**35,314.14**	**25,103.94**

* restated, refer note 45

26 Net gain on fair value changes

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Net gain on financial instruments at fair value through profit or loss		
Realised	4,654.30	1,951.18
Unrealised	427.32	(57.25)
Total fair value change of investments	**5,081.62**	**1,893.93**

27 **Other income**

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Interest income	372.73	13.78
Fair value change of investments		
Realised gain	27.76	71.06
Unrealised gain		-
Net gain on derecognition of property, plant and equipment (net)	0.69	75.64
Dividend income	0.02	3.03
Liability no longer required written back	131.98	139.94
Net gain on translation of foreign currency monetary items	8.78	43.10
Miscellaneous income	112.53	61.58
Total other income	**654.49**	**408.13**

28 **Fees and commission expenses**

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2024	March 31, 2023*
Brokerage & Commission	61,315.82	41,660.26
Exchange & other regulatory charges	5,897.36	5,758.72
Expense for distribution of financial products	8,174.16	7,735.66
VPN, leaseline & internet (net)	391.80	366.53
Securities transaction tax	2,869.50	2,924.39
Total fees and commission expenses	**78,648.64**	**58,445.56**

*** restated, refer note 45**

29 **Employee benefits expenses**

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Salaries and incentives	27,548.65	22,977.80
Staff welfare	581.39	473.57
Contribution to provident and other funds	1,318.91	1,077.79
Gratuity*	498.27	522.55
Total employee benefits expenses	**29,947.22**	**25,051.71**

*Refer note no. 36

30 **Finance costs**

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
On financial liabilities measured at amortised cost		
Interest on borrowings from banks and financial institution	8,863.33	4,548.29
Interest on debt securities	596.94	596.48
Interest-others	4,565.76	2,452.13
Other borrowing cost	996.79	905.22
Finance charges on lease	433.40	430.61
Total finance costs	**15,456.22**	**8,932.73**

31 **Depreciation and amortisation**

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Depreciation on tangible assets	1,484.02	1,126.05
Amortisation of intangible assets	192.46	100.55
Depreciation on right of use assets	1,533.70	1,042.81
Total depreciation and amortisation	**3,210.18**	**2,269.41**

32 **Impairment on financial instruments**

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
On financial assets measured at amortised cost/transaction price		
Trade receivables	(221.00)	25.09
Loans	1,819.91	614.92
Other receivables	4.90	-
Total impairment on financial instruments	**1,603.81**	**640.01**

33 **Other expenses**

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Advertisement and Publicity	1,294.02	1,851.69
Business promotion	1,591.27	927.11
Conveyance & traveling expenses	1,281.53	697.92
Directors sitting fee	38.79	27.01
Donation	12.47	3.17
Insurance	106.95	162.90
Legal & professional charges	1,473.59	1,415.72
Bank charges	73.30	67.30
Repair & Maintenance		
Information Technology	1,304.80	1,123.32
Others	688.23	888.22
Printing and stationery	246.16	203.73
Rent	683.08	682.56
Electricity and water expenses	739.35	710.18
Membership fees & subscription	44.59	30.19
Communication expenses	538.01	536.68
Fair value change of investments		
Unrealised	50.74	0.18
Vehicle running & maintenance	89.55	94.75
Rates & taxes	113.70	68.22
CSR expenses	320.50	244.99
Miscellaneous expenses	249.78	169.73
Research support service expense	170.29	60.85
Auditor's fees and expenses		
as statutory auditor	58.60	51.65
as tax auditor	7.47	7.47
as fee for other services	9.19	4.98
Total other expenses	**11,185.96**	**10,030.52**

34 Income taxes

34.01 Income tax expense in profit or loss

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Current tax expense		
For the year	5,624.54	5,036.12
Change in estimates relating to prior years	189.07	147.08
	5,813.61	5,183.20
Deferred tax charge/(benefit)		
Origination and reversal of temporary differences	(108.51)	(1,009.82)
Minimum alternate tax	(83.37)	(17.34)
	(191.88)	(1,027.16)
Total income tax expense	5,621.73	4,156.04

34.02 Tax expense recognised in other comprehensive income

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Remeasurement of the net defined benefit liability / asset	(13.44)	8.26
Total tax expense recognised in other comprehensive income	(13.44)	8.26

34.03 Reconciliation of the income tax expense to the amount computed by applying the statutory income tax rate to the income before income taxes

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Profit before tax	24,449.38	16,195.09
Enacted tax rates in India	25.168%	25.168%
Computed expected tax expense	6,153.82	4,076.12
Tax effect of expenses that are not deductible for tax purposes	(12.15)	41.84
Tax effect of expenses that are deductible for tax purposes	137.92	105.12
Change in estimates relating to prior years	189.07	147.08
Deductions under chapter VI A	(484.99)	(297.00)
Effect of change in tax rate due to different head of income	(368.83)	(317.21)
Deferred tax not recognised	207.18	400.09
Income tax expense	5,621.73	4,156.04

The applicable Indian statutory tax rates for fiscal 2023 and fiscal 2022 is 25.168%

34.04 Details of current tax assets and current tax liabilities

₹ in Lakhs

Particulars	As at	
	March 31, 2024	March 31, 2023
Current tax assets pertaining to current year	4,869.10	4,608.06
Current tax liabilities pertaining to current year	5,624.54	5,036.12
Net current tax assets/ (liabilite) pertaining to current year	(755.44)	(428.06)
Current tax assets pertaining to current year/ previous years	1,651.29	2,904.88

34.05 Movement in the temporary differences of deferred tax

₹ in Lakhs

Particulars	Balance as at April 1, 2022	Recognised in profit or loss during 2022-23	Recognised in other comprehensive income	MAT credit adjustment	Balance as at March 31, 2023	Recognised in profit or loss during 2023-24	Recognised in other comprehensive income	MAT credit adjustment	Balance as at March 31, 2024
Employee benefits	553.13	(116.33)	(8.26)	-	428.54	370.18	13.44	-	858.16
Investment securities	(227.64)	238.78	-	-	11.09	(36.35)	-	-	(25.26)
Provisions	258.55	153.40	-	-	369.55	(82.00)	-	-	287.94
KDS	(598.09)	614.99	-	-	16.10	(92.12)	-	-	(76.02)
Other Provisions disallowed under income tax act	128.29	(33.5)	-	-	253.80	4.04	-	-	257.84
Property, plant & equipment and intangible assets	367.85	(13.55)	-	-	354.30	78.45	-	-	432.75
Provision for impairment on receivable from clients	670.24	43.68	-	-	713.92	(34.12)	-	-	677.80
Other temporary differences	77.25	(9.09)	-	-	19.12	(95.18)	-	-	(75.96)
Right of use assets and lease liability (net)	82.24	9.96			182.20	(10.40)	-	-	91.80
Total	1,241.92	1,016.09	(8.26)	-	2,293.10	108.50	13.44	-	2,391.04
Minimum alternate tax	560.41	55.20	-	(215.72)	398.29	65.03	-	(25.74)	438.18
Carried forward of tax losses and unabsorbed depreciation	455.05	(84.08)	-	-	366.09	18.25	-	-	387.34
	2,254.76	1,027.18	(8.26)	(215.72)	3,057.98	191.88	13.44	(25.74)	3,217.56





35 Earnings per share

The followings is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share.

₹ in Lakhs except otherwise stated

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Profit attributable to equity share holders.	18,727.65	12,005.47
Weighted average number of share outstanding during the year	10,47,00,000	10,70,32,379
Nominal Value per share (₹)	2.00	2.00
Basic & Diluted (₹)	17.89	11.25

36 Employee Benefits

(a) Gratuity

36.01 Breakup of amount recognised in profit or loss

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Interest on defined benefit obligation	126.65	97.94
Current service cost	371.63	424.61
Total expense recognized in profit or loss	**498.27**	**522.55**

36.02 Break up of amount recognised in other comprehensive income

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Remeasurements of the net defined benefit liability/ (asset)		
Opening amount recognised in OCI outside profit and loss account	(368.74)	(431.71)
Actuarial gains / (losses)	(148.51)	32.16
Return on plan assets (greater) / less than discount rate	114.78	30.81
	(402.47)	(368.74)

36.03 Breakup of the amount recognised in balance sheet

₹ in Lakhs

Particulars	As at	
	March 31, 2024	March 31, 2023
Present value of the obligation as at the end of the year	3,405.98	2,823.00
Fair value of plan assets as at the end of the year	(1,100.62)	(999.72)
Net liability recognised in balance sheet	**2,305.36**	**1,823.28**

36.04 Reconciliation of defined benefit obligation and plan asset

₹ in Lakhs

Particulars		As at	
		March 31, 2024	March 31, 2023
Change in benefit obligations			
Present value of the obligation as at the beginning of the year		2,823.00	2,521.01
Current service cost		371.63	424.61
Interest cost		194.73	170.52
Actuarial (gain)/loss on obligations		130.84	(94.15)
Acquisitions (credit)/cost		(4.87)	28.02
Benefits paid		(109.34)	(227.18)
Effects of movement in exchange rate		-	0.17
Benefit obligations at the end	**(A)**	**3,405.99**	**2,823.00**
Change in plan assets			
Fair value of plan assets at the beginning of the year		999.72	1,067.29
Interest income on plan assets		95.46	160.42
Contributions		-	30.00
Benefits paid		(109.34)	(227.18)
Return on plan assets greater (lesser) than discount rate		114.78	(30.81)
Fair value of plan assets at the end	**(B)**	**1,100.62**	**999.72**
Amount recognised in balance sheet [(surplus) / deficit]	**(A-B)**	**2,305.36**	**1,823.28**

36.05 Disaggregation of plan assets

Particulars	As at	
	March 31, 2024	March 31, 2023
Managed by insurance company	100.00%	100.00%
	100.00%	100.00%

36.06 Sensitivity of significant assumptions used for DBO valuation

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Effect on DBO due to 0.5% increase in discount rate	(111.09)	(87.96)
Effect on DBO due to 0.5% decrease in discount rate	110.63	93.55
Effect on DBO due to 0.5% increase in salary escalation rate	89.81	77.62
Effect on DBO due to 0.5% decrease in salary escalation rate	(94.09)	(75.16)

36.07 Maturity profile of defined benefit obligation

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Within one year	488.74	538.87
One to five years	1,853.65	1,660.00
More than five years	3,017.92	2,159.21

36.08 Assumptions to determine the defined benefit obligations

Particulars	As at	
	March 31, 2024	March 31, 2023
Discount rate	7.00%	7.10%
Salary escalation rate (p.a.)	8.50%	8.50%

Assumptions regarding future mortality experience are set in accordance with the published statistics by the Life Insurance Corporation of India.

The company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The discount rate is based on the government securities yield.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by 50bps, keeping all other actuarial assumptions constant.

Gratuity is applicable only to employees drawing salary in Indian rupees.

(b) Compensated absences

36.09 Breakup of the amount recognised in balance sheet

₹ in Lakhs

Particulars	As at	
	March 31, 2024	March 31, 2023
Present value of the obligation as at the end of the year	962.70	784.14
Fair value of plan assets as at the end of the year	-	-
Net liability recognised in balance sheet	**962.70**	**784.14**

36.10 Number of compensated leave absences outstanding

In days

Particulars	As at	
	March 31, 2024	March 31, 2023
Total leave balance (days)	74,537.22	64,204.47

36.11 Assumption used in valuation

Particulars	As at	
	March 31, 2024	March 31, 2023
Discount rate	7.00%	7.10%
Salary escalation rate (p.a.)	8.50%	8.50%

The estimates of future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

37 Contingent liabilities and commitments

37.01 Contingent liabilities not provided in the financial statements:

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
1 ESI demand (Total amount paid under protest ₹ 12.43 Lakhs (31.03.2023: ₹ 12.43 Lakhs))	31.06	31.06
2 Service Tax Demand (Total amount paid under protest ₹ 42.77 Lakhs (31.03.2023: ₹ 42.77 Lakhs))	1283.96	615.98
3 Provident Fund	-	-
4 Stamp Duty	-	-
5 Insurance Regulatory and Development Authority of India (IRDAI)	300.00	300.00
6 VAT Demand (Paid under protest ₹ 1.52 lakhs (31.03.2023: ₹ 1.52 lakhs)	15.64	15.64
7 GST demand (Deposit under protest ₹ 0.18 Lakhs (PY: Nil)	28.24	-

Notes:

1 An ESI demand is being agitated by the Company at High Court, Delhi.

2 Demand and penalty of ₹ 625.32 Lakhs (PY: ₹ 570.32 Lakhs) was being agitated by the Company before the Customs, Excise and Service Tax Appellate Tribunal (CESTAT) and for demand of ₹ 658.24 Lakhs (PY ₹ 45.66 Lakhs was being agitated by the Company before Commissioner of Service Tax, Audit 1, Delhi.) against which the Company is in process to file an appeal before Customs, Excise and Service Tax Appellate Tribunal (CESTAT) on or before due date.

3 PF matter for the period October 1995 to November 2003 is pending before High Court and amount is not quantifiable.

4 The Company had received a notice dated 21.11.2014 from the Collector of Stamp (HQ), Delhi on account of verification of records pertaining to Stamp duty chargeable on the basis of Broker's Note for the period 2010 to 21.11.2014. Matter is sub-judice and has been stayed by jurisdictional High Court at Delhi vide its order dated 09/12/2014 until further order.

The Demerged Company M/s Pulin Comtrade Limited had received a show cause notice of demand dated 05/01/2015 from the Office of The Collector of Stamps, Delhi, on account of levy of stamp duty on commodity transactions. The matter is sub-judice and has been stayed by jurisdictional High Court at Delhi vide its order dated 19/01/2015 in the matter of WP/C/516/2015.

5 One of the subsidiary company, namely SMC Insurance Brokers Private Limited, has received penalty order of ₹ 300 lakhs from Insurance Regulatory Development Authority of India vide order dated (IRDA/INT/MISC/ORD/14.01.2020) for non compliance of MISP (Motor Insurance Service Provider) Guidelines. Appeal has been filed by the company on 6th Feb 2020 before The Securities Appellate Tribunal at Mumbai. Matter is sub-judice and has been stayed till the pendency of the appeal vide its Stay Order dated 12th Feb 2020.

7 One of the subsidiary company, namely Pulin Comtrade Limited has received a notice for VAT demand of ₹ 15.64 lakhs which is pending before State Tax Commissioner Office.

8 SMC Real Estate Advisors Private Limited (Subsidiary company) received a GST demand order u/s 73 for FY 2017-18 for ₹ 3.80 Lakhs including interest, against which company has filed an appeal to appellate authority.
SMC Insurance Brokers Private Limited (Subsidiary company) GST demand order u/s 73 notice for the F Y 2017-18 for Rs. 24.44 lakhs for input tax credit wrongly availed. Aggrieved by the order, Company filed a Writ Petition in the High Court of Judicature at Allahabad under Article 226 of the Constitution of India on 31st July 2023 vide Writ tax no. 939 of 2023 against which Stay order was received on 16th August 2023. The final hearing has not yet taken place.

37.02 Other litigations

1 Title of the property located at Office no 205, 2nd Floor, Plot no 4A, Community Centre, 21st Century Place, Sector 8, Rohini, New Delhi having gross carrying value of ₹ 46.12 Lakhs is under dispute and sealed due to the allegation of acquisition of the said property by the transferor from the funds of Ganga Yamuna Finvest Pvt. Ltd. which is under liquidation.

2 The group is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the group's results of operations and financial condition.

Pending completion of the legal process the impact of liability, if any, cannot be ascertained at this stage, however, management believes that, based on legal advice, the outcome of these contingencies will be favorable and that outflow of economic resources is not probable.

37.03 Commitments

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Contracts remaining to be executed on account of capital (net of advances)		
For Purchase/construction of building	875.00	1,712.70
For purchase of software and others	77.25	199.99

38 Financial Instruments

38.01 Financial instruments by category

The carrying value and fair value of financial instruments by categories as of March 31, 2024 were as follows:

₹ in Lakhs

Particulars	Amortised cost	Financial assets/ liabilities carried at fair value through profit and loss Mandatorily required	Total carrying value	Total fair value**
Assets:				
Cash and cash equivalents	12,811.70	-	12,811.70	12,811.70
Other bank balance	2,23,041.49	-	2,23,041.49	2,23,041.49
Trade receivables	52,287.26	-	52,287.26	52,287.26
Other receivables	884.12	-	884.12	884.12
Loans	1,37,200.95	-	1,37,200.95	1,37,200.95
Investments*		6,613.88	6,613.88	6,613.88
Other financial assets	14,377.71	2,584.75	16,962.46	16,962.46
Total	4,40,609.25	9,198.63	4,49,801.88	4,49,801.88
Liabilities:				
Trade payables	82,941.58	-	82,941.58	82,941.58
Debt Securities	3,966.65	-	3,966.65	3,966.65
Borrowings	1,38,113.13	-	1,38,113.13	1,38,113.13
Other financial liabilities	1,24,325.85	2,813.95	1,27,139.80	1,27,139.80
Total	3,49,347.21	2,813.95	3,52,161.16	3,52,161.16

* Investments in joint venture carried under equity method amounting to ₹ 1.07 lakhs and investments in trust / AIF amounting to ₹ 410.09 which do not fall within the scope of financial instruments.

**The carrying amount of cash and bank balances, trade receivables, other receivables, loans, trade payables and borrowings are considered to be the same as their fair values considering the short term nature.

For fair value hierarchy refer note no.38.03

The carrying value and fair value of financial instruments by categories as of March 31, 2023 were as follows:

₹ in Lakhs

Particulars	Amortised cost	Financial assets/ liabilities carried at fair value through profit and loss Mandatorily required	Total carrying value	Total fair value**
Assets:				
Cash and cash equivalents	3,245.96	-	3,245.96	3,245.96
Other bank balance	1,42,746.43	-	1,42,746.43	1,42,746.43
Trade receivables	37,382.93	-	37,382.93	37,382.93
Other receivables	1,657.38	-	1,657.38	1,657.38
Loans	1,08,817.08	-	1,08,817.08	1,08,817.08
Investments*		5,661.72	5,661.72	5,661.72
Other financial assets	2,769.77	5,540.19	8,309.96	8,309.96
Total	2,96,617.55	11,201.91	3,07,819.46	3,07,819.46
Liabilities:				
Trade payables	47,398.71	-	47,398.71	47,398.71
Debt securities	6,366.88	-	6,366.88	6,366.88
Borrowings	84,397.62	-	84,397.62	84,397.62
Other financial liabilities	88,502.32	5,592.66	89,094.98	89,094.98
Total	7,21,665.53	5,592.66	7,27,258.19	2,27,258.19

* Investments in joint venture carried under equity method amounting to ₹ 37.94 lakhs which do not fall within the scope of financial instruments

**The carrying amount of cash and bank balances, trade receivables, other receivables, loans, trade payables and borrowings are considered to be the same as their fair values considering the short term nature.

For fair value hierarchy refer note no.38.03

38.02 Collateral

(A) Assets pledged as collateral

The Group has pledged its certain assets as collateral for liabilities

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Assets:		
Property Plant and Equipments	6,847.00	7,137.78
Other bank balances	1,21,926.99	1,42,621.93
Trade receivables	44,614.02	29,859.63
Loans	1,12,722.49	82,714.87
Investments	970.62	2,539.96
Total	3,87,981.12	2,64,874.15

(B) Asset taken as collateral

₹ in Lakhs

Particulars	As at March 31, 2024		As at March 31, 2023	
	Value of asset	Fair value of collateral held	Value of asset	Fair value of collateral held
Assets:				
Trade receivables				
Secured	38,653.38	1,93,408.56	26,058.87	1,53,409.87
Loans				
Secured	86,334.74	3,03,658.47	64,468.36	1,48,216.73
Total	1,24,988.12	4,97,067.03	90,527.23	3,01,626.60

38.03 Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at March 31, 2024:

₹ in Lakhs

Particulars	As at March 31, 2024	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Assets				
Investments*				
Equity instruments	3,467.19	3,466.65	-	0.54
Mutual funds	5.16	5.16	-	-
Government securities	654.54	127.72	526.82	-
Debt	2,298.11	886.79	1,299.32	-

* does not include the IPO application pending allotment ₹ 200.88 Lakhs and investment in AIF amounting to ₹ 410.09 Lakhs which do not fall within the scope of financial instruments.

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at March 31, 2023:

₹ in Lakhs

Particulars	As at March 31, 2023	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Assets				
Investments				
Equity instruments	4,404.43	4,368.89	-	35.54
Mutual funds	172.15	172.15	-	-
Debt	1,085.14	1,085.14	-	-

Valuation techniques used to determine fair value
Following valuation technique has been used for fair valuation of the assets.
Level 2 : Debt instruments have been fair valued based on interest yield and actual transaction data with unrelated parties.

38.04 **Financial risk management**

Financial risk factors

This note presents the information about the Group's exposure to financial risks, the Group's objectives, policies and processes for measuring and managing risk and the group's management of capital.

The Group has exposure to the following risks arising from financial instruments:
- Credit risk;
- Liquidity risk and
- Market risk

Financial Risk management framework
The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. Financial risk management within the Group is governed by policies and guidelines approved by the management. The Board has established a Risk Management Committee which is responsible for developing and monitoring the Group's risk management policies. Group policies and guidelines cover areas such as cash management, investment of excess funds and raising of debt and are managed by segregated functions within the Group.

The Group's risk management policies and procedures are established to identify and analyse the risks faced by the Group within the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees and stakeholders understand their roles and obligations.

Different types of risks arising from financial instruments as identified by the Group above have been explained below:

(i) **Credit risk**
The credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivable from clients and exchange and trading members, loan and advances, investments other than the quoted securities given. Credit risk in respect of quoted securities is expected to have a direct correlation with the quoted market prices and risk.

The Group is exposed to the risk that third parties that owe money or securities will not perform their obligations. Such third parties include clients, trading members, exchanges, clearing houses, and other financial intermediaries. These parties may default on their obligations owed to the Group due to insolvency, lack of liquidity, operational failure, government or other regulatory intervention or other reasons. In these circumstances, the Group is exposed to risks arising, for example, from holding securities of third parties, executing securities trades that fail to settle at the required time due to non-delivery by the counterparty trading members, exchanges, clearing houses or other financial intermediaries. Significant failures by third parties to timely perform their obligations owed could materially and adversely affect the Group's financial position, and ability to borrow in the credit markets and ability to operate the business.

For the risk management purposes, the Group considers and consolidates all elements of credit risk exposures such as individual obligator default risk, country and sector risk.

Management / mitigation of credit risk

The Group operates in a highly regulated environment which limits its credit risk against exchanges and clearing houses. The Group collects upfront margins in form of funds and/or securities/commodities from clients and trading members against their trading positions. The Group monitors positions, margins, mark to market losses and risks on real time basis through risk management systems and policies specially designed to mitigate the credit risk.

The Board of Directors has delegated responsibility for the oversight of credit risk to the Risk Management Committee ("the Committee"). The Committee is responsible for management of the Group's credit risk, including the following:

(i) Formulating credit policies in consultation with business units, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements.

(ii) Establishing the organizational structure for the approval of new customers or counter parties. Authorization limits are allocated to business unit credit officers or the Arbitrager as appropriate.

(iii) Providing advice, guidance and specialist skills to business units through periodic reviews to promote best practices throughout the Group in the management of credit risk.

(iv) The Committee assesses the credit worthiness of client or counterparties, prior to taking exposure on them. Accordingly, limits are assigned and the monitoring mechanism ensures that exposure to single client does not cross the laid down threshold limits. Collateral securities are also collected from clients to cover the exposure.

(v) Limiting concentrations of exposure to counterparties, geographies and industries (for loans and advances and similar exposures), and by issuer, credit rating band, market liquidity and country (for investment securities and trading assets).

(vi) Reviewing compliance of business units with agreed exposure limits, including those for selected industries, country risk and product types. Regular reports on the credit quality of local portfolios are provided to the management, which may require appropriate corrective action to be taken.

The Board of Directors has also constituted Audit Committee, which is responsible for evaluation of internal financial controls and risk management systems. The Group conducts regular internal audits of various business units to identify scope of improvement/enhancement of the processes, quality control, fraud prevention and legal compliance. The internal audit reports are reviewed by audit committee and also placed with the Board.

Credit Exposure:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

₹ in Lakhs

Particular	As at March 31, 2024	As at March 31, 2023
Trade receivables	52,287.26	37,382.68
Other receivables	884.12	1,657.58
Loans	1,37,200.95	1,08,817.08
Other financial assets	16,962.48	8,309.96
Total	2,07,334.81	1,56,167.35

Loan to Value (LTV) for loan and advances to customer

The general creditworthiness of a customer tends to be the most relevant indicator of credit quality of a loan extended to it. However, collateral provides additional security and the Company generally requests borrowers to provide it. The Company may take collateral in the form of a charge over immovable/ movable property, floating charges over pledge of securities or other assets and other liens and guarantees.

The table below stratify secured credit exposures. LTV is calculated as the ratio of the gross amount of the loan to the value of the collateral. The gross amounts exclude any impairment allowance. The valuation of the collateral excludes any adjustments for obtaining and selling the collateral.

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Less than equal to 50 %	18,089.46	18,205.82
51 - 70%	24,604.15	7,730.83
71 - 90%	27,269.40	17,690.23
91 - 100%	10,475.72	5,691.07
more than 100%	3,174.17	514.57
Total	71,662.90	44,830.52

Credit quality of debt securities

The table below sets out the credit quality of debt securities

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Government bonds:		
Rated sovereign	887.39	104.10
Corporate bonds:	-	
Rated AAA	-	322.07
Rated AA- to AA+	13.67	248.63
Rated A- to A+	-	388.48
Rated BBB- to BBB+	-	1.86
ICRA AAA/Stable	472.03	-
ICRA A+/Stable	52.48	-
IND AA+/Stable	414.91	-
IND AA(CE)/Stable	525.09	-
IND AAA/Stable	28.58	-
IND A/Stable	152.71	-
CARE A/Stable	100.48	-
CARE AA-/Stable	33.68	-
CARE BBB-/Stable	255.16	-
CARE AA/Stable	31.16	-
CARE AA+/Stable	10.76	-
CRISIL A+(CE)/Stable	52.87	-
CRISIL BBB/Stable	119.02	-
CRISIL AA-/Stable	42.14	-
CRISIL A+(CE)/Stable	31.00	-
CRISIL A+/Negative	20.10	-
CRISIL A/Stable	10.05	-
Fair value and carrying amount	2,940.72	1,065.14

Following are the reconciliations of the provision for impairment of financial assets
The group monitors all the receivables, loans and other financial assets continuously basis the factors considered while dealing. If there are any indicators of impairment on management assessment of these receivables, loans and other financial assets, these are provided for. The Group uses ECL method for impairment.

₹ in Lakhs

Particulars	As at									
	March 31, 2024					March 31, 2023				
	Trade receivables	Other receivables	Loans	Other financial assets	Total	Trade receivables	Other receivables	Loans	Other financial assets	Total
Opening balance at the beginning of the year	1,656.88	18.88	1,610.64	18.00	3,304.40	1,699.17	29.99	1,182.89	18.00	2,921.05
Addition/ reversal during the year	(221.00)	4.90	1,319.91		1,603.81	25.09	-	614.92	-	640.01
Exchange difference		-	-	-	-	-	-	8.32	-	8.32
Write back (net of written off)	(435.50)	(8.12)	(1,169.73)	(0.50)	(1,813.85)	(67.38)	(2.11)	(191.47)	-	(260.96)
Closing balance at the end of the year	1,000.38	15.66	2,060.82	17.50	5,094.36	1,656.88	18.88	1,810.64	18.00	3,304.40

(i) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group require sufficient liquidity to meet their obligations. Individual companies are generally responsible for their own fund management, including the short-term investment of surpluses and the raising of loans to cover deficits from third parties/companies.

The Group's primary liquidity requirements are to finance the working capital needs, which are typically towards margin maintenance at various exchanges. The principal portion of the working capital requirement is utilized by :

(a) depositing funds with banks to obtain term deposits and guarantees towards margins payable to the exchanges/clearing houses;
(b) payments to stock exchanges/clearing houses towards settlement obligations;
(c) payment towards purchase of various trading assets; and
(d) meeting expenses incurred for operations.

Management of liquidity risk

Working capital requirements fluctuate on a regular basis depending on the business requirements. The Group's approach to managing liquidity is to ensure, as far as possible to have sufficient funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

To fund the working capital requirements, the Group currently relies principally on internal accruals and short term credit facilities from banks and financial institutions against pledge of derivative assets, term deposits, receivables from clients and investments carried at fair value through profit and loss. By maintaining sufficient liquid funds and standing facilities with banks, the Group comfortably meets the foreseeable liabilities in the present and immediate future, as well as unforeseeable contingencies.

Central treasury receives information from business units regarding the liquidity profile of their financial assets and liabilities and projected cash flows. Central treasury maintains surplus funds in cash and cash equivalents including term deposits with banks and in investment securities for which there is an active and liquid market. These assets can be readily sold to meet liquidity requirements. Hence, the Group believes that the above monetary mechanism adequately addresses the liquidity risk.

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Notes to Consolidated financial statements
Maturity analysis for assets and liabilities

₹ in Lakhs

Particulars	As at March 31, 2024			As at March 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets:						
Cash and cash equivalents	12,811.70	-	12,811.70	3,243.96	-	3,243.96
Other bank balances	1,21,538.04	1,503.45	1,23,041.49	87,642.53	55,103.90	1,42,746.43
Trade receivables	52,287.26	-	52,287.26	37,283.54	99.39	37,382.93
Other receivables	872.01	12.11	884.12	1,657.38	-	1,657.38
Loans	71,692.21	65,708.74	1,37,200.95	84,924.99	43,892.10	1,08,817.08
Investments	6,613.88	411.76	7,025.64	3,188.47	2,561.19	5,699.66
Other financial assets	15,379.72	1,582.75	16,962.48	5,540.15	2,769.77	8,309.96
Inventories	648.63	-	648.63	519.23	-	519.23
Current tax assets (net)	1,450.47	200.82	1,651.29	-	2,904.88	2,904.88
Deferred tax assets (net)	-	3,217.56	3,217.56	-	3,097.98	3,097.98
Investment property under development	-	648.29	648.29	-	175.83	175.83
Property, plant and equipment	-	8,451.00	8,451.00	-	8,949.68	8,949.68
Capital work-in-progress	-	2,681.17	2,681.17	-	893.49	893.49
Right of use asset	-	4,403.11	4,403.11	-	3,550.54	3,550.54
Other intangible assets	-	238.22	238.22	-	287.73	287.73
Intangible assets under development	64.60	-	64.60	109.75	-	109.75
Other non-financial assets	788.59	1,611.68	2,400.27	580.88	1,801.68	2,382.56
Asset held for sale	240.76	-	240.76	240.76	-	240.76
Total	**3,84,187.87**	**90,471.46**	**4,74,659.34**	**2,04,665.68**	**1,26,088.16**	**3,30,753.83**
Liabilities:						
Trade payables	82,655.98	285.60	82,941.58	47,398.71	-	47,398.71
Lease liabilities	1,812.04	2,789.25	4,602.91	1,278.22	3,337.27	4,615.49
Debt securities	3,246.65	720.00	3,966.65	6,366.88	-	6,366.88
Borrowings	92,897.62	45,215.51	1,38,113.13	56,421.15	27,976.47	84,397.62
Other financial liabilities	1,26,922.52	817.28	1,27,739.80	58,657.90	30,737.08	89,394.98
Current tax liabilities (net)	755.44	-	755.44	428.06	-	428.06
Provisions	990.49	2,567.86	3,558.34	858.59	1,976.83	2,835.42
Other non-financial liabilities	3,299.83	467.96	3,767.79	1,332.35	1,619.77	2,952.10
Total	**3,11,981.58**	**52,883.26**	**5,64,864.84**	**1,72,541.84**	**64,647.42**	**2,37,189.26**

Analysis of financial assets and liabilities by remaining contractual maturities

March 31, 2024

₹ in Lakhs

Particulars	Carrying amount	1-90 days	91-180 days	181-365 days	1-2 years	2-5 years	More than 5 years
Assets:							
Cash and cash equivalents	12,811.70	12,811.70	-	-	-	-	-
Other bank balances	2,23,041.49	1,06,590.03	26,552.17	90,196.84	322.13	1,181.32	-
Trade receivables	52,287.26	52,287.26	-	-	-	-	-
Other receivables	884.12	872.01	-	-	12.11	-	-
Loans	1,37,200.95	33,748.88	12,602.49	29,145.74	48,094.98	8,796.09	13,812.57
Investments	6,613.88	6,613.88	-	-	-	-	-
Other financial assets	16,962.48	1,584.75	12,807.51	187.46	140.10	295.52	1,147.13
Total	**4,49,801.88**	**2,15,508.61**	**49,762.17**	**1,19,724.04**	**38,569.32**	**10,272.93**	**14,964.80**
Liabilities:							
Trade payables	82,941.58	82,655.98	-	-	99.20	117.60	128.80
Lease liabilities	4,602.91	979.60	328.54	904.92	1,620.44	1,036.66	806.39
Debt securities	3,966.65	-	-	3,246.65	720.00	-	-
Borrowings	1,38,113.13	52,484.68	12,532.48	28,424.63	31,006.67	11,013.09	1,175.57
Other financial liabilities*	1,27,139.80	63,850.61	14,335.08	49,096.83	174.98	641.61	0.71
Total	**3,56,763.47**	**1,99,410.89**	**26,396.06**	**81,673.03**	**33,581.27**	**13,808.94**	**2,111.47**
Assets over liabilities	**93,038.41**	**16,097.72**	**23,366.11**	**34,051.01**	**4,988.05**	**(3,536.01)**	**12,853.33**
Cumulative basis	**93,038.41**	**16,097.72**	**39,463.83**	**73,514.84**	**78,502.90**	**73,166.88**	**91,020.21**

* Maturity analysis of margin from clients (under other financial liabilities) ₹ 1,21,140.86 Lakhs has been bench marked to the corresponding fixed deposits (under other bank balances).

March 31, 2023

₹ in Lakhs

Particulars	Carrying amount	1-90 days	91-180 days	181-365 days	1-2 years	2-5 years	More than 5 years
Assets:							
Cash and cash equivalents	3,243.96	3,243.96	-	-	-	-	-
Other bank balances	1,42,746.43	35,131.60	10,078.70	32,431.23	62,797.30	2,306.60	-
Trade receivables	37,382.93	37,247.33	35.99	-	9.32	90.07	-
Other receivables	1,657.38	1,657.38	-	-	-	-	-
Loans	1,08,817.08	25,540.83	7,768.11	31,616.05	19,924.45	14,892.25	8,275.40
Investments	5,699.66	2,600.83	-	612.27	2,418.08	72.94	0.54
Other financial assets	8,309.96	5,540.19	-	-	-	-	2,769.77
Total	**3,07,857.40**	**1,10,962.33**	**27,882.80**	**64,660.55**	**75,144.16**	**17,161.86**	**12,045.71**
Liabilities:							
Trade payables	47,398.71	46,710.13	302.28	386.20	-	-	-
Lease liabilities	4,615.49	917.76	282.39	676.13	1,268.17	1,779.09	1,027.22
Debt securities	6,366.88	-	-	6,366.88	-	-	-
Borrowings	84,397.62	8,534.46	6,299.37	43,587.29	14,731.43	12,601.39	1,000.98
Other financial liabilities*	89,094.98	26,067.18	11,199.94	18,090.77	29,450.65	1,286.83	-
Total	**2,30,873.68**	**84,629.58**	**18,083.98**	**69,109.27**	**45,450.06**	**15,668.10**	**2,027.58**
Assets over liabilities	**76,983.72**	**26,332.76**	**11,798.82**	**(4,448.72)**	**29,694.09**	**1,492.76**	**10,018.12**
Cumulative basis	**76,983.72**	**26,332.76**	**38,131.57**	**33,682.85**	**63,376.95**	**64,869.71**	**74,887.83**

* Maturity analysis of margin from clients (under other financial liabilities) ₹ 79,624.28 Lakhs has been bench marked to the corresponding fixed deposits (under other bank balances).

(B) Market risk

The Group participates in trading and investing in various asset classes such as equity, debt securities, commodities, foreign currency and derivatives. These assets classes experience volatility due to economic growth levels, inflation, prices, interest rates, foreign exchange rates and other macro-economic factors. Any changes in market prices of these asset classes will affect the Group's income or the value of its holdings of financial instruments.
The Group segregates its exposure to market risks between price risk, interest rate risk and currency risk.

Management of market risks

The objective of market risk management is to manage and minimize market risk exposures within acceptable parameters, while optimizing the return on risk. The Group's exposure to market risk is determined by a number of factors, including size, composition and diversification of positions held and market volatility.

(a) Price risk
Trading and investment portfolios include proprietary positions taken in equities, fixed income securities, commodities, foreign currency and their derivatives mainly for availing arbitrage opportunities. All financial assets and liabilities are accounted on fair value basis. Management actively monitors its market risk by reviewing the effectiveness of arbitrage and setting outstanding position limits. The Group manages market risk with central oversight, analysis and formation of risk policy, specific maximum risk levels to which the individual trader must adhere to and real time continuous monitoring by the senior management.
In respect of the proprietary positions, the Group is exposed to volatility in the price of the underlying securities.

(b) Interest rate risk
Interest rate risk arises from movements in interest rates which could have effects on the Group's net income or financial position. Changes in interest rates may cause variations in interest income and expenses resulting from interest-bearing assets and liabilities. Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk relates to the loans taken from banks, investment in term deposits placed with banks, investment in debt securities and investments of its excess funds in liquid instruments. A majority of the financing of the Group has come from overdraft facility with banks. The business of the Group is exposed to fluctuation in interest rate for the following activities:
(i) Term deposits placed with banks are generally for short term on fixed interest rates;
(ii) Facilities availed from banks and other financial institutions generally include short term working capital loans on floating interest rates;
(iii) Interest paid by Group on clients' funds earmarked as fixed margin are generally for short term on fixed interest rates.

Management of Interest Rate Risk

Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for re-pricing bands. However the Group does not use derivative financial instruments to hedge its interest rate risk.
The Group's investments in majority of term deposits with banks are for both short and long duration, and therefore do not expose the Group to significant interest rate risk. Further significant portion of exposure on term deposits with banks is offset with clients' funds earmarked as margins on fixed rate basis. The interest rates on the overdraft facility availed are marginally higher than the interest rates on term deposits with the banks and generally linked to the term deposit rates with the bank. Accordingly, there is limited interest rate risk exposure on the Group.
The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's short-term and long-term debt obligations with floating / fixed interest rates, which are included in loans and borrowings. The loans and borrowings represent loans and borrowing taken both fixed and floating interest rate.

(c) Currency risk
The Group is not significantly exposed to currency risk as there is no mismatch between the currencies in which sales of services, purchase of goods/services and borrowings are dominated and the respective functional currencies of Group . Further, the functional currency of the Group is primarily the Indian Rupee and do not expose the Group to significant currency risk. The Group considers the valuation changes in foreign currency derivatives it trades in as part of investment/price risk as those derivatives are exchange traded, managed and monitored based on exchange price and are settled in near term in Indian Rupees.

Exposure

The table below sets out the assets and liabilities subject to price risk:

₹ in Lakhs

Particulars		As at March 31, 2024	As at March 31, 2023
Assets subject to price risk			
Equity instrument fair value through profit and loss		3,487.19	4,404.43
Debt instrument fair value through profit and loss		2,286.11	1,010.51
Mutual fund fair value through profit and loss		5.16	172.15
Derivative financial assets fair value through profit and loss		2,584.75	5,540.19
Government securities		654.54	74.63
	(A)	8,997.75	11,201.91
Liabilities subject to price risk			
Derivative financial liabilities fair value through profit and loss		2,813.95	5,592.66
	(B)	2,813.95	5,592.66
Total	(A-B)	6,183.80	5,609.25

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Notes to Consolidated financial statements
Sensitivity analysis

Below table shows the sensitivity analysis for different financial instrument

₹ in Lakhs except otherwise stated

Particulars				For the year ended March 31, 2024		For the year ended March 31, 2023	
	Risk category	% change increase	% change decrease	Impact on profit before tax due to increase in parameter	Impact on profit before tax due to decrease in parameter	Impact on profit before tax due to increase in parameter	Impact on profit before tax due to decrease in parameter
Investment in equity instrument fair value through	Price risk	5%	5%	161.90	(161.90)	217.60	(217.60)
Inventories	Price risk	5%	5%	32.43	(32.43)	26.16	(26.16)
Debt instruments	Interest rate risk	1%	1%	22.88	(22.88)	10.11	(10.11)
Borrowings	Interest rate risk	1%	1%	(1,122.04)	1,122.04	(722.18)	722.18

*The group engages in proprietary transactions into equities, commodities and derivatives (equities, commodities and currencies). These transactions are primarily undertaken using various arbitrage models to capitalize pricing differences in the markets. Any change in the market prices of their underlying would result in changes in the fair value of these trading assets, trading liabilities and inventories and also result in profit/loss on futures positions.

36.05 Capital Management

Risk Management

The Group manages its capital structure and makes necessary adjustments in light of changes in economic conditions and the requirement of financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return on capital to shareholders, issue new shares or raise / repay debt.

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Group's capital management is to maximise the shareholder value and to ensure the Group's ability to continue as a going concern. There is no non compliance with any covenants of borrowings.

The Capital Composition is as follows:

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Borrowings including debt securities	1,42,079.78	90,764.50
Less: Cash and Cash equivalents	12,811.70	3,243.96
Net Debt (I)	1,29,268.08	87,520.54
Total Equity (II)	1,09,572.71	93,273.46
Gearing Ratio (I/II)	117.97%	93.83%

36.06 Change in liabilities arising from financing activities

₹ in Lakhs

	Debt securities	Term Loan	Demand loan	Total
As at 1st April, 2022	7,020.52	22,890.40	16,562.76	46,413.68
Loan taken	-	40,653.57	20,808.90	61,462.47
Loan repaid	(653.84)	(16,099.35)	-	(16,752.99)
Non cash changes and others	-	(358.66)	-	(358.66)
As at 31st March 2023	**6,366.68**	**47,025.96**	**37,371.66**	**90,764.50**
As at 1st April, 2023	**6,366.68**	**47,025.96**	**37,371.66**	**90,764.50**
Loan taken	-	65,415.66	16,526.85	81,942.51
Loan repaid	(2,400.03)	(29,056.24)	-	(31,456.47)
Non cash changes and others	-	829.24	-	829.24
As at 31st March 2024	**3,966.65**	**82,214.62**	**55,898.51**	**1,42,079.78**

39 Related party disclosures

As per Ind AS 24, the disclosures of transactions with related parties are given below :

39.01 List of related parties where control exists and also other related parties with whom transactions have taken place and relationships :

Sr. No.	Name of related parties	Relationship
1	Mr. Subhash Chand Aggarwal	Key managerial personnel
2	Mr. Mahesh Chand Gupta	Key managerial personnel
3	Mr. Ajay Garg	Key managerial personnel
4	Mr. Anurag Bansal	Key managerial personnel
5	Mr. Vinod Kumar Jamar	Key managerial personnel
6	Mr. Suman Kumar	Key managerial personnel
7	Mr. Himanshu Gupta	Key managerial personnel
8	Ms. Shruti Aggarwal	Key managerial personnel
9	Ms. Madhu Vij	Key managerial personnel (Independent Director)
10	Mr. Kundan Mal Aggarwal	Key managerial personnel (Independent Director)
11	Mr. Hari Das Khunteta	Key managerial personnel (Independent Director)
12	Mr. Naveen ND Gupta	Key managerial personnel (Independent Director)
13	Mr. Chandra Wadhwa	Key managerial personnel (Independent Director)
14	Mr. Roop Chand Jindal	Key managerial personnel (Independent Director)
15	Mr. Narendra Kumar (w.e.f 16/02/2022)	Key managerial personnel (Independent Director)
16	Mr.Dinesh Kumar Sarraf (w.e.f 09/08/2023)	Key managerial personnel (Independent Director)
17	Mr.Gobind Ram Choudhary (w.e.f 22/06/2023)	Key managerial personnel (Independent Director)
18	Mr.Hemant Bhargava (w.e.f 09/08/2023)	Key managerial personnel (Independent Director)
19	Ms. Neeru Abrol (w.e.f 30/03/2024)	Key managerial personnel (Independent Director)
20	Ms. Hemlata Aggarwal	Close Family Member of KMPs
21	Ms. Sushma Gupta	Close Family Member of KMPs
22	Mrs Akanksha Gupta	Close Family Member of KMPs
23	Mrs Aditi Aggarwal	Close Family Member of KMPs
24	Mr Deepanshu Bansal	Close Family Member of KMPs
25	Mr. Pranav Agganwal	Close Family Member of KMPs
26	Ms. Reema Garg	Close Family Member of KMPs
27	Ms. Meetu Goel	Close Family Member of KMPs
28	Ms. Archana Agganwal	Close Family Member of KMPs
29	Mr. Aayush Agganwal	Close Family Member of KMPs
30	Ms. Nidhi Bansal	Close Family Member of KMPs
31	Mr. Anuj Kansal	Close Family Member of KMPs
32	Mrs. Neha Gupta	Close family member of KMPs
33	Mrs. Uma Agrawal	Close family member of KMPs
34	SMC Global Foundation	Trust where in KMPs have control
35	Pulin Investments Private Limited	Entity controlled by KMPs
36	MVR Share Trading Private Limited	Entity controlled by KMPs
37	Dee Faces Herbal Private Limited	Entity controlled by KMPs
38	Excellent Agencies Private Limited	Entity controlled by KMPs
39	Aroma Securities Limited	Entity controlled by KMPs
40	SMC Share Brokers Limited	Entity controlled by KMPs

Note : Related party relationship is as identified by the Group and relied upon by the auditors.

39.02 Disclosure of transactions with related parties :-

₹ in Lakhs

Sr. No.	Particulars of transactions	Relationship	For the year ended March 31, 2024	For the year ended March 31, 2023
1	**Remuneration**			
	Salaries, wages & other benefits	Key managerial personnel	787.77	654.60
	Contribution to defined benefit plan	Key managerial personnel	42.53	37.95
	Total		**830.30**	**692.55**
	Directors sitting fee	Independent director	38.79	27.01
2	**Remuneration**			
	Salaries, wages & other benefits	Close Family Member of KMPs	279.23	255.21
	Contribution to defined benefit plan	Close Family Member of KMPs	7.69	6.40
	Total		**286.92**	**261.61**
3	**Contribution to Trust**			
	SMC Global Foundation	Trust where in KMPs have control	9.05	1.08
4	**Borrowings taken**			
	Excellent Agencies Private Limited		1,000.00	1,200.00

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₹ in Lakhs

Sr. No.	Particulars of transactions	Relationship	For the year ended March 31, 2024	For the year ended March 31, 2023
5	**Interest paid on debt securities**			
	Mr Himanshu Gupta	Key managerial personnel	5.70	-
	Mrs Akanksha Gupta	Close Family Member of KMPs	5.84	10.14
	Mr Mahesh Chand Gupta	Key managerial personnel	1.90	2.04
	Mrs Meetu Goel	Close Family Member of KMPs	-	0.29
	Mrs Aditi Aggarwal	Close Family Member of KMPs	0.97	0.98
	Mr Deepanshu Bansal	Close Family Member of KMPs	2.92	2.93
	Mr Anuj Kansal	Close Family Member of KMPs	4.87	-
	Mr Anurag Bansal	Key managerial personnel	19.00	6.11
	Mrs Neha Aggarwal	Close Family Member of KMPs	1.43	-
	Mrs Hemlata Aggarwal	Close Family Member of KMPs	-	4.88
	Mr Chandra Wadhwa	Key managerial personnel	-	1.80
	Mr. Pranay Aggarwal	Close Family Member of KMPs	-	0.98
6	**Dividend paid**			
	Subhash Chand Aggarwal	Key managerial personnel	194.29	194.29
	Mahesh Chand Gupta	Key managerial personnel	197.96	197.96
	Sushma Gupta	Close family member of KMPs	181.60	181.60
	Hemlata Aggarwal	Close family member of KMPs	120.00	120.00
	Pranay Aggarwal	Close family member of KMPs	113.29	113.29
	Ginni Devi	Close family member of KMPs	76.42	76.42
	Himanshu Gupta	Close family member of KMPs	48.00	48.00
	Ajay Garg	Key managerial personnel	20.20	20.20
	Damodar Krishan Aggarwal	Close family member of KMPs	18.77	18.77
	Anurag Bansal	Key managerial personnel	6.00	3.00
	Shruti Aggarwal	Key managerial personnel	0.48	0.48
	Aditi Aggarwal	Close family member of KMPs	1.03	0.24
	Archana Aggarwal	Close family member of KMPs	0.72	0.72
	ASM Pipes Private Limited	Entity controlled by KMPs	448.01	448.01
	Pulin Investments Private Limited	Entity controlled by KMPs	228.05	225.36
	Jai Ambey Share Broking Limited	Entity controlled by KMPs	35.68	37.35
	SMC Share Brokers Limited*	Entity controlled by KMPs	-	2.70
	(*Merged with Pulin Investments Private Limited)			
7	**Borrowings repaid**			
	Excellent Agencies Private Limited	Entity controlled by KMPs	1,000.00	1,200.00
8	**Loans & advances given**			
	Dee Faces Herbal Private Limited	Entity controlled by KMPs	7.32	77.50
	Pulin Investments Private Limited	Entity controlled by KMPs	1,483.01	1,432.93
	SMC Share Brokers Limited	Entity controlled by KMPs	-	1.53
9	**Loans & advances recovered**			
	Pulin Investments Private Limited	Entity controlled by KMPs	1,165.13	1,432.93
	Dee Faces Herbal Private Limited	Entity controlled by KMPs	67.25	-
	SMC Share Brokers Limited	Entity controlled by KMPs	-	1.53
10	**Brokerage received**			
	Pulin Investments Private Limited	Entity controlled by KMPs	118.42	240.61
11	**Demat charges received**			
	Pulin Investments Private Limited	Entity controlled by KMPs	0.01	0.03
12	**Interest income**			
	Dee Faces Herbal Private Limited	Entity controlled by KMPs	4.74	2.50
	Pulin Investments Private Limited	Entity controlled by KMPs	53.25	16.09

₹ in Lakhs

Sr. No.	Particulars of transactions	Relationship	For the year ended March 31, 2024	For the year ended March 31, 2023
13	**Delay payment charges**			
	Pulin Investments Private Limited	Entity controlled by KMPs	-	66.38
14	**Finance Cost**			
	Excellent Agencies Private Limited	Entity controlled by KMPs	2.48	3.66

39.03 **Balances outstanding**

₹ in Lakhs

Sr. No.	Particulars	Relationship	As at March 31, 2024	As at March 31, 2023
15	**Debt Securities**			
	ASM Pipes Private Limited	Entity controlled by KMPs	15.00	-
	Vinod Kumar Jamar HUF	Entity controlled by KMPs	52.11	52.11
	Mr Himanshu Gupta	Key managerial personnel	73.23	-
	Mrs Akanksha Gupta	Close Family Member of KMPs	35.00	122.26
	Mr Mahesh Chand Gupta	Key managerial personnel	23.94	22.04
	Mrs Aditi Aggarwal	Close Family Member of KMPs	10.00	10.00
	Mr Deepanshu Bansal	Close Family Member of KMPs	30.00	30.00
	Mr Anuj Kansal	Close Family Member of KMPs	50.00	-
	Mr Anurag Bansal	Key managerial personnel	218.28	66.11
	Mrs Neha Aggarwal	Close Family Member of KMPs	10.46	-
	Mrs Meetu Goel	Close Family Member of KMPs	-	3.00
	Mrs Hemlata Aggarwal	Close Family Member of KMPs	-	50.00
	Mr Chandra Wadhwa	Key managerial personnel	-	27.00
	Mr. Pranay Aggarwal	Close Family Member of KMPs	-	10.00
16	**Trade receivable**			
	Pulin Investments Private Limited		311.62	622.00
17	**Loans**			
	Pulin Investments Private Limited	Entity controlled by KMPs	317.67	13.36
	Dee Faces Herbal Private Limited	Entity controlled by KMPs	19.86	79.12

Transactions and balances with KMPs and their relatives, related parties through stock exchanges / depositories / PMS in the normal course of business have not been disclosed as the same have been transacted at prevailing market prices under online trade mechanism and not material in nature.

As the liabilities for gratuity and compensated absences are provided on actuarial basis for the Group as a whole, the amounts pertaining to individual Key Management Personnel are not separately available

40 **Segment reporting**

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the group's performance and allocates resources based on analysis of various performance indicators by business segments and geographic segments. Accordingly, information has been presented both along industry classes and geographic segmentation of customers. Industry being the primary segment. Secondary segmental reporting is performed on the basis of the geographical location of customers. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the note on significant accounting policies.

Business Segment:

The Group has three reportable segments, as described below, which are the Group's Lines of Business (LoBs). The LoBs offer different products and services, and are managed separately because the nature of products and method used to distribute the services are different.

The following summary describes the operations in each of the Group's reportable segments:

1. Broking, distribution and trading primarily comprises
   a. Brokerage on dealing in shares, commodities, currency, derivatives and other securities on behalf of customers;
   b. Proprietary trading in shares, commodities, currency, derivatives and other securities;
   c. Clearing services;
   d. Depositary services rendered as depository participant;
   e. Distribution of third party financial products;
   f. Fund management services and research support services
   g. Portfolio and wealth management;
   h. Real estate broking and
   i. Mortgage and loan advisory and investment banking services
2. Insurance broking services primarily comprises providing services in life and non-life insurance products.
3. Financing services primarily comprises business of providing loans.

For these LoBs, the Group's Leadership Team comprising of Chairman, Vice-Chairman, Chief Executive Officer and Group Chief Financial Officer, reviews internal management reports. Accordingly, the leadership team is construed to be the Chief Operating Decision Maker (CODM).

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Geographical Segment:

The geographical segments have been identified by the location of the customers and business operations of the group and the same have been considered as secondary segments viz within India and Outside India.

40.01 **Business segment** ₹ in Lakhs

Particulars	Broking, Distribution and Trading		Insurance Broking		Financing		Elimination		Total	
	2023-24	2022-23*	2023-24	2022-23*	2023-24	2022-23*	2023-24	2022-23*	2023-24	2022-23*
Segment revenue including other income										
External revenue	91,877.38	73,995.23	52,597.69	34,501.97	20,029.11	13,068.27	-	-	1,64,504.18	1,21,565.46
Inter segment revenue	4,313.12	2,784.03	231.23	319.97	542.33	135.49	(5,086.68)	(3,239.49)	-	-
Total	96,190.50	76,779.26	52,828.82	34,821.94	20,571.44	13,193.76	(5,086.68)	(3,239.49)	1,64,504.18	1,21,565.46
Expenses										
Fees and commission expenses	34,640.81	30,067.92	44,351.63	29,199.37	220.15	352.86	(365.94)	(1,174.59)	78,848.65	58,445.56
Employee benefits expenses	22,997.18	19,827.80	4,926.75	3,245.84	3,223.28	2,478.07	-	-	29,947.21	25,551.71
Finance costs	10,145.89	6,148.76	36.02	22.92	7,063.84	3,792.07	(1,788.68)	(971.04)	15,456.22	8,992.73
Depreciation and amortisation	2,594.54	1,851.22	193.68	156.29	422.96	221.90	-	-	3,210.18	2,229.41
Impairment on financial instruments	(466.50)	206.87	(2.92)	1.43	1,015.27	521.75	257.96	(90.02)	1,003.81	640.01
Other expenses	7,996.84	8,040.76	2,512.67	1,112.04	1,009.60	1,153.56	(333.15)	(275.86)	11,185.96	10,030.52
Segment expense	77,308.56	65,683.35	51,419.23	33,737.89	12,754.30	8,460.21	(2,429.96)	(2,511.51)	1,40,052.03	1,05,369.94
Profit before share of profit/(loss) of joint venture and tax	18,881.94	11,095.91	1,409.59	1,084.04	6,817.24	4,733.55	(2,656.62)	(717.98)	24,452.15	16,195.52
Share in profit/(loss) in joint venture accounted using equity method of accounting	(2.77)	0.14			-	-	-	-	(2.77)	0.14
Profit before tax	18,879.17	11,096.05	1,409.59	1,084.04	6,817.24	4,733.55	(2,656.62)	(717.98)	24,449.38	16,195.66
Tax expense	3,992.52	2,728.70	409.60	308.23	1,279.60	1,119.12	-	-	5,681.73	4,156.04
Profit after tax	14,886.65	8,367.35	999.99	775.82	5,537.64	3,614.43	(2,656.62)	(717.98)	18,827.65	12,039.62
Other information										
Segment assets	3,40,721.91	2,32,905.95	10,576.96	7,894.98	1,31,503.11	1,03,475.31	(17,153.64)	(12,572.41)	4,74,659.34	3,30,703.83
Segment liabilities	2,86,434.54	1,82,216.86	8,361.05	5,483.95	87,186.98	62,432.41	(16,896.92)	(12,702.94)	3,65,085.63	2,37,430.38

* restated, refer note 45

40.02 **Geographical segment** ₹ in Lakhs

Particulars	2023-24	2022-23*
Segment revenue - external		
Within India	1,63,450.60	1,20,662.19
Outside India	1,053.58	902.30
Total	1,64,504.18	1,21,565.46
Other information		
Segment assets		
Within India	4,70,429.73	3,27,217.86
Outside India	4,229.61	3,485.97
Segment liabilities		
Within India	3,64,682.04	2,36,857.00
Outside India	404.59	573.38

* restated, refer note 45

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(Non-Ind AS Information)
Additonal Regulatory disclosures

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Additional regulatory information/disclosures as required by general instructions to Division-III of Schedule III to the Companies Act, 2013 are furnished to the extent applicable to the Group.

i. Title Deeds of all immovable properties are held in the name of the Group.
ii. During the year the Group has not revalued its property, plant and Equipment.
iii. During the year the Group has not revalued its intangible assets.
iv. Disclosure for loans and advances in the nature of loans granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013) which are repayable on demand:

₹ in Lakhs

	As at			
	March 31, 2024		March 31, 2023	
	Amount	% to total loans	Amount	% to total loans
Related parties	337.73	0.25%	92.48	0.08%
	337.73	**0.25%**	**92.48**	**0.08%**

v. **Capital Work in Progress Aging Schedule as at March 31, 2024** ₹ in Lakhs

		Amount of CWIP for a period of			
Particulars	**Total**	**Less than 1 year**	**1-2 Years**	**2-3 years**	**More than 3 Years**
Projects in Progress	2681.17	1,787.68	893.49	-	-
Projects temporarily suspended	-	-	-	-	-
Total	**2,681.17**	**1,787.68**	**893.49**	-	-

Capital Work in Progress Aging Schedule as at March 31, 2023 ₹ in Lakhs

		Amount of CWIP for a period of			
Particulars	**Total**	**Less than 1 year**	**1-2 Years**	**2-3 years**	**More than 3 Years**
Projects in Progress	893.49	893.49	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	**893.49**	**893.49**	-	-	-

vi. **Intangible assets under development ageing schedule as at March 31, 2024** ₹ in Lakhs

Particulars	Outstanding for following periods from due date of payment / transaction				**Total**
	Less than 1 year	**1 - 2 years**	**2 - 3 years**	**More than 3 years**	
Projects in progress	15.25	47.50	1.85	-	**64.60**
Projects temporarily suspended	-	-	-	-	-

Intangible assets under development ageing schedule as at March 31, 2023 ₹ in Lakhs

Particulars	Outstanding for following periods from due date of payment / transaction				**Total**
	Less than 1 year	**1 - 2 years**	**2 - 3 years**	**More than 3 years**	
Projects in progress	107.90	1.85	-	-	**109.75**
Projects temporarily suspended	-	-	-	-	-

vii. No proceeding has been initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
viii. Quarterly statements of current assets filed with banks and financial institutions for fund borrowed from those banks and financial institutions on the basis of security of current assets are in accordance with terms and conditions.
ix. The Group has not been declared as wilful defaulter by any bank or financial institution.
x. The Group has not entered in any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956, except :

₹ in Lakhs

Name of struck off Company	Nature of transactions with struck-off Company	Transactions during the year March 31, 2024	Balance Outstanding as at March 31, 2024	Relationship with the Struck off company
Lookline Commodities Private Limited	Payables	-0.30	0.11	Client
Micro Forex Equity & Derivatives Private Limited	Payables	-	0.04	Client
Mkb Securities Private Limited	Payables	-	0.29	Client
Overreach Merchants Private Limited	Payables	0.30	0.59	Client
Simplex Commodities Trade Private Limited	Payables	-1.29	0.08	Client
F6 Commodities Private Limited	Payables	-0.29	1.09	Client
Ori Finance Limited	Payables	0.25	0.34	Client
Adventures India Financial Services Limited	Payables	-0.12	0.59	Client

₹ in Lakhs

Name of struck off Company	Nature of transactions with struck-off Company	Transactions during the year March 31, 2023	Balance Outstanding as at March 31, 2023	Relationship with the Struck off company
Lookline Commodities Private Limited	Payables	0.30	0.41	Client
Micro Forex Equity & Derivatives Private Limited	Payables	-	0.04	Client
Mkb Securities Private Limited	Payables	-	0.29	Client
Overreach Merchants Private Limited	Payables	-	0.29	Client
Simplex Commodities Trade Private Limited	Payables	0.30	1.37	Client
F6 Commodities Private Limited	Payables	-	1.38	Client
Ori Finance Limited	Payables	0.30	0.09	Client
Adventures India Financial Services Limited	Payables	0.30	0.71	Client

xi. No charges or satisfaction yet to be registered with ROC beyond the statutory period.

xii. The Group has complied with the number of layers prescribed under clause (87) of section 2 of the act read with companies (Restriction on number of layers) rule 2017.

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

xiv. During the year no Scheme of Arrangements related to the Group has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

xv. Utilisation of Borrowed funds and share premium:-

A) The Group has not advanced or loan or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

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

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

42 The Group does not have any transactions not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961(such as search or survey or any other relevant provisions of the Income Tax Act, 1961).

43 **Corporate Social Responsibility (CSR)**

As per Section 135 of the Companies Act, 2013, a Group, meeting the applicability threshold , needs to spend atleast 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A CSR committee has been formed by the Group as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013:

₹ in Lakhs

Particulars	As at	
	March 31, 2024	March 31, 2023
Amount required to be spent by the Group during the year	320.50	244.97
Amount of expenditure incurred	320.50	244.99
Shortfall / (excess) at the end of the year	-	(0.02)
Total of previous years shortfall	-	-
Reason for shortfall	NA	NA
Nature of CSR activities	Promoting Education , including Special Education and Employment Enhancing Vocation Skill, healthcare, environment sustainability, Eradication of hunger and malnutrition and rural development projects	
Details of related party transactions, e.g.,contribution to a trust controlled by KMPs in relation to CSR expenditure as per relevant Accounting Standard	9.05	1.08
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year	NA	NA

44 The Group has not traded or invested in Crypto Currency or Virtual currency during the year.

45 **Note on restatement of financial statement**

During the quarter ended September 30, 2023, one of the subsidiary namely Moneywise Financial Services Private Limited restated its financial statements in accordance with Ind AS-8 'Accounting Policies, Changes in Accounting Estimates and Errors'. The company used to disclose the amortised transactions costs related to the origination of loan assets and separately from the amortised interest income till June'23 quarter. Similarly, the company used to disclose the amortised transaction costs related to the origination of borrowings separately from the amortised cost of the borrowings. The company has revised the same in the current quarter by adjusting the transaction costs to the fair value of the loan asset and fair value of the borrowing on initial measurements in accordance with Ind AS 8 read with Ind AS 109.

1 The impact of all such rectification as applicable is given below:

₹ in Lakhs

Particulars	Year Ended March 31, 2023 (Audited)
Revenue from operations	
Interest income (Increase/(Decrease))	(510.26)
Net Impact on Revenue from operations	**(510.26)**
Expenses	
Fees and commission expenses	(510.26)
Net Impact on Expenses	**(510.26)**
Net Impact on PBT	-

The balance of finance lease receivable (included under loan assets) have been netted with security deposit to the extent adjustable with sale consideration, in accordance with Ind AS 116, which was earlier disclosed under other financial liability.

The Company has also restated assets held for sale that are under development as investment property under development as per Ind AS 8, Ind AS 40 and Ind AS 105.

2. The impact of the said restatement on Balance Sheet is as under: (₹ in Lakhs)

Particulars	As on March 31, 2023 (Audited)
Assets	
Financial assets	
Loans	540.36
Non-financial assets	
Assets held for sale	(175.83)
Investment property under development	175.83
Other non-financial assets	(1,322.87)
Total Impact in Assets	**(782.51)**
Liabilities and equity	
Liabilities	
Financial liabilities	
Borrowings	(358.66)
Non-financial liabilities	
Other non-financial liabilities	(423.85)
Liabilities	**(782.51)**

3. The impact of the said restatement on segment results is as under: (₹ in Lakhs)

Particulars	As on March 31, 2023 (Audited)
Increase / (Decrease) in Segment Revenue	
Financing activities	(510.26)
Increase / (Decrease) in income from operation and other income	**(510.26)**
Segment Assets	
Financing activities	(782.51)
	(782.51)
Segment Liabilities	
Financing activities	(782.51)
	(782.51)

46 Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements :

₹ in Lakhs

Name of entity	Net assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	as % of consolidated net assets	Amount	as % of consolidated profit or loss	Amount	as % of consolidated other comprehensive income	Amount	as % of consolidated total comprehensive income	Amount
SMC Global Securities Limited	80.50	88,380.45	75.30	14,102.56	(11.30)	(9.54)	74.51	14,093.03
Indian Subsidiaries								
Pulin Comtrade Limited	1.24	1,359.62	1.90	356.08	(0.26)	(0.22)	1.89	355.86
SMC Investments and Advisors Limited	0.18	196.35	(1.17)	(216.44)	8.11	6.85	(1.12)	(211.59)
Moneywise Financial Services Private Limited	40.17	44,925.16	29.89	5,597.63	(6.46)	(5.45)	29.73	5,592.18
SMC Capitals Limited	1.28	1,400.48	(0.62)	(116.61)	3.12	2.63	(0.61)	(113.98)
SMC Insurance Brokers Private Limited	2.00	2,217.92	5.34	999.99	(27.49)	(23.20)	5.18	976.79
Moneywise Finvest Limited	2.96	3,250.52	0.29	54.37	(5.08)	(4.29)	0.27	50.08
SMC Global IFSC Private Limited	3.63	3,985.75	2.36	441.42	64.51	54.44	2.64	495.86
SMC Real Estate Advisors Private Limited	(1.44)	(1,583.53)	(3.19)	(598.07)	16.31	13.76	(3.11)	(584.30)
Foreign Subsidiaries								
SMC Comex International DMCC	3.48	3,825.01	3.64	681.92	57.30	48.36	3.88	730.28
SMC Global USA Inc.	-	-	0.98	183.41	(1.50)	(1.27)	0.97	182.14
Joint Venture								
SMC & IM Capitals Investment Manager LLP	-	-	(0.01)	(2.77)	-	-	(0.01)	(2.77)
Adjustment arising out of consolidation	(34.41)	(37,785.03)	(14.17)	(2,653.84)	-	-	(14.11)	(2,653.84)
	99.80	**1,09,372.71**	**100.53**	**18,827.65**	**97.25**	**82.08**	**100.52**	**18,909.73**
Non-controlling interest in subsidiaries	0.20	221.79	(0.53)	(100.00)	2.75	2.32	(0.52)	(97.68)
Total	**100.00**	**1,09,794.50**	**100.00**	**18,727.65**	**100.00**	**84.40**	**100.00**	**18,812.05**

In terms of our report of even date attached
For R. Gopal & Associates
Chartered Accountants
Firm Registration No.: 000846C

Vikash Aggarwal
Partner
Membership No.: 519574

Place: New Delhi
Date: May 13, 2024

For and on behalf of the Board

S.C. Aggarwal	Mahesh C. Gupta	Ajay Garg
Chairman & Managing Director	Vice-Chairman & Managing Director	Director & CEO
DIN: 00003267	DIN: 00003082	DIN: 00003166

Vinod Kumar Jamar	Suman Kumar
President & Group CFO	Company Secretary

R GOPAL & ASSOCIATES
CHARTERED ACCOUNTANTS
G- 1, Ground Floor, South Extension-II,New Delhi-110049
Ph.: 011- 41649623, 41649624,41649625,41649626

Independent Auditor's Report

To the Members of SMC Global Securities Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **SMC Global Securities Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matter

Key audit matter is those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in our opinion, there is no any such matter to be reported by us.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Business Responsibility Report and Report on Corporate Governance and shareholder information, but does not include the standalone financial statements and our auditors' report thereon. The above-referred information is expected to be made available to us after the date of this audit report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone 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.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions necessitated by the circumstances and the applicable laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

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

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

2. As required by Section 143(3) of the Act, based on our audit we report that:

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

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

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

d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on March 31, 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Sec 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 standalone financial statements. Refer Note no 33 to the standalone financial statements.

II. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses, and

III. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

IV. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in Note 40 (xvi) to the Financial Statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in Note 40 (xvi) to the Financial Statements, no funds (which are material either individually or in the aggregate) have



been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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

V As stated in Note 19 to the standalone financial statements: -

(a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

(b) The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with Section 123 of the Act.

(c) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

VI Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For R Gopal & Associates
Chartered Accountants
Firm Registration No.: 000846C



Vikash Aggarwal
Partner
Membership No: 519574
UDIN: 23519574BGXSNZ9895
Date: 18th May, 2023
Place: New Delhi

Annexure A to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March 2023, we report that:

(i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of Intangible Assets.

(b) Property, Plant & Equipment are physically verified by the management according to a phased manner to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant & Equipment have been physically verified by the management during the year and no material discrepancies have been noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right of use assets) and Intangible Assets during the year.

(e) As per information and explanations given to us, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii)

(a) Inventory comprises of stock of commodities which have been physically verified and reconciled by the management with reference to the confirmation / statements from brokers and holding statements of warehouse and depository participants, during the year and coverage and procedure of such verification by the management is appropriate. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed.

(b) During the year company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets and the quarterly returns or statements filed by the company with such banks or financial institutions are in accordance with terms and conditions.

(iii)

(a) During the year company has granted loans to its subsidiaries. Details of the loan are stated below. During the year the Company has not provided advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties.

Particulars	Rs in Lakhs	
	Loan	Guarantee
Aggregate amount granted/ provided during the year to		
Subsidiaries	1,042.00*	-
Other	-	
Balance outstanding as at balance sheet date in respect of above cases		
Subsidiaries	328.87	1938.00
Other	-	

However, company had granted unsecured loan to one of the foreign subsidiaries in the past, the outstanding balance as on March 31, 2023 stands at Rs 182.14 lakhs. As the recovery of this loan was doubtful, the company had made full provision against such doubtful loan in earlier years.

*The Company extents revolving credit facilities to its wholly owned subsidiaries which is within the limit assigned.

(b) According to the information and explanations given to us, the terms and conditions of loans granted by the company to its subsidiaries are not prejudicial to the interest of the Company. The company has not provided any guarantee during the year.

(c) The Company has granted loans during the year to its subsidiaries which are repayable on demand and payment of interest has been stipulated and the repayment or receipts are regular.

(d) There is an overdue amount of Rs 182.14 lakhs in respect of loan given to one foreign subsidiary in the past (as reported above). According to the information and explanation given to us and based on the audit procedures performed by us, reasonable steps are being taken by the company for recovery of the principal and interest.

(e) There were no loans granted to companies, firms, Limited Liability Partnerships or any other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.

(f) The Company has granted loans to its subsidiaries as defined in clause (76) of Section 2 of the Companies Act, 2013, which are repayable on demand. The Company has not given any loan to its promoters.



Particulars	Rs In Lakhs
	Related Parties
Aggregate amount of loans/ advances in nature of loans - Repayable on demand	1,042.00
Percentage of loans to the total loans	100 %

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provision of section 186 of the Act, with respect to the loans, investments, guarantees and security made as applicable.

(v) The Company has not accepted any deposits from the public within the meaning of sections 73 to 76 of the Act, 2013 and rules framed there under.

(vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.

(vii)

(a) According to the information and explanations given to us, Company has generally been regular in depositing undisputed statutory dues including provident fund, employee's state insurance, income-tax, goods and service tax, cess and other statutory dues applicable to it with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employee's state insurance, income-tax, goods and service tax, cess and other material statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub -clause (a) above which have not been deposited as on March 31,2023 on accounts of dispute are given below:

Name of the statute	Nature of dues	Amount (Rs in Lacs)	Period to which the amount relates	Forum where dispute is pending
Finance Act 1994	Service Tax	45.66	FY 2009-10 To FY 2012-13	Commissioner of Service Tax, Audit 1, Delhi
Finance Act 1994	Service Tax	527.55	01.07.2012 To 30.06.2017	Customs, Excise and Service Tax Appellate Tribunal (CESTAT).
Income Tax Act 1961	Income Tax	141.56	A.Y 2013-2014 To A.Y 2019-2020	Commissioner of Income Tax (Appeals), Delhi

The Employee State Insurance Act,1948	ESI	18.63	September 2005 to December 2007	High Court, Delhi
The Indian Stamp Act, 1899*	Stamp Duty	-	2010 to 21.11.2014	High Court, Delhi
The Employees Provident Fund Act, 1952*	PF	-	October 1995 to November 2003	High Court, Delhi

* Amount not ascertained.

(viii) As per information and explanation given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix)

(a) According to the information and explanations given to us the company has not defaulted in repayment of loans and borrowings including interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) According to the information and explanations given to us, the company has utilized the money obtained by way of term loan during the year for the purpose for purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. Company does not have any associate and joint venture.

(f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries. Company does not have any associate and joint venture.

(x)

(a) The Company has not raised any money by way of an initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under clause (x)(b) of the Order is not applicable.

R. Gopal & Associates * Chartered Accountants * New Delhi

(xi)

(a) According to the information and explanations given to us, no fraud by / on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.

(xiv)

(a) The Company has appointed a firm of chartered accountants to carry out the internal audit of the company. In our opinion and according to the information and explanation given to us, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, during the course of our audit the reports of the internal auditors for the period under audit issued to the company during the year and till date, in determining the nature, timing and extent of our audit procedures in accordance with the guidance provided in SA 610- "Using the work of Internal Auditors".

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi)

(a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), of the Order is not applicable.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(b), of the Order is not applicable.

(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) According to the information and explanations given to us, in the group (in accordance with Core Investment Companies (CICs) (Reserve Bank) Directions, 2016), there is one company forming part of the promoter/promoter group of the Company which is CICs (Core Investment Companies)

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

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

(xx)

(a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub-section 5 of Section 135 of the Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

(b) In respect of the ongoing projects, there are no unspent amounts which is required to be transferred to special account in compliance with provision of sub section (6) of section 135 of the said Act; Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

For R Gopal & Associates
Chartered Accountants
Firm Registration No.: 000846C

Vikash Aggarwal
Partner
Membership No: 519574
UDIN: 23519574BGXSNZ9895
Date: 18th May, 2023
Place: New Delhi

Annexure - B to the Auditors' Report

Report on the Internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **SMC Global Securities Limited** ("the Company") as of 31st March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external



purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that: -

1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31st March, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For R Gopal & Associates
Chartered Accountants
Firm Registration No.: 000846C



Vikash Aggarwal
Partner
Membership No: 519574
UDIN: 23519574BGXSNZ9895
Date: 18th May, 2023
Place: New Delhi

SMC GLOBAL SECURITIES LIMITED

Standalone Balance Sheet

₹ in Lakhs

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
Assets			
Financial assets			
Cash and cash equivalents	2	2,059.29	5,697.88
Other bank balances	3	1,34,719.15	1,13,627.87
Receivables			
Trade receivables	4	29,859.61	26,774.60
Other receivables	5	1,202.48	473.51
Loans	6	18,873.73	10,907.83
Investments	7	42,018.86	59,275.50
Other financial assets	8	6,750.45	8,419.49
Non-financial assets			
Inventories	9	18.54	2,366.41
Current tax assets (net)	30	1,059.71	2,125.09
Deferred tax assets (net)	30	1,040.89	211.18
Property, plant and equipment	10	8,066.27	7,414.49
Right of use asset	11	2,539.01	2,460.48
Capital work-in-progress	11.1	893.49	-
Other intangible assets	12	129.56	77.12
Intangible assets under development	12	107.90	80.48
Other non-financial assets	13	1,393.27	1,247.34
Total assets		**2,50,732.31**	**2,37,157.27**
Liabilities and equity			
Liabilities			
Financial liabilities			
Payables			
Trade payables	14		
- to micro and small enterprises		-	-
- to other than micro and small enterprises		37,662.54	63,556.28
Lease liabilities	11.2	2,522.30	2,372.98
Borrowings	15	38,457.15	15,093.56
Other financial liabilities	16	91,265.24	74,000.72
Non-financial liabilities			
Current tax liabilities (net)	30	157.87	-
Provisions	17	1,932.69	1,578.23
Other non-financial liabilities	18	1,934.27	1,232.24
Equity			
Equity share capital	19	2,094.00	2,262.69
Other equity		74,706.25	77,060.57
Total liabilities and equity		**2,50,732.31**	**2,37,157.27**

The accompanying notes form an integral part of the standalone financial statements. 1-43

In terms of our report of even date attached
For R. Gopal & Associates
Chartered Accountants
Firm Registration No. : 000846C

Vikash Aggarwal
Partner
Membership No. : 519574

Place: New Delhi
Date: May 18, 2023

For and on behalf of the Board

S.C. Aggarwal
Chairman &
Managing Director
DIN: 00003067

Mahesh C. Gupta
Vice-Chairman &
Managing Director
DIN: 00003082

Ajay Garg
Director & CEO
DIN: 00003166

Vinod Kumar Jamar
President & Group CFO

Suman Kumar
Company Secretary

SMC GLOBAL SECURITIES LIMITED

Standalone Statement of Profit and Loss

₹ in Lakhs

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from operations			
Fee and commission income	20	37,749.75	36,025.16
Interest income	21	13,821.53	10,963.90
Dividend income		91.64	840.00
Net gain on proprietary trading		15,901.20	15,141.05
Net gain on fair value changes	22	251.29	4,023.95
Total revenue from operations		**67,815.41**	**66,994.06**
Other income	23	1,365.19	1,415.55
Total income		**69,280.60**	**68,409.61**
Expenses			
Fees and commission expenses	24	27,661.35	27,798.32
Employee benefits expenses	25	15,661.73	12,917.25
Finance cost	26	5,884.72	3,718.74
Depreciation and amortisation	27	1,704.59	1,439.99
Impairment on financial instruments	28	28.89	146.28
Other expenses	29	6,352.82	4,172.08
Total expenses		**57,294.10**	**50,192.66**
Profit before tax		**11,986.50**	**18,216.95**
Tax expense:			
Current tax	30	3,469.68	3,164.14
Deferred tax	30	(820.41)	591.78
Total tax expense		**2,649.27**	**3,755.92**
Profit after tax		**9,337.23**	**14,461.03**
Other comprehensive income (OCI)			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit liability / asset		(36.94)	(29.67)
Tax effect of items that will not be reclassified subsequently to profit and loss		9.30	7.47
Total other comprehensive income (net of tax)		**(27.64)**	**(22.20)**
Total comprehensive income for the year (comprising profit and other comprehensive income for the year)		**9,309.59**	**14,438.83**
Earnings per equity share (Face value ₹ 2)			
Basic & Diluted (in ₹)	31	8.72	12.78
The accompanying notes form an integral part of the standalone financial statements.	1-43		

In terms of our report of even date attached

For R. Gopal & Associates
Chartered Accountants
Firm Registration No. : 000846C

Vikash Aggarwal
Partner
Membership No. : 519574

Place: New Delhi
Date: May 18, 2023

For and on behalf of the Board

S.C. Aggarwal
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Ajay Garg
Director & CEO
DIN: 00003166

Vinod Kumar Jamar
President & Group CFO

Suman Kumar
Company Secretary

SMC GLOBAL SECURITIES LIMITED
Standalone statement of changes in equity

A. Equity share capital (Refer note 19)

₹ in Lakhs

Particulars	Balance as at April 1, 2021	Changes in equity share capital due to prior period errors	Restated balance as on April 1, 2021	Changes in equity share capital during	Balance as at March 31, 2022
Equity share capital	2,262.69	-	-	-	2,262.69

₹ in Lakhs

Particulars	Balance as at April 1, 2022	Changes in equity share capital due to prior period errors	Restated balance as on April 1, 2022	Changes in equity share capital during	Balance as at March 31, 2023
Equity share capital	2,262.69	-	-	(168.69)	2,094.00

B. Other equity

₹ in Lakhs

Particulars	Reserves & surplus					Other comprehensive	Total
	Securities premium reserve	Retained earnings	General reserve	Capital Redemption Reserve (CRR)	Capital reserve	Remeasurement of the net defined benefit liability / asset	
Balance as at April 1, 2021	34,444.50	21,035.08	7,844.60	-	1,439.24	141.81	84,684.43
Changes in equity for the year ended March 31, 2021							
Profit for the year	-	14,461.03	-	-	-	-	14,461.03
Other comprehensive income for the year	-	-	-	-	-	(22.20)	(22.20)
Total comprehensive income for the year	-	14,461.03	-	-	-	(22.20)	14,438.83
Transactions with owners in their capacity as owners :							
Payment of dividend	-	(2,262.69)	-	-	-	-	(2,262.69)
Balance as at March 31, 2022	34,444.50	33,233.42	7,844.60	-	1,439.24	118.81	77,060.57
Balance as at April 1, 2022	34,444.50	33,233.42	7,844.60	-	1,439.24	118.81	77,060.57
Changes in equity for the year ended March 31, 2023							
Profit for the year	-	9,337.23	-	-	-	-	9,337.23
Other comprehensive income for the year	-	-	-	-	-	(27.64)	(27.64)
Total comprehensive income for the year	-	9,337.23	-	-	-	(27.64)	9,309.59
Transactions with owners in their capacity as owners :							
On Buyback of Shares	(9,073.37)	-	-	-	-	-	(9,073.37)
Transfer to CRR on buyback of shares	(168.69)	-	-	168.69			-
Refund of Excess Dividend	-	0.16	-	-	-	-	0.16
Distribution Tax paid	-		-	-	-	-	-
Payment of dividend	-	(2,336.70)	-	-	-	-	(2,336.70)
Balance as at March 31, 2023	25,202.44	39,960.11	7,844.60	168.69	1,439.24	91.17	74,709.25

Nature and purpose of reserves :

(A) Securities premium reserve
Securities premium is used to record the premium received on issue of shares. The reserve can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.

(B) Retained earnings
Retained earnings are the profits that the company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders

(C) 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 however, the same is not required to be created under Companies Act, 2013. This reserve can be utilised only in accordance with the specified requirements of Companies Act, 2013.

(D) Capital redemption reserve
The Companies Act, 2013 requires that when a Company purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve. The reserve is utilised in accordance with the provisions of Section 69 of the Companies Act, 2013

(E) Capital reserve
A capital reserve is created out of capital profits and cannot be used for the distribution of profits and dividend.

In terms of our report of even date attached
For R. Gopal & Associates
Chartered Accountants
Firm Registration No.: 000846C

Vikash Aggarwal
Partner
Membership No. : 515574

Place: New Delhi
Date: May 18, 2023

for and on behalf of the Board

S.C. Aggarwal
Chairman & Managing Director
DIN: 00003267

Mahesh C. Gupta
Vice-Chairman & Managing Director
DIN: 00009082

Ajay Garg
Director & CEO
DIN: 00003166

Vinod Kumar Jamar
President & Group CFO

Suman Kumar
Company Secretary

SMC GLOBAL SECURITIES LIMITED

Standalone statement of cash flows

₹ in Lakhs

Particulars		For the year ended	
		March 31, 2023	March 31, 2022
Cash flow from operating activities:			
Profit after tax		9,337.23	14,461.03
Adjustments to reconcile net profit to net cash provided by operating activities:			
Tax expense		2,649.27	3,755.92
Depreciation and amortisation		1,204.59	1,439.99
Finance Cost		5,884.72	3,718.74
Dividend income		(808.00)	(727.20)
(Gain) / loss on modification of lease		(2.13)	(3.01)
Interest income other than from revenue from operation		(164.23)	(288.57)
Allowance for impairment on financial instruments		28.89	146.28
Rent income		(174.03)	(187.28)
Net loss/(profit) on derecognition of property, plant and equipment		(84.47)	(2.81)
Exchange difference on conversion of foreign currency monetary items		(42.97)	(4.94)
Operating profit before working capital changes		**18,328.87**	**22,308.15**
Changes in assets and liabilities			
Other bank balances		(21,091.26)	(12,210.45)
Trade receivables		(3,113.90)	(12,435.31)
Other receivables		(723.64)	(25.15)
Loans		(7,965.56)	(819.07)
Inventories		2,347.87	(1,048.93)
Investments		12,806.36	(6,063.91)
Other financial assets		1,669.04	(1,858.00)
Other non-financial assets		(148.37)	125.62
Trade payables		(25,896.97)	23,765.96
Other financial liabilities		17,264.52	15,255.09
Other non-financial liabilities		702.03	431.84
Provisions		317.52	274.69
Cash generated from / (used in) operations		**(5,503.49)**	**27,700.53**
Income taxes paid (net of refund)		(2,246.42)	(3,670.60)
Net cash generated from / (used in) operating activities	**(A)**	**(7,749.91)**	**24,029.93**
Cash flow from investing activities:			
Expenditure on Property, Plant and Equipments		(2,456.75)	(5,972.23)
Expenditure on intangible assets		(121.09)	(118.20)
Sale proceeds on property, plant and equipment and intangible assets		121.96	4.00
Investment in Subsidiaries (refer note no. 7.01)		(2,200.00)	(800.00)
Sale of investment in Subsidiary (refer note no. 7.01)		2,690.00	-
Interest received		122.51	288.57
Dividend received		808.00	727.20
Rent received		174.03	187.28
Net cash generating from / (used in) investing activities	**(B)**	**(861.34)**	**(5,683.38)**
Cash flow from financing activities:			
Payment of dividends		(2,596.70)	(2,239.98)
Payment of interest		(5,551.43)	(3,491.94)
Repayment of lease liabilities		(1,068.69)	(894.24)
Proceeds from term loan		3,227.50	3,811.73
Repayment of term loan		(282.65)	(31.80)
Proceeds / (repayment) from loan repayable on demand (net)		20,417.56	(12,518.07)
Buyback of Shares		(9,242.06)	-
Refund of Dividend distribution tax excess paid		6.16	-
Net cash generating from / (used in) financing activities	**(C)**	**4,929.70**	**(15,364.30)**
Net increase / (decrease) in cash and cash equivalents	**(A+B+C)**	**(3,681.56)**	**2,982.25**
Effect of change in exchange rate on foreign operations and foreign currency monetary items		42.97	4.94
Cash and cash equivalents at the beginning of the year		5,697.88	2,710.69
Cash and cash equivalents at the end of the year (refer note 2)		**2,059.29**	**5,697.88**

R. Gopal & Associates * New Delhi * Chartered Accountants

SMC GLOBAL SECURITIES LTD. New Delhi

SMC GLOBAL SECURITIES LIMITED
Standalone statement of cash flows

Notes :

1. Changes in liabilities arising from financing activities

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
Opening balance	15,093.56	23,840.61
Addition during the year	23,645.06	3,811.73
Repayments during the year	(282.65)	(12,549.87)
Other adjustments	1.18	(8.91)
Closing Balance	38,457.15	15,093.56

2. The above statement of cash flows has been prepared under the "Indirect Method" as set out in Ind AS - 7 notified u/s 133 of the Companies Act, 2013.
3. Interest expense includes other borrowing cost.
4. Figures in brackets indicate cash outflow.
5. The significant accounting policies and notes to the financial statements (Refer note no. 1 - 43) form an integral part of the standalone financial statements.

In terms of our report of even date attached
For R. Gopal & Associates
Chartered Accountants
Firm Registration No.: 000846C

Vikash Aggarwal
Partner
Membership No.: 519574

Place: New Delhi
Date: May 18, 2023

For and on behalf of the Board

S.C. Aggarwal
Chairman &
Managing Director
DIN: 00003267

Mahesh C. Gupta
Vice-Chairman &
Managing Director
DIN: 00003082

Ajay Garg
Director & CEO
DIN: 00003166

Vinod Kumar Jamar
President & Group CFO

Suman Kumar
Company Secretary

SMC GLOBAL SECURITIES LIMITED
Notes to standalone financial statements

1 Significant accounting policies and measurement basis

1.01 Company overview

SMC Global Securities Limited (CIN- L74899DL1994PLC063609) ("the company" or "SMC Global"), a limited liability company is domiciled in India, incorporated in the year 1994 having its registered office at 11/6B, Shanti Chambers, Pusa Road, New Delhi-110005. The Company's equity shares are listed and traded on National Stock Exchange ("NSE") and Bombay Stock Exchange ("BSE") in India with effect from Feburary 24, 2021. The Company is a trading and clearing member of the National Stock Exchange of India Limited ("NSE"), BSE Limited ("BSE") and Metropolitan Stock Exchange of India Limited ("MSEI") in the capital market. Further, the company is a trading member of NSE, BSE and MSEI in the futures and options of currency, commodity and equity derivative segment. The Company also holds depository participants registration of Central Depository Services (India) Limited and National Securities Depository Limited, participants of NCDEX, Comtrack, AMFI registered mutual fund distribution and portfolio management service (PMS) registration from Securities and Exchange Board of India ("SEBI"). The company is regulated by SEBI. The company has ten subsidiaries and one joint The company offers a wide range of services to meet client's needs including brokerage services, clearing services, depository services, distribution of third party financial products such as mutual fund and initial public offerings, fund management services, research support services and also engages in proprietary & commodity trading.

1.02 Statement of compliance

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

1.03 Basis of preparation

These standalone financial statements are prepared under the historical cost convention on the accrual basis except for certain assets and liabilities which are measured at fair value / amortised cost / transaction price as stated in respective accounting policies / notes. 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.

Functional and presentation currency

These financial statements are presented in Indian Rupees ('INR' or 'Rs.') which is also the Company's functional currency. All amounts are rounded-off to the nearest lakhs, unless indicated otherwise

1.04 Use of estimates

The preparation of the financial statements, requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the year in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.05 Revenue recognition

The company derives it's revenue primarily from the brokerage services, clearing services, depository services, distribution of third party financial products such as mutual fund and initial public offerings, fund management services, research support services and also engages in proprietary & commodity trading. The company follows Ind AS 115 Revenue from Contract with Customer, which prescribed the core principle to recognise revenue. This core principle is delivered in a five-step model framework:

(a) Identify the contract(s) with a customer.
(b) Identify the performance obligations in the contract.
(c) Determine the transaction price.
(d) Allocate the transaction price to the performance obligations in the contract.
(e) Recognise revenue when (or as) the entity satisfies a performance obligation.

Based on the above principle the company recognise the revenue as follows:
(i) **Broking**: In these types of contract performance obligation is to provide the platform to traders for trading in securities, commodities and the performance obligation satisfies point in time i.e. as and when the trade is executed. Revenue on commission/brokerage on sale made on behalf of principals is accounted for at the time of purchase/sale made on their behalf.

(ii) **Distribution of third party financial products**: In these types of contract performance obligation is to sell the third party financial products to the subscriber and the performance obligation satisfies point in time i.e. as and when subscription is ensured and target based incentives are confirmed by registrar / respective companies. Unbilled revenue is the income that has become due on account of services rendered by the company but pending to be billed.

(iii) **Depository services**: In these types of contract performance obligation is periodic maintenance of customer account as depository participant and the performance obligation satisfies over time i.e. over the period and there is reasonable certainty of recovery

(iv) **Proprietary trading**: Ind AS 115 Revenue from Contract with Customer is not applicable on this business and hence the revenue is recognised as per Ind AS 109 Financial Instruments i.e. as and when trade is executed.

(v) **Interest income**: Interest income on a financial asset at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ('EIR'). The EIR is the rate that exactly discounts estimated future cash flows of the financial assets through the expected life of the financial asset or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The internal rate of return on financial assets after netting off the fees received and cost incurred approximates the effective interest rate method of return for the financial asset. The future cash flows are estimated taking into account all the contractual terms of the instrument.
The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for ECLs).
It also comprises of interest on delayed payment/margin trading facility.

(vi) **Commodity trading**: In these types of contracts the performance obligation satisfies in time i.e. when the sale is executed or ownership is transferred. Accordingly the revenue is recognised on whenever the transaction is executed

(vii) **Fund management services**: In these types of contracts the performance obligation satisfies over time i.e. the services are rendered on continuous basis and the revenue is recognised on periodical basis and also considering performance based criteria of fund (as applicable)

(viii) **Dividend**: Dividend income is recognised when the shareholders right to receive payment is established

(ix) **Research support services**: In these types of contract performance obligation is periodic input to participants on the basis of capital market analysis and the performance obligation satisfies over time i.e. over the period.

(x) **Incentives from exchange**: Incentives from exchange are recognised on point in time basis.

1.06 Inventories

The Company mainly has inventory of commodities (agri and non-agri), which is held for the purpose of trading. The Company measures inventories at fair value less cost to sell.

1.07 Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Cost includes taxes, duties, identifiable direct expenses, expense on installation and net of applicable GST credit thereon. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. The company depreciates property, plant and equipment over their estimated useful lives on written down value method. The estimated useful lives of assets are as follows:

Office building	60	years
Computer equipment	3-6	years
Office equipment	5	years
Furniture and fixtures	10	years
Vehicles	8-10	years

The useful lives for these assets is in compliance with the useful lives as indicated under Part C of Schedule II of the Companies Act, 2013. Depreciation methods, useful lives and residual values are reviewed at each year end.
Addition to the, property plant and equipment have been accounted only when the item is in location and condition necessary for its use. Depreciation on asset added/sold/discarded during the year is being provided on prorata basis from / upto the date on which such assets are added/sold/discarded.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non financial assets and the assets not ready for use are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognised in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale and the resultant gains or losses are recognised in profit or loss.

1.08 Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment, if any. Cost includes taxes, duties, identifiable direct expenses, expense on installation and net of GST credit thereon. Intangible assets are amortized on a written down value basis, from the date that they are available for use. The rates used are as follows :

Computer software	40%
Trade mark logo	40%

1.09 Impairment of Assets other than financial assets

At each reporting date, the Company reviews the carrying amounts of its property, plant and equipment, intangible assets and right of use assets and investment in subsidiaries to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash flows are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash generating Units ('CGUs'). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

1.10 Income tax

The income tax expense comprises of current and deferred tax. Tax on item recognised in profit or loss is recognised in profit or loss and for items recognised in other comprehensive income or equity, the corresponding tax is recognised in other comprehensive income or equity respectively.
The current tax is calculated on the basis of the tax rates, laws and regulations, which have been enacted or substantively enacted as at the reporting date. The payment made in excess / (shortfall) of the Company's income tax obligation for the year are recognised in the balance sheet as current income tax assets / liabilities.

Deferred tax is recognised based on the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax is determined using tax rates that have been enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.
Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off current tax assets against current tax liabilities & the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.





1.11 Investment in subsidiaries

Investment in subsidiaries are measured at cost less accumulated impairment, if any.
The Company assesses at the end of each reporting period if there are any indications of impairment on such investments. If so, the Company estimates the recoverable amount of the investment and provides for impairment (refer note no. 1.09).

1.12 Financial instruments

(a) Initial recognition
The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognised at fair value on initial recognition, except for trade receivables which are initially measured at transaction price.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are adjusted from the fair value of financial asset or financial liabilities on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.
Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in Statement of profit and loss.

(b) Subsequent measurement
(i) Financial assets at amortised cost
A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Advances, security deposits, rental deposits, cash and cash equivalents etc. are classified for measurement at amortised cost.

(ii) Financial assets at fair value through profit or loss
A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss. All investment held for trading, derivative financial instruments are measured at fair value through profit and loss.

(iii) Financial liabilities
Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognised in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(c) Derecognition of financial instruments
The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognised from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

(d) Impairment
The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in statement of profit and loss.
When determining whether credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, including on historical experience and forward looking information.

1.13 Foreign currency translations

Items included in financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR).

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in Statement of profit and loss.

1.14 Employee benefits

(a) Defined contribution plans
Obligations for contributions to defined contribution plans (provident fund and employees state insurance) are recognized as a employee benefit expense in statement of profit or loss in the years during which services are rendered by employees.

(b) Defined benefit plans
A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's gratuity scheme is a defined benefit plan and in accordance with Payment of Gratuity Act, 1972. As per the plan, employee is entitled to get 15 days of basic salary for each completed year of service with a condition of minimum tenure of 5 years subject to a maximum amount of INR 20.00 lakhs.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements. Defined benefit obligation (DBO) is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in OCI. The Company determines net interest on the net defined benefit liability (asset) by multiplying the net defined benefit liability (asset) by the discount rate.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in statement of profit or loss.

(c) Short-term employee benefits
Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(d) Other long-term employee benefits
Liability for long service leave
The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior years. That benefit is discounted to determine its present value. Remeasurements are recognised in statement of profit or loss in the year in which they arise. The valuation of the long service leave are obtained from actuary.

1.15 Leases

The Company account for the leases in accordance with Ind AS 116 Leases.

The Company enters into hiring/service arrangements for various assets/services. The Company evaluates whether a contract contains a lease or not, in accordance with the principles of Ind AS 116. This requires significant judgements including but not limited to, whether asset is implicitly identified, substantive substitution rights available with the supplier, decision making rights with respect to how the underlying asset will be used, economic substance of the arrangement, etc.

The Company as a Lessee

As a lessee the Company has measured lease liability at the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. After the commencement date / transition date, the Company measures the right-of-use asset applying a cost model, whereas the Company measures the right-of-use asset at cost:

(a) less any accumulated depreciation and any accumulated impairment losses; and
(b) adjusted for any remeasurement of the lease liability.

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The Company recognises the finance charges on lease expense on reducing balance of lease liability. The lease asset is depreciated over the lease term on straight line basis.
The Company applies the above policy to all leases except:
(a) leases for which the lease term (as defined in Ind AS 116) ends within 12 months of the acquisition date;
(b) leases for which the underlying asset is of low value.
The Company as a Lessor
As a lessor the Company identifies leases as operating and finance lease. A lease is classified as a finance lease if the Company transfers substantially all the risks and rewards incidental to ownership of an underlying asset.
At the commencement date, the Company recognises assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease. After the initial recognition the Company recognises finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease
The lease payments on operating leases are recognised as income on straight-line basis.

1.16 Borrowing costs

Borrowing costs that are attributable to acquisition, construction or production of qualifying assets, are capitalized as part of the cost of such qualifying assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for intended use. All other borrowing costs are charged to the statement of profit and loss. Expenses related to borrowing cost are accounted using effective interest rate.

1.17 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.
Bank deposits having maturity more than 12 months have been classified as other bank balances.

1.18 Provision, contingent liabilities and contingent assets

Provisions are recognized only when there is a present obligation, as a result of past events and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:
(a) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
(b) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are disclosed where an inflow of economic benefit is probable.

1.19 Statement of cash flows

Cash flows are reported using the indirect method where by the profit after tax is adjusted for the effect of the transactions of a non-cash nature, any deferrals or accruals of past and future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

1.20 Dividend
The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the board for interim dividend and by the shareholders in case of final dividend. A corresponding amount is recognised directly in equity.

1.21 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. The weighted-average number of equity shares outstanding during the year is adjusted for events including a bonus issue.
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.

1.22 Standards issued but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 vide notification no. G.S.R 242(E) dated 31st March 2023. Given below are the amendment made to Ind AS 1, Ind AS 8, Ind AS 12 in brief and their possible impact on the financial statements of the company. Rest of the amendments are consequential in nature and have no material impact on the financial statements:

Ind AS 1 – Presentation of Financial Statements:
Disclosure of Accounting Policies, amended paragraphs 7, 10, 114, 117 and 122, added paragraphs 117A–117E and deleted paragraphs 118, 119 and 121. The amendments to Ind AS 1 are applicable for annual reporting periods beginning on or after 1 April 2023.The amendment seeks to replace significant accounting policies with material accounting policy information and provides guidance on material accounting policy information. The amendments require complete review of existing disclosure of accounting policies and may involve redrafting, removing some of the accounting policies now being disclosed or adding new accounting policy disclosures. The company is reviewing its accounting policy disclosure to change the same as per the amendments.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors:
Definition of Accounting Estimates amended paragraphs 5, 32, 34, 38 and 48 and added paragraphs 32A, 32B and 34A. These amendments are applicable for annual reporting periods beginning on or after 1 April 2023. The amendment replaces the definition of changes in accounting estimates with a new definition of accounting estimates and provides guidance on that definition, what are regarded as changes in accounting estimates and how to apply changes in accounting estimates. The amendments shall be applied to changes in accounting estimates and changes in accounting policies that occur on or after 1 April 2023. Therefore, the amendments have no impact on the financial position, financial performance or the cash flows of the entity in the current and previous year.

Ind AS 12– Income Tax:
Deferred Tax related to Assets and Liabilities arising from a Single Transaction, amended paragraphs 15, 22 and 24 and added paragraph 22A. The amendment clarifies that in case, where at the time of initial recognition, equal amount of taxable and deductible temporary differences arise, the initial recognition exemption does not apply and the company shall recognise deferred tax liability and deferred tax asset on gross basis on that date of initial recognition depending on the applicable tax law. This happens typically when a lease liability and right-of-use asset is recognised initially or when decommissioning obligations are initially recognised and the same is added to the cost of the item of property, plant and equipment. If the application of this requirement results in unequal amount of deferred tax asset and deferred tax liability, the difference shall be recognised in profit or loss. These amendments are to be applied for annual reporting periods beginning on or after 1 April 2023 to transactions that occur on or after the beginning of 1 April 2022. The amendment also requires deferred tax assets and deferred tax liabilities to be recognised on 1 April 2022 based on the carrying amounts of the lease liability and right-of-use asset as on 1 April 2022 and recognise any difference in opening balance of retained earnings or another component of equity, where appropriate, if the company has applied the initial recognition exemption requirements earlier or had recognised deferred tax assets and deferred tax liabilities on net basis. The same is also required for decommissioning obligations recognised initially and added to the cost of the item of property, plant and equipment. As the company has recognised deferred tax assets and deferred tax liabilities on gross basis on lease liability and right-of use assets, the amendment has no impact of the financial statements. Further, the requirements relating to decommissioning obligations are not applicable to the company.

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Notes to standalone financial statements

2 Cash and cash equivalents

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
At amortised cost		
Cash in hand	13.44	14.22
Balances with banks		
In current accounts	2,039.85	5,683.66
Total cash and cash equivalents	2,053.29	5,697.88

3 Other bank balances

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
At amortised cost		
Deposit pledged with banks*	76,600.73	61,465.82
Deposit pledged with the clearing corporations and stock exchanges as margin	56,627.10	71,313.44
Deposit placed under lien with consumer court	2.12	2.12
Deposit placed with pension fund regulatory and development authority	20.00	20.00
Deposit placed under arbitration	248.11	277.35
Deposit - no lien	15.00	41.54
Emarked balances (unpaid dividend account)	74.53	65.24
Interest accrued but not due	1,136.56	442.36
Total other bank balances	1,34,719.15	1,33,627.87

* Deposit pledged with bank as margin deposit for the guarantees issued of ₹ 1,19,486.75 lakhs and ₹ 80,348.75 lakhs as of March 31, 2023 and March 31, 2022, respectively, credit facilities or otherwise.

4 Trade receivables

₹ in Lakhs

Particulars		As at March 31, 2023	As at March 31, 2022
At amortised cost			
Secured considered good		27,705.94	24,999.10
Secured credit impaired		183.72	160.31
Less: Provision for impairment		(116.93)	(130.75)
	(A)	27,770.73	25,028.66
Unsecured considered good		763.46	532.59
Unsecured credit impaired		523.26	585.11
Less: Provision for impairment		(545.45)	(593.63)
	(B)	741.27	524.07
Unbilled revenue	(C)	1,347.61	1,221.87
Total trade receivables	(A+B+C)	29,859.61	26,774.60

Trade receivables ageing schedule as on March 31, 2023

₹ in Lakhs

Particulars	Outstanding for following periods from due date of payment / transaction					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed Trade receivables - considered good	28,469.40	-	-	-	-	28,469.40
Undisputed Trade receivables - considered credit impaired	106.76	29.84	32.11	56.74	-	226.45
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade receivables - considered credit impaired	1.80	2.81	5.35	163.77	206.92	480.53
	28,577.84	32.65	38.46	220.51	206.92	29,176.38
Less: Provision for impairment						(664.38)
						28,512.00
Unbilled revenue						1,347.61
						29,859.61

Trade receivables ageing schedule as on March 31, 2022

₹ in Lakhs

Particulars	Outstanding for following periods from due date of payment / transaction					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed Trade receivables - considered good	25,531.69	-	-	-	-	25,531.69
Undisputed Trade receivables - considered credit impaired	40.85	91.95	13.32	82.35	4.85	233.31
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade receivables - considered credit impaired	7.82	20.61	209.57	25.39	248.92	512.11
	25,580.34	112.56	222.89	107.74	253.78	26,277.11
Less: Provision for impairment						(724.38)
						25,552.73
Unbilled revenue						1,221.87
						26,774.60

5 **Other receivables**

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
At amortised cost		
Other receivables	1,220.76	493.90
	1,220.76	493.90
Less: Provision for impairment	(18.28)	(20.39)
Total other receivables	1,202.48	473.51

6 **Loans**

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
At amortised cost		
Secured		
Margin Trading Facility	18,638.05	8,907.80
Unsecured		
Carried at amortised cost		
Loans to related parties*	511.01	2,212.51
	19,149.06	11,120.31
Less: Provision for impairment	(275.33)	(212.48)
Net loans	18,873.73	10,907.83
In India	18,544.86	10,604.60
Outside India	328.87	303.23

*(Refer note no 38.03)

7 **Investments**

₹ in Lakhs

Particulars		As at March 31, 2023	As at March 31, 2022
Quoted			
Investments carried at fair value through profit and loss			
Held for trading			
Equity instruments		1,878.59	10,971.78
Debt instruments		661.37	792.31
	(A)	2,539.96	11,764.09
Other than held for trading			
Equity instruments		0.01	1,814.94
Equity instruments under portfolio management service		1,877.88	2,626.06
Debt instruments		31.45	65.64
Interest accrued but not due		41.72	
	(B)	1,951.06	4,506.64
Sub - Total	(A+B=C)	4,491.02	16,270.73
Unquoted			
Investments carried at cost			
Equity instrument of subsidiaries		38,161.12	37,651.05
Preference instrument of subsidiary			1,000.00
Less : Provision for impairment		(633.82)	(633.82)
	(D)	37,527.30	38,017.23
Investments carried at fair value through profit and loss			
Equity instruments		0.54	0.54
Debt instruments			985.00
	(E)	0.54	985.54
Sub - Total	(D+E=F)	37,527.84	39,002.77
Total investments	(C+F)	42,018.86	55,273.50
In India		40,480.59	53,735.23
Outside India		1,538.27	1,538.27

7.01 Investments in equity instruments of subsidiaries (Unquoted, fully paid-up) ₹ in Lakhs

Particulars	Face Value	No. of shares		As at	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Investments measured at cost (Unquoted)					
Investments in Equity shares of subsidiaries: (Fully paid up)					
SMC Comtrade Limited	10	95,00,000	25,00,000	950.00	250.00
SMC Investments and Advisors Limited	10	75,00,000	75,00,000	750.00	750.00
Moneywise Financial Services Private Limited	10	4,36,56,920	4,36,56,920	23,024.60	23,024.60
SMC Capitals Limited	10	1,00,00,000	1,00,00,000	1,248.77	1,248.77
SMC Insurance Brokers Private Limited*	10	1,35,00,000	4,04,00,000	1,350.07	4,040.00
SMC Comex International DMCC	1000 AED	8,840	8,840	1,538.27	1,538.27
Moneywise Finvest Limited	10	3,50,00,000	2,00,00,000	3,625.49	2,125.49
SMC Global USA Inc.	$ 5000	140	140	473.94	473.94
SMC Global IFSC Private Limited	10	1,19,99,800	1,19,99,800	1,199.98	1,199.98
SMC Real Estate Advisors Private Limited**	100	40,00,000	30,00,000	4,000.00	3,000.00
				39,161.12	37,651.05
Investment in Preference shares of subsidiary: (Fully paid up)					
SMC Real Estate Advisors Private Limited***	100	-	10,00,000	-	1,000.00
(1% Cumulative, Redeemable, Non Participating and Optionally Convertible)				-	1,000.00
Less : Provision for impairment				(633.82)	(633.82)
				37,527.30	38,017.23

*The Company's holding of number of equity shares has reduced from 404.00 lakhs to 135.00 lakhs due to following reasons:
1.Pursuant to the scheme for capital reduction filed with NCLT vide CP number 128/NO/2021/dated 23rd November 2021, the equity shares of SMC Insurance Brokers Private Limited has been reduced from ₹ 4040 lakhs to ₹ 1500 lakhs on payment to the equity shareholders of the company on proportionate basis at face value of ₹ 10 each on 30.11.2021, which has become effective and operative on that date and accordingly to that extent share capital stand cancelled and extinguished upon approval from MCA. Accordingly, company's shares has been reduced by 2,57,63,000 shares.
2. Further, the company has sold 11,37,080 equity shares during the year.

** The investments in subsidiaries are strategic in nature and it is expected to be held for a long period of time. The company is carrying the investment at cost though the net worth has fully eroded as it is hopeful of turnaround in near future based on strategic initiatives of the management and plan of restructuring which is expected to result in positive cashflows and revival of the business. Further, the company has carried out impairment testing and on the basis of the valuation report from a SEBI Registered Category -1 Merchant Banker, the fair value of shares is much more than the carrying amount.

***These preference shares were potential equity shares invested with the aim of converting them into equity shares and accordingly the said preference shares have been converted into equity shares during the year.

Name of subsidiaries along with percentage of holding

Name of subsidiaries	Country of Incorporation	As at March 31, 2023	As at March 31, 2022
a. SMC Comtrade Limited	India	100%	100%
b. SMC Investments and Advisors Limited	India	100%	100%
c. Moneywise Financial Services Private Limited	India	100%	100%
d. SMC Capitals Limited	India	100%	100%
e. SMC Insurance Brokers Private Limited*	India	90.00%	97.58%
f. SMC Comex International DMCC	UAE	100%	100%
g. Moneywise Finvest Limited	India	100%	100%
h. SMC Global USA Inc.	USA	50%	50%
i. SMC Global IFSC Private Limited	India	100%	100%
j. SMC Real Estate Advisors Private Limited	India	100%	100%

8 Other financial assets ₹ in Lakhs

Particulars	As at	
	March 31, 2023	March 31, 2022
Derivative financial instruments	5,539.20	7,139.06
Security deposits	1,211.75	1,280.93
	6,750.95	8,419.99
Less : Provision for impairment	(0.50)	(0.50)
Total other financial assets	6,750.45	8,419.49
Financial asset carried at fair value through profit and loss	5,539.20	7,139.06
Financial asset carried at amortised cost	1,211.25	1,280.43

9 Inventories ₹ in Lakhs

Particulars	As at	
	March 31, 2023	March 31, 2022
Commodities (Held for Trading)	18.54	2,366.41
Total inventories	18.54	2,366.41

10 Property, plant and equipment

₹ in Lakhs

Particular	Office building	Computer equipments	Office equipments	Furniture and fixtures	Vehicles	Freehold Land	Total
Opening gross carrying value as at April 1, 2021	2,059.52	2,632.65	687.00	1,842.86	498.06	-	7,720.09
Additions during the year	-	494.56	70.58	45.36	183.67	5,178.26	5,972.23
Deletions during the year	-	(76.90)	(5.34)	(29.84)	(2.93)	-	(115.01)
Closing gross carrying value as at March 31, 2022	2,059.52	3,050.31	752.25	1,858.38	678.80	5,178.26	13,577.31
Opening gross carrying value as at April 1, 2022	2,059.52	3,050.31	752.25	1,858.38	678.80	5,178.26	13,577.31
Additions during the year	157.73	843.76	136.61	135.15	298.21	-	1,569.26
Deletions during the year	(56.71)	(162.22)	(37.40)	(148.40)	(6.01)	-	(410.74)
Closing gross carrying value as at March 31, 2023	2,160.54	3,731.85	849.26	1,845.13	970.80	5,178.26	14,735.83
Opening accumulated depreciation as at April 1, 2021	624.89	2,333.35	614.10	1,668.26	386.39	-	5,626.99
Depreciation for the year	100.04	363.11	62.89	68.34	57.28	-	651.64
Accumulated depreciation on deletions	-	(76.49)	(5.23)	(29.19)	(2.92)	-	(113.82)
Closing accumulated depreciation as at March 31, 2022	724.93	2,619.97	671.76	1,707.41	438.75	-	6,162.82
Opening accumulated depreciation as at April 1, 2022	724.93	2,619.97	671.76	1,707.41	438.75	-	6,162.82
Depreciation for the year	99.57	486.79	80.32	76.69	130.62	-	873.99
Accumulated depreciation on deletions	(24.73)	(161.82)	(34.32)	(146.43)	(5.99)	-	(373.29)
Closing accumulated depreciation as at March 31, 2023	799.77	2,944.94	717.76	1,637.67	563.42	-	6,663.54
Carrying value as at March 31, 2022	1,334.59	430.34	80.49	150.97	239.85	5,178.26	7,414.49
Carrying value as at March 31, 2023	1,360.77	786.91	125.50	207.46	407.39	5,178.26	8,066.27

11 Right of use asset

₹ in Lakhs

Particulars	Lease hold assets	Total
Opening gross carrying value as at April 1, 2021	3,799.61	3,799.61
Additions during the year	580.52	580.52
Termination during the year	(37.19)	(37.19)
Closing gross carrying value as at March 31, 2022	4,262.94	4,262.94
Opening gross carrying value as at April 1, 2022	4,262.94	4,262.94
Additions during the year	895.52	895.52
Termination during the year	(49.68)	(49.68)
Closing gross carrying value as at March 31, 2023	5,108.78	5,108.78
Opening accumulated depreciation as at April 1, 2021	1,073.19	1,073.19
Depreciation for the year	744.43	744.43
Accumulated depreciation on termination	(15.16)	(15.16)
Closing accumulated depreciation as at March 31, 2022	1,802.46	1,802.46
Opening accumulated depreciation as at April 1, 2022	1,802.46	1,802.46
Depreciation for the year	789.49	789.49
Accumulated depreciation on termination	(22.17)	(22.17)
Closing accumulated depreciation as at March 31, 2023	2,569.77	2,569.77
Carrying value as at March 31, 2022	2,460.48	2,460.48
Carrying value as at March 31, 2023	2,539.01	2,539.01

11.1 Capital Work in Progress

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Projects in progress	893.49	-
Closing balance	893.49	-

11.2 Detail of lease liability

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	2,372.98	2,466.00
Addition during the year	895.52	580.52
Deletions during the year	(27.51)	(22.03)
Finance charges on lease	332.11	235.71
Write back during the year	(2.13)	(3.02)
Repayment during the year	(1,048.99)	(884.23)
Closing balance	2,522.00	2,372.98
Interest rate used for capitalisation	9.66%	9.66%

Maturity analysis of lease liabilities

₹ in Lakhs

Particulars	Carrying amount	1-90 days	91-180 days	181-365 days	1-2 years	2-5 years	More than 5 years
As at March 31, 2023	2,522.00	272.53	258.40	512.14	930.87	1,156.34	739.57
As at March 31, 2022	2,372.98	229.79	265.59	525.38	968.28	1,154.21	867.30

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12 Other intangible assets

₹ in Lakhs

Particular	Computer softwares	Trademark logo	Total
Opening gross carrying value as at April 1, 2021	715.40	0.20	715.60
Additions during the year	37.72	-	37.72
Deletions during the year	-	-	-
Closing gross carrying value as at March 31, 2022	753.12	0.20	753.32
Opening gross carrying value as at April 1, 2022	753.12	0.20	753.32
Additions during the year	99.40	0.27	99.67
Deletions during the year	(8.21)	-	(8.21)
Closing gross carrying value as at March 31, 2023	858.30	0.47	858.77
Opening accumulated amortization as at April 1, 2021	632.08	0.20	632.28
Amortization for the year	43.92	-	43.92
Accumulated amortization on deletions	-	-	-
Closing accumulated amortization as at March 31, 2022	676.00	0.20	676.20
Opening accumulated amortization as at April 1, 2022	676.00	0.20	676.20
Amortization for the year	41.06	0.05	41.11
Accumulated amortization on deletions	(8.21)	-	(8.21)
Closing accumulated amortization as at March 31, 2023	708.85	0.25	709.11
Carrying value as at March 31, 2022	77.12	0.00	77.12
Carrying value as at March 31, 2023	129.45	0.22	129.66

Intangible assets under development

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Intangible assets under development	107.90	30.48
Total intangible assets under development	107.90	30.48

IND AS 101 given option to choose from fair value as its deemed cost or carrying value in the previous gaap as deemed cost, on the date of transition to ind AS for property, plant & equipment and intangible assets, accordingly the company has taken the carrying value in the previous gaap as deemed cost.

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13 **Other non-financial assets**

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Capital advances	171.81	203.96
Prepaid expenses	654.01	826.24
Balances with government authorities and other taxes receivable	272.54	128.24
Advance payment to vendors for supply of goods	294.91	88.91
Total other non financial assets	**1,393.27**	**1,247.34**

14 **Trade Payable**

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Trade payables - Clients	30,716.50	60,719.18
Trade payables - Expenses	6,946.05	2,837.10
Total trade payable	**37,662.54**	**63,556.28**

Ageing schedule as at March 31, 2023

₹ in Lakhs

Particulars	Outstanding for following periods from due date of payment / transaction				Total
	Less than 1	1 - 2 years	2 - 3 years	More than 3 years	
MSME	-	-	-	-	-
Others	34,779.95	125.76	73.68	-	34,979.39
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
	34,779.95	125.76	73.68	-	34,979.39
Accrued expenses					2,683.15
					37,662.54

Ageing schedule as at March 31, 2022

₹ in Lakhs

Particulars	Outstanding for following periods from due date of payment / transaction				Total
	Less than 1	1 - 2 years	2 - 3 years	More than 3 years	
MSME	-	-	-	-	-
Others	60,505.60	364.27	30.65	3.01	60,903.52
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
	60,505.60	364.27	30.65	3.01	60,903.52
Accrued expenses					2,650.76
					63,556.28

15 **Borrowings**

₹ in Lakhs

Particulars		As at March 31, 2023	As at March 31, 2022
Secured			
Term loan			
from banks		303.72	132.04
from others		6,512.37	3,739.26
Loan repayable on demand			
from banks		28,120.01	9,727.39
from others		-	1,475.00
Interest accrued but not due		21.05	19.87
Total secured borrowings	**(A)**	**34,957.15**	**15,093.56**
Unsecured			
Loan repayable on demand			
from related party (refer note no. 36.03)		3,500.00	-
Total Unsecured borrowings	**(B)**	**3,500.00**	**-**
Total borrowings	**(A+B+C)**	**38,457.15**	**15,093.56**
In India		38,457.15	15,093.56
Outside India		-	-





a) Term Loan amounting ₹ 3,482.35 lakhs and ₹ 3,700 lakhs as of March 31, 2023 and March 31, 2022, respectively, are secured by way of hypothecation of freehold land and personal guarantee of directors are repayable in 60 instalments.
b) Term Loan from others amounting ₹ 3,000 lakhs and ₹ Nil as of March 31, 2023 and March 31, 2022 , respectively, are secured by way of Multilateral trading facility.
c) Term Loan amounting ₹ 553.74 lakhs and ₹ 171.30 lakhs as of March 31, 2023 and March 31, 2022 , respectively, are secured by way of hypothecation of vehicles and are repayable over a period up to five years.
d) Loan from banks amounting ₹ 28,120.01 lakhs and ₹ 6,727.39 lakhs as of March 31, 2023 and March 31, 2022, respectively, are secured against shares, receivables (including exchange balances), fixed deposits, certain office buildings and personal guarantee of promoter directors.
e) Loan from others amounting ₹ Nil and ₹ 1,475.00 lakhs as of March 31, 2023 and March 31, 2022 , respectively, are secured by way of hypothecation of shares and personal guarantee of promoter directors.

Repayment terms of borrowings ₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
In the first year	35,608.36	11,425.76
In the second year	941.69	927.98
In the third to fifth year	1,907.10	2,739.82
Total	**38,457.15**	**15,093.56**

Segregation of Borrowing on the basis of Fixed & Floating interest rate ₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Secured		
Weighted average rate		
Fixed rate borrowings	9.24%	7.99%
Floating rate borrowings	7.75%	8.43%
Amount borrowed		
Fixed rate borrowings	3,816.09	3,874.24
Floating rate borrowings	34,641.06	11,219.32
Total borrowings	**38,457.15**	**15,093.56**

Refer note no. 35.05 for contractual maturities of borrowings

16 **Other financial liabilities** ₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Book overdraft from banks	1,680.02	1,234.54
Security deposits received	326.03	298.83
Employee benefit payable	330.61	563.98
Derivative financial instruments	5,592.66	5,621.12
Unpaid dividend	74.53	65.24
Margin received from clients	83,261.39	66,217.01
Total other financial liabilities	**91,265.24**	**74,000.72**
Financial liability carried at amortized cost	85,672.58	68,379.60
Financial liability carried at fair value through profit and loss	5,592.66	5,621.12

17 **Provisions** ₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
i) Provision for employee benefits*		
Gratuity	1,244.58	878.96
Leave encashment	505.77	491.26
ii) Others**	182.34	208.01
Total provisions	**1,932.69**	**1,578.23**

*Refer Note 32

**Provision- Others ₹ in Lakhs

	As at March 31, 2023	As at March 31, 2022
Carrying amount as at beginning of the period	208.01	120.62
Additions	20.50	121.35
Amount used/reversed during the period	(46.17)	(33.96)
Closing Balance as at end of period	**182.34**	**208.01**

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18 Other non-financial liabilities

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Unearned income	1,006.62	398.23
Withholding taxes and other taxes payable	903.62	810.22
Others	24.03	23.79
Total other non-financial liabilities	1,934.27	1,232.24

19 Equity share capital

19.01 Authorised issued and subscribed capital

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised		
47,75,50,000 (March 31, 2022 : 47,75,50,000) equity shares of ₹ 2/- each	9,551.00	9,551.00
	9,551.00	9,551.00
Issued, subscribed & fully paid up		
10,47,00,000 (March 31, 2022 : 11,31,34,450) equity shares of ₹ 2/- each	2,094.00	2,262.69
	2,094.00	2,262.69

19.02 Reconciliation of number of equity shares outstanding

(in numbers)

Particulars	As at March 31, 2023	As at March 31, 2023
At the beginning of the year	11,31,34,450	11,31,34,450
Issued during the year	-	-
Buyback during the year*	(84,34,450)	-
At the end of the year	10,47,00,000	11,31,34,450

*Pursuant to the public announcement dated May 10, 2022 in respect of buy back of shares from the open market through stock exchange mechanism as prescribed under SEBI (Buy Back of Securities) Regulation, 2018, the Buy back of shares commenced on 20th May, 2022 and ended on 16th August, 2022. The Company under the scheme, bought back a total of 84,34,450 shares from the open market. A total sum of ₹ 9,242.06 lakhs was incurred on the shares bought back (including ₹ 1,769.21 lakhs towards buy back distribution tax and other expenses). Consequently the total number of paid up equity shares of the company (₹ 2/- nominal value of per share) reduced from 11,31,34,450 shares to 10,47,00,000 shares as at the end of 16th August, 2022. The consideration paid towards buy-back of shares is adjusted against share capital by ₹ 168.69 lakhs and the balance in share premium by ₹ 9,073.37 lakhs.

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The Board of Directors has proposed an equity dividend @ 60% i.e. ₹ 1.20 (P.Y. ₹ 1.20) per share for the financial year ending March 31, 2023 at there meeting held on dated May 16, 2023 , which is subject to approval by the shareholders in the ensuing Annual General Meeting. The amount of per share dividend recognised as distribution to equity shareholders for interim dividend is ₹ 1.20 (P.Y. ₹ 1.20).

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 shareholds ₹

19.03 Shares held by shareholders holding more than 5% shares

(in numbers)

Name of Shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of Shares held	% held	No. of Shares held	% held
ASM Pipes Private Limited	1,86,67,140	17.83	1,86,67,140	16.50
Pulin Investments Private Limited	92,77,205	8.86	92,77,205	8.20
Mahesh C. Gupta	82,48,500	7.88	82,48,500	7.29
Subhash Chand Aggarwal	80,95,500	7.73	80,95,500	7.16
Signature Global (India) Private Limited	-	-	18,12,329	1.60
Sushma Gupta	75,66,550	7.23	75,66,550	6.69
Globe Capital Market Limited	54,43,055	5.20	-	-

13.06 **Shareholding of Promoters**

(In numbers)

Shares held by promoters as at March 31, 2023			% Change during the
Promoter Name	No. of Shares	% of total shares	year
Subhash Chand Aggarwal	80,95,590	7.73%	0.58%
Mahesh Chand Gupta	82,48,500	7.88%	0.59%
Sushma Gupta	75,66,550	7.23%	0.54%
Hemlata Aggarwal	50,00,000	4.78%	0.36%
Pranay Aggarwal	47,20,550	4.51%	0.34%
Ginni Devi	31,84,000	3.04%	1.10%
Himanshu Gupta	20,00,000	1.91%	0.14%
Madan Gopal Agarwal	-	0.00%	(0.87%)
Ajay Garg	8,41,600	0.80%	0.06%
Damodar Krishan Aggarwal	7,81,970	0.75%	0.06%
Anurag Bansal	2,50,000	0.24%	0.02%
Shruti Aggarwal	20,175	0.02%	0.02%
Aditi Aggarwal	43,085	0.04%	0.04%
Archana Aggarwal	30,000	0.03%	0.00%
ASM Pipes Private Limited	1,86,67,140	17.83%	1.33%
Pulin Investments Private Limited	92,77,205	8.86%	0.66%
Jai Ambey Share Broking Limited	16,16,670	1.54%	0.12%
SMC Share Brokers Limited	2,25,000	0.21%	0.02%

(In numbers)

Shares held by promoters as at March 31, 2022			% Change during the
Promoter Name	No. of Shares	% of total shares	year
Subhash Chand Aggarwal	80,95,590	7.16%	-1.77%
Mahesh Chand Gupta	82,48,500	7.29%	-0.88%
Sushma Gupta	75,66,550	6.69%	0.00%
Hemlata Aggarwal	50,00,000	4.42%	0.00%
Pranay Aggarwal	47,20,550	4.17%	1.77%
Ginni Devi	22,00,000	1.94%	0.00%
Himanshu Gupta	20,00,000	1.77%	0.88%
Madan Gopal Agarwal	9,84,000	0.87%	0.00%
Ajay Garg	8,41,600	0.74%	0.00%
Damodar Krishan Aggarwal	7,81,970	0.69%	0.00%
Anurag Bansal	2,50,000	0.22%	0.00%
Shruti Aggarwal	20,175	0.02%	0.02%
Aditi Aggarwal	33,050	0.03%	0.03%
Archana Aggarwal	30,000	0.03%	0.00%
ASM Pipes Private Limited	1,86,67,140	16.50%	0.00%
Pulin Investments Private Limited	92,77,205	8.20%	0.00%
Jai Ambey Share Broking Limited	16,16,670	1.43%	0.00%
SMC Share Brokers Limited	2,25,000	0.20%	0.00%





20 Fee and commission income*

₹ in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Income from:		
Brokerage	23,588.53	25,150.87
Distribution of financial products	10,436.75	9,208.52
Depository activities	554.75	478.30
Management fees	106.91	113.03
Incentives from exchange	0.77	476.22
Research support services	1,062.64	598.22
Total fee and commission income	**37,749.75**	**36,025.16**

*Revenue from contracts with customers is ₹ 37,748.98 lakhs (Previous year ₹ 35,548.94 lakhs)

21 Interest income

₹ in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
On financial assets measured at amortised cost		
Interest on deposits with banks	6,861.46	6,501.92
Interest on delayed payment / margin trading facility	6,798.05	4,442.94
Others	51.52	
On financial assets carried at fair value through profit and loss		
Interest income from investments held for trading	110.50	19.04
Total interest income	**13,821.53**	**10,963.90**

22 Net gain on fair value changes

₹ in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Net gain on financial instruments at fair value through profit or loss		
Realised	565.92	2,896.12
Unrealised	(214.53)	1,127.83
Total fair value change of investments	**351.39**	**4,023.95**

23 Other income

₹ in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income	164.33	288.57
Net gain on derecognition of property, plant and equipment	84.47	2.81
Dividend income*	608.00	727.20
Rent income	174.03	187.28
Liability no longer required written back	61.46	116.41
Net gain on translation of foreign currency monetary items	47.97	4.94
Miscellaneous income	30.02	88.34
Total other income	**1,369.19**	**1,415.55**

* represents dividend received from subsidiary company

24 Fees and commission expenses

₹ in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Client introduction charges	11,684.11	11,673.68
Exchange & other regulatory charges	5,002.02	5,093.35
Expense for distribution of financial products	7,735.66	6,969.76
VPN, leaseline, internet & VSAT expenses (net)	322.50	219.52
Securities transaction tax	2,917.07	3,844.21
Total fees and commission expenses	**27,661.35**	**27,798.52**

25 Employee benefits expenses

₹ in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries and incentives	14,307.72	11,959.30
Staff welfare	332.24	142.74
Contribution to provident and other funds	701.67	554.13
Gratuity*	320.10	261.08
Total employee benefits expenses	**15,661.73**	**12,917.25**

*refer note no. 32)

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26 **Finance costs**

₹ in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
On financial liabilities measured at amortised cost		
Interest on borrowings from banks and financial institution	1,825.31	977.48
Interest-others	2,086.58	2,033.03
Other borrowing cost	739.92	472.52
Finance charges on lease	332.11	235.71
Total finance costs	**5,984.72**	**3,718.74**

27 **Depreciation and amortisation**

₹ in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on tangible assets	873.09	651.64
Amortisation of intangible assets	41.11	43.92
Depreciation on lease assets	789.49	744.43
Total depreciation and amortisation	**1,704.59**	**1,439.99**

28 **Impairment on financial instruments**

₹ in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
On financial assets measured at amortised cost/transaction price		
Trade receivables	(78.50)	87.53
Loans	107.39	57.11
Other receivables	-	1.64
Total impairment on financial instruments	**28.89**	**146.28**

29 **Other expenses**

₹ in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Advertisement and publicity	853.85	488.67
Business promotion	490.29	195.24
Conveyance & traveling expenses	418.56	140.08
Directors sitting fee	19.20	22.50
Donation	3.11	-
Insurance	40.89	31.08
Legal & professional charges	770.20	504.26
Bank charges	58.64	32.31
Repair & Maintenance		
Information Technology	749.70	504.84
Others	639.37	388.15
Printing and stationery	182.83	159.61
Rent	726.18	623.02
Electricity and water expenses	565.58	470.34
Membership fees & subscription	16.20	16.20
Communication expenses	366.43	487.13
Vehicle running & maintenance	66.98	46.82
Rates & taxes	42.22	19.51
CSR expenses	181.87	91.44
Miscellaneous expenses	115.83	98.36
Auditor's fees and expenses		
as statutory auditor	30.00	27.00
as tax auditor	3.00	3.00
as fee for other services	1.89	1.83
Total other expenses	**6,352.82**	**4,372.08**

30 Income taxes

30.01 Income tax expense in the statement of profit and loss

₹ in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax expense		
For the year	3,329.74	3,149.60
Change in estimates relating to prior years	99.94	14.74
	3,469.68	3,164.34
Deferred tax charge/(benefit)		
Origination and reversal of temporary differences	(820.41)	591.78
	(820.41)	591.78
Total income tax expense	2,649.27	3,756.12

30.02 Tax expense recognised in other comprehensive income

₹ in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Remeasurement of the net defined benefit liability / asset	(9.30)	(7.47)
Total tax expense recognised in other comprehensive income	(9.30)	(7.47)

30.03 Reconciliation of the income tax expense to the amount computed by applying the statutory income tax rate to the income before income taxes

₹ in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit before tax	11,986.50	18,216.95
Enacted tax rates in India	25.168%	25.168%
Computed expected tax expense	3,016.34	4,584.66
Non deductible permanent difference	48.46	25.92
Deductible permanent difference	(10.77)	(38.39)
Income exempt from tax	(2.38)	(8.62)
Change in estimates relating to prior years	99.94	14.74
Deductions under chapter VI A	(286.51)	(499.39)
Effect of change in tax rate due to different head of income	(274.61)	(269.39)
Tax on unrealised gain / loss on investment	47.19	(117.16)
Income tax expense	2,649.27	3,756.12

The applicable Indian statutory tax rates for fiscal 2023 and fiscal 2022 is 25.168%.

30.04 Details of current tax assets and current tax liabilities

₹ in Lakhs

Particulars		As at March 31, 2023	As at March 31, 2022
Current tax assets pertaining to current year		3,223.25	3,744.43
Current tax liabilities pertaining to current year		3,381.12	3,149.40
Net current tax assets/ (liability) pertaining to current year	(A)	(157.87)	595.03
Current tax assets pertaining to previous years	(B)	1,059.71	1,530.37
Total current tax assets / (liability) - Net	(A+B)	901.83	2,125.39

30.05 Movement in the temporary differences of deferred tax

₹ in Lakhs

Particulars	Balance as at April 1, 2021	Recognised in profit or loss during 2021-22	Recognised in other comprehensive income	Balance as at March 31, 2022	Recognised in profit or loss during 2022-23	Recognised in other comprehensive income	Balance as at March 31, 2023
Employee benefits	292.12	45.26	7.47	344.85	(140.14)	9.30	214.01
Investment securities	(108.99)	(142.99)	-	(251.68)	268.50	-	16.81
ROU	(166.04)	(450.79)	-	(568.83)	611.12	-	24.29
Provisions	151.79	12.79	-	164.58	89.22	-	253.80
Property, plant & equipment and intangible assets	297.18	(9.05)	-	288.13	(11.25)	-	250.80
Provision for impairment on receivable from clients	267.07	(63.54)	-	188.53	(26.31)	-	187.22
Other temporary differences	72.06	13.52	-	85.58	9.14	-	86.76
Total	785.49	(591.78)	7.47	231.18	820.43	9.30	1,040.89

31 Earnings per share

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share

₹ in Lakhs except otherwise stated

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit attributable to equity share holders	9,337.23	14,461.83
Weighted average number of share outstanding during the year	10,70,32,879	11,31,34,490
Nominal Value per share (₹)	2.00	2.00
Basic & Diluted (₹)	8.72	12.78

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32 Employee Benefits

(a) Gratuity

32.01 Breakup of amount recognised in statement of profit and loss

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
Interest on defined benefit obligation	62.57	45.86
Current service cost	257.53	215.22
Total expense recognized in the statement of profit and loss	320.10	261.08

32.02 Break up of amount recognised in the statement of other comprehensive income

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
Remeasurements of the net defined benefit liability/ (asset)		
Opening amount recognised in OCI outside profit and loss account	119.48	149.14
Actuarial gains / (losses)	(5.53)	(87.91)
Return on plan assets (greater) / less than discount rate	(31.41)	58.25
	82.54	119.48

32.03 Breakup of the amount recognised in balance sheet

₹ in Lakhs

Particulars	As at	
	March 31, 2023	March 31, 2022
Present value of the obligation as at the end of the year	2,234.64	1,946.26
Fair value of plan assets as at the end of the year	(990.06)	(1,067.30)
Net liability recognised in balance sheet	1,244.58	878.96

32.04 Reconciliation of defined benefit obligation and plan asset

₹ in Lakhs

Particulars		As at	
		March 31, 2023	March 31, 2022
Change in benefit obligations			
Present value of the obligation as at the beginning of the year		1,946.26	1,735.88
Current service cost		257.53	215.22
Interest cost		145.15	137.80
Actuarial (gain)/loss on obligations		5.53	87.91
Acquisitions (credit)/cost		28.58	(26.40)
Benefits paid		(138.41)	(199.25)
Benefit obligations at the end	(A)	2,234.64	1,946.26
Change in plan assets			
Fair value of plan assets at the beginning of the year		1,067.30	1,003.26
Interest income on plan assets		72.58	67.04
Contributions		20.00	100.00
Benefits paid		(138.41)	(199.25)
Return on plan assets greater (lesser) than discount rate		(31.41)	58.25
Fair value of plan assets at the end	(B)	990.06	1,067.30
Amount recognised in balance sheet [(surplus) / deficit]	(A-B)	1,244.58	878.96

32.05 Disaggregation of plan assets

Particulars	As at	
	March 31, 2023	March 31, 2022
Managed by insurance company	100.00%	100.00%
	100.00%	100.00%

32.06 Sensitivity of significant assumptions used for DBO valuation

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
Effect on DBO due to 0.5% increase in discount rate	(70.38)	(111.14)
Effect on DBO due to 0.5% decrease in discount rate	74.60	132.89
Effect on DBO due to 0.5% increase in salary escalation rate	61.68	111.09
Effect on DBO due to 0.5% decrease in salary escalation rate	(59.83)	(104.59)

32.07 Maturity profile of defined benefit obligation

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
Within one year	558.87	132.00
One to five years	1,143.14	329.33
More than five years	1,778.04	883.34

32.08 Assumptions to determine the defined benefit obligations

Particulars	As at	
	March 31, 2023	March 31, 2022
Discount rate	7.10%	7.20%
Salary escalation rate (p.a.)	8.50%	8.25%

Assumptions regarding future mortality experience are set in accordance with the published statistics by the Life Insurance Corporation of India.

The company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The discount rate is based on the government securities yield.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by 50bps, keeping all other actuarial assumptions constant.

Gratuity is applicable only to employees drawing salary in Indian rupees.

(b) Compensated absences

32.09 Breakup of the amount recognised in balance sheet

₹ in Lakhs

Particulars	As at	
	March 31, 2023	March 31, 2022
Present value of the obligation as at the end of the year	505.77	491.26
Fair value of plan assets as at the end of the year	-	-
Net liability recognised in balance sheet	505.77	491.26

32.10 Number of compensated leave absences outstanding

In days

Particulars	As at	
	March 31, 2023	March 31, 2022
Total leave balance (days)	44,031.46	42,873.24

32.11 Assumption used in valuation

Particulars	As at	
	March 31, 2023	March 31, 2022
Discount rate	7.10%	7.20%
Salary escalation rate (p.a.)	8.50%	8.25%
Leave availment rate	5.00%	5.00%

The estimates of future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

33 Contingent liabilities and commitments

33.01 Contingent liabilities not provided in the financial statements:

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
1 ESI demand (Total amount paid under protest ₹ 12.43 Lakhs (Previous Year: ₹ 12.43 Lakhs))	31.06	31.06
2 Service Tax Demand (Total amount paid under protest ₹ 42.77 Lakhs (Previous Year: 42.77 Lakhs))	615.98	615.98
3 Income Tax Demand (A.Y. 2013-14 to 2019-20) (Total amount paid under protest ₹ Nil (Previous Year: Nil))	141.56	52.89
4 Provident Fund	-	-
5 Stamp Duty	-	-

Notes:

1. An ESI demand is being agitated by the Company at High Court, Delhi.
2. Service Tax demand of ₹ 45.66 Lakhs is being agitated by the Company before Commissioner of Service Tax, Audit 1, Delhi. The adjudication proceedings in the case has been kept in abeyance for the time being since similar issue is sub-judice before the Hon'ble supreme court.
   Another demand of ₹ 570.32 Lakhs was being agitated by the Company before the Customs, Excise and Service Tax Appellate Tribunal (CESTAT).
3. Block Assessments u/s 153(A) for the A.Y 2013-14 to A.Y 2019-20 have been completed and certain disallowances made by the Income Tax Department. The company has filed necessary appeals before the Commissioner of Income Tax (Appeals), Delhi. However certain refunds have been adjusted against the demand raised, pending final assessment.
4. PF matter is pending before High Court and amount is not quantifiable.
5. The Company had received a notice dated 21.11.2014 from the Collector of Stamp (HQ), Delhi on account of verification of records pertaining to Stamp duty chargeable on the basis of broker's Note for the period 2010 to 21.11.2014. Matter is sub-judice and has been stayed by jurisdictional High Court at Delhi vide its order dated 09/12/2014 until further order.

   The Demerged Company M/s SMC Comtrade Limited had received a show cause notice of demand dated 05/01/2015 from the Office of the Collector of Stamps, Delhi, on account of levy of stamp duty on commodity transactions. The matter is sub-judice and has been stayed by jurisdictional High Court at Delhi vide its order dated 19/01/2015 in the matter of WP/C/516/2015.

33.02 **Other litigations**

1. Title of the property located at Office no 205, 2nd Floor, Plot no 4A, Community Centre, 21st Century Plaza, Sector 8, Rohini, New Delhi having gross carrying value of ₹ 46.12 Lakhs is under dispute and sealed due to the allegation of acquisition of the said property by the transferor from the funds of Ganga Yamuna Finvest Pvt. Ltd, which is under liquidation.
2. The company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the company's results of operations and financial condition.

Pending completion of the legal process the impact of liability, if any, cannot be ascertained at this stage, however, management believes that, based on legal advice, the outcome of these contingencies will be favourable and that outflow of economic resources is not probable.

33.03 **Commitments**

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Contracts remaining to be executed on account of capital (net of advances)		
For Purchase/construction of office building	1,634.70	9.00
For purchase of software and others	185.00	175.37

34 The Company has given corporate guarantee towards credit facility of the subsidiaries M/s Moneywise Financial Services Private Limited for ₹ 1,938 lakhs (PY : ₹ 16,000 lakhs) and M/s Moneywise Finvest Limited for ₹ Nil (PY : ₹ 500 lakhs). Pursuant to the requirement of NSE circular number NSE/COMP/50957 dated 8th January 2022, the company was required to unwind all corporate guarantees latest by 31.03.2023 and accordingly it has reduced significantly and necessary action/follow up are being made to unwind the balance corporate guarantee.

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35 Financial instruments

35.01 Financial instruments by category

The carrying value and fair value of financial instruments by categories as of March 31, 2023 were as follows:

₹ in Lakhs

Particulars	Amortised cost	Financial assets/ liabilities carried at fair value through profit and loss - Mandatorily required	Total carrying value	Total fair value
Assets:				
Cash and cash equivalents	2,059.29	-	2,059.29	2,059.29
Other bank balance	1,34,719.15	-	1,34,719.15	1,34,719.15
Trade receivables	29,859.61	-	29,859.61	29,859.61
Other receivables	1,202.48	-	1,202.48	1,202.48
Loans	18,873.73	-	18,873.73	18,873.73
Investments*	-	4,491.56	4,491.56	4,491.56
Other financial assets	1,211.25	5,539.20	6,750.45	6,750.45
Total	**1,87,925.52**	**10,030.76**	**1,97,956.28**	**1,97,956.28**
Liabilities:				
Trade payables	37,662.56	-	37,662.56	37,662.56
Borrowings	38,457.15	-	38,457.15	38,457.15
Other financial liabilities	85,672.58	5,592.56	91,265.14	91,265.14
Total	**1,61,792.30**	**5,592.56**	**1,67,384.86**	**1,67,384.86**

* Investments in subsidiaries are at cost amounting to ₹ 37,527.30 lakhs which do not fall within the scope of financial instruments

The carrying value and fair value of financial instruments by categories as of March 31, 2022 were as follows:

₹ in Lakhs

Particulars	Amortised cost	Financial assets/ liabilities carried at fair value through profit and loss - Mandatorily required	Total carrying value	Total fair value
Assets:				
Cash and cash equivalents	5,697.88	-	5,697.88	5,697.88
Other bank balance	1,13,627.87	-	1,13,627.87	1,13,627.87
Trade receivables	26,774.60	-	26,774.60	26,774.60
Other receivables	473.51	-	473.51	473.51
Loans	10,907.83	-	10,907.83	10,907.83
Investments*	-	17,256.27	17,256.27	17,256.27
Other financial assets	726.96	7,692.53	8,419.49	8,419.49
Total	**1,58,208.65**	**24,948.80**	**1,83,157.45**	**1,83,157.45**
Liabilities:				
Trade payables	63,556.28	-	63,556.28	63,556.28
Borrowings	15,093.56	-	15,093.56	15,093.56
Other financial liabilities	68,379.60	5,621.12	74,000.72	74,000.72
Total	**1,47,029.44**	**5,621.12**	**1,52,650.56**	**1,52,650.56**

* Investments in subsidiaries are at cost amounting to ₹ 36,017.23 lakhs which do not fall within the scope of financial instruments

35.02 Credit quality of debt securities

The table below sets out the credit quality of debt securities

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Government bonds:		
Rated sovereign	29.46	356.78
Corporate bonds:		
Rated AAA	322.07	31.99
Rated AA- to AA+	268.63	147.58
Rated A- to A+	70.80	321.60
Rated BBB- to BBB+	1.86	-
Fair value and carrying amount	**692.82**	**857.95**

35.03 Collateral

(A) Assets pledged as collateral

The company has pledged its certain assets as collateral for liabilities

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Assets:		
Property, Plant and Equipment	6,946.41	6,752.70
Other bank balances	1,34,629.67	1,13,521.09
Trade receivables	29,859.61	26,774.60
Loan (Margin Trading Facility)	18,544.86	8,863.26
Investments held for trading	2,539.96	2,961.26
Other financial assets (net)	-	1,517.93
Total	**1,92,520.46**	**1,60,390.85**

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(b) Asset taken as collateral

₹ in Lakhs

Particulars	As at March 31, 2023		As at March 31, 2022	
	Value of asset	Fair value of collateral held	Value of asset	Fair value of collateral held
Assets:				
Trade receivables				
Secured	27,889.66	1,52,599.03	25,159.41	2,41,187.73
Loans				
Secured	18,638.05	29,967.17	8,907.80	13,568.84
Total	46,527.71	1,82,526.20	34,067.21	2,54,756.57

35.04 Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at March 31, 2023:

₹ in Lakhs

Particulars	As at March 31, 2023	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Assets				
Investments				
Equity instruments	3,757.02	3,756.48	-	0.54
Debt	734.54	734.54	-	-

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at March 31, 2022:

₹ in Lakhs

Particulars	As at March 31, 2022	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Assets				
Investments				
Equity instruments	15,413.32	15,412.78	-	0.54
Debt	1,842.95	957.95	885.00	-

Valuation techniques used to determine fair value
Following valuation technique has been used for fair valuation of the assets:
Level 2 : Debt instruments have been fair valued based on interest yield and actual transaction data with unrelated parties.

35.05 **Financial risk management**
Financial risk factors

This note presents the information about the Company's exposure to financial risks, the Company's objectives, policies and processes for measuring and managing risk and the Company's management of capital.

The Company has exposure to the following risks arising from financial instruments:
- Credit risk;
- Liquidity risk and
- Market risk

Financial Risk management framework
The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. Financial risk management within the Company is governed by policies and guidelines approved by the management. The Board has established a Risk Management Committee which is responsible for developing and monitoring the Company's risk management policies. Company policies and guidelines cover areas such as cash management, investment of excess funds and raising of debt and are managed by segregated functions within the Company.

The Company's risk management policies and procedures are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees and stakeholders understand their roles and obligations.

Different types of risks arising from financial instruments as identified by the Company above have been explained below:

(i) **Credit risk**
The credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivable from clients and exchange and trading members, loan and advances, investments other than the quoted securities given. Credit risk in respect of quoted securities is expected to have a direct correlation with the quoted market prices and risk.
The Company is exposed to the risk that third parties that owe money or securities will not perform their obligations. Such third parties include clients, trading members, exchanges, clearing houses, and other financial intermediaries. These parties may default on their obligations owed to the Company due to insolvency, lack of liquidity, operational failure, government or other regulatory intervention or other reasons. In these circumstances, the Company is exposed to risks arising, for example, from holding securities of third parties; executing securities trades that fail to settle at the required time due to non-delivery by the counterparty trading members, exchanges, clearing houses or other financial intermediaries. Significant failures by third parties to timely perform their obligations owed could materially and adversely affect the Company's financial position, and ability to borrow in the credit markets and ability to operate the business.
For the risk management purposes, the Company considers and consolidates all elements of credit risk exposures such as individual obligator default risk, country and sector risk.

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Management / mitigation of credit risk

The Company operates in a highly regulated environment which limits its credit risk against exchanges and clearing houses. The Company collects upfront margins in form of funds and/or securities/commodities from clients and trading members against their trading positions. The Company monitors positions, margins, mark to market losses and risks on real time basis through risk management systems and policies specially designed to mitigate the credit risk.

The Company's Board of Directors has delegated responsibility for the oversight of credit risk to the Risk Management Committee ("the Committee"). The Committee is responsible for management of the Company's credit risk, including the following:

(i) Formulating credit policies in consultation with business units, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements.

(ii) Establishing the organizational structure for the approval of new customers or counter parties. Authorization limits are allocated to business unit credit officers or the Arbitrager as appropriate.

(iii) Providing advice, guidance and specialist skills to business units through periodic reviews to promote best practices throughout the Company in the management of credit risk.

(iv) The Committee assesses the credit worthiness of client or counterparties, prior to taking exposure on them. Accordingly, limits are assigned and the monitoring mechanism ensures that exposure to single client does not cross the laid-down threshold limits. Collateral securities are also collected from clients to cover the exposure.

(v) Limiting concentrations of exposure to counterparties, geographies and industries (for loans and advances and similar exposures), and by issuer, credit rating band, market liquidity and country (for investment securities and trading assets).

(vi) Reviewing compliance of business units with agreed exposure limits, including those for selected industries, country risk and product types. Regular reports on the credit quality of local portfolios are provided to the management, which may require appropriate corrective action to be taken.

The Board of Directors has also constituted Audit Committee, which is responsible for evaluation of internal financial controls and risk management systems. The company conducts regular internal audits of various business units to identify scope of improvement/enhancement of the Company's processes, quality control, fraud prevention and legal compliance. The internal audit reports are reviewed by audit committee and also placed with the Board.

Credit Exposure:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

₹ in Lakhs

Particular	As at March 31, 2023	As at March 31, 2022
Trade receivables	29,859.61	46,774.60
Other receivables	1,202.48	473.51
Loans	18,873.73	10,907.83
Other financial assets	6,750.45	8,419.49
Total	56,686.28	66,575.43

The Company monitors all the receivables, loans and other financial assets continuously basis the factors considered while dealing. If there are any indicators of impairment on management assessment of these receivables, loans and other financial assets, these are provided for. The Company uses ECL method for impairment.

Following are the reconciliations of the provision for impairment of financial assets

₹ in Lakhs

Particulars	As at March 31, 2023					As at March 31, 2022				
	Trade receivables	Other receivables	Loans*	Other financial assets	Total	Trade receivables	Other receivables	Loans*	Other financial assets	Total
Opening balance at the beginning of the year	724.38	20.39	212.48	0.50	957.75	876.87	18.75	155.87	0.50	1,051.49
Addition/reversal during the year	(78.56)	-	107.39	-	28.83	87.53	1.64	57.11	-	146.28
Written off	18.56	(2.11)	(44.54)	-	(28.15)	(340.02)	-	-	-	(340.02)
Closing balance at the end of the year	664.38	18.28	275.33	0.50	958.43	724.38	20.39	212.48	0.50	957.75

* Gross carrying value of credit impaired - ₹ 182.14 lakhs (PY : ₹ 167.94 lakhs), impairment provision - ₹ 182.14 lakhs (PY : ₹ 167.94 lakhs)

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company require sufficient liquidity to meet their obligations. Individual companies are generally responsible for their own fund management, including the short-term investment of surpluses and the raising of loans to cover deficits from third parties/companies.

The Company's primary liquidity requirements are to finance the working capital needs, which are typically towards margin maintenance at various exchanges. The principal portion of the working capital requirement is utilised by :

(a) depositing funds with banks to obtain term deposits and guarantees towards margins payable to the exchanges/clearing houses;
(b) payments to stock exchanges/clearing houses towards settlement obligations;
(c) payment towards purchase of various trading assets; and
(d) meeting expenses incurred for operations.

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Management of liquidity risk

Working capital requirements fluctuate on a regular basis depending on the business requirements. The Company's approach to managing liquidity is to ensure, as far as possible to have sufficient funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.
To fund the working capital requirements, the Company currently relies principally on internal accruals and short term credit facilities from banks and financial institutions against pledge of derivative assets, term deposits, receivables from clients and investments carried at fair value through profit and loss. By maintaining sufficient liquid funds and drawing facilities with banks, the Company comfortably meets the foreseeable liabilities in the present and immediate future, as well as unforeseeable contingencies.

Central treasury receives information from business units regarding the liquidity profile of their financial assets and liabilities and projected cash flows. Central treasury maintains surplus funds in cash and cash equivalents including term deposits with banks and in investment securities for which there is an active and liquid market. These assets can be readily sold to meet liquidity requirements. Hence, the Company believes that the above monetary mechanism adequately addresses the liquidity risk.

Maturity analysis for financial assets and financial liabilities

March 31, 2023 ₹ in Lakhs

Particulars	Carrying amount	1-90 days	91-180 days	181-365 days	1-2 years	2-5 years	More than 5 years
Assets:							
Cash and cash equivalents	2,059.29	2,059.29	-	-	-	-	-
Other bank balances	1,34,719.15	30,089.13	15,168.87	30,870.63	57,281.33	2,303.19	-
Trade receivables	29,859.61	29,859.61	-	-	-	-	-
Other receivables	1,202.48	1,202.48	-	-	-	-	-
Loans	18,873.73	18,544.87	-	-	-	328.87	-
Investments	4,491.56	2,581.68	-	-	1,909.34	-	0.54
Other financial assets	6,750.45	5,671.20	-	-	-	-	1,079.25
Total	**1,97,956.28**	**90,008.36**	**15,168.87**	**30,870.63**	**59,190.67**	**2,632.06**	**1,079.79**
Liabilities:							
Trade payables	37,662.56	37,662.56	-	-	-	-	-
Borrowings	88,457.15	242.85	334.84	35,030.57	941.69	1,907.30	-
Other financial liabilities*	91,265.24	26,600.04	11,847.06	19,082.89	32,311.79	1,423.45	-
Total	**1,67,384.96**	**64,505.45**	**12,181.91**	**54,113.46**	**33,253.48**	**3,330.55**	**-**

* Maturity analysis of margin from clients (under other financial liabilities) ₹ 83,261.89 Lakhs has been bench marked to the corresponding fixed deposits (under other bank balances).

March 31, 2022 ₹ in Lakhs

Particulars	Carrying amount	1-90 days	91-180 days	181-365 days	1-2 years	2-5 years	More than 5 years
Assets:							
Cash and cash equivalents	5,697.88	5,697.88	-	-	-	-	-
Other bank balances	1,31,627.87	16,516.10	7,213.01	23,365.86	42,192.00	24,340.90	-
Trade receivables	26,774.60	26,774.60	-	-	-	-	-
Other receivables	473.51	473.51	-	-	-	-	-
Loans	10,997.83	10,694.60	-	-	-	303.23	-
Investments	17,256.27	14,564.03	-	-	2,691.70	-	0.54
Other financial assets	8,419.49	7,138.06	-	-	-	-	1,280.43
Total	**1,83,157.45**	**81,769.78**	**7,213.01**	**23,365.86**	**44,883.70**	**24,644.13**	**1,280.97**
Liabilities:							
Trade payables	63,556.28	63,556.28	-	-	-	-	-
Borrowings	15,093.56	2,584.06	14.48	8,877.24	927.98	2,667.27	72.55
Other financial liabilities*	74,000.72	17,408.52	4,203.40	13,616.53	24,587.52	14,184.74	-
Total	**1,52,650.56**	**83,498.86**	**4,217.86**	**22,493.77**	**25,515.50**	**16,852.01**	**72.55**

* Maturity analysis of margin from clients (under other financial liabilities) ₹ 66,217.03 Lakhs has been bench marked to the corresponding fixed deposits (under other bank balances).

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(iii) Market risk

The Company participates in trading and investing in various asset classes such as equity, debt securities, commodities, foreign currency and derivatives. These assets classes experience volatility due to economic growth levels, inflation, prices, interest rates, foreign exchange rates and other macro-economic factors. Any changes in market prices of these asset classes will affect the Company's income or the value of its holdings of financial instruments.
The Company segregates its exposure to market risks between price risk, interest rate risk and currency risk.

Management of market risks:

The objective of market risk management is to manage and minimize market risk exposures within acceptable parameters, while optimizing the return on risk. The Company's exposure to market risks is determined by a number of factors, including size, composition and diversification of positions held and market volatility.

(a) Price risk
Trading and investment portfolios include proprietary positions taken in equities, fixed income securities, commodities, foreign currency and their derivatives mainly for availing arbitrage opportunities. All financial assets and liabilities are accounted on fair value basis. Management actively monitors its market risk by reviewing the effectiveness of arbitrage and setting outstanding position limits. The Company manages market risk with central oversight, analysis and formation of risk policy, specific maximum risk levels to which the individual trader must adhere to and real time continuous monitoring by the senior management.
In respect of the proprietary positions, the Company is exposed to volatility in the price of the underlying securities.

(b) Interest rate risk
Interest rate risk arises from movements in interest rates which could have effects on the Company's net income or financial position. Changes in interest rates may cause variations in interest income and expenses resulting from interest-bearing assets and liabilities. Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.
The Company's exposure to interest rate risk relates to the loans taken from banks, investment in term deposits placed with banks, investment in debt securities and investments of its excess funds in liquid instruments. A majority of the financing of the Company has come from overdraft facility with banks. The business of the Company is exposed to fluctuation in interest rate for the following activities:
(i) Term deposits placed with banks are generally for short term on fixed interest rates;
(ii) Facilities availed from banks and other financial institutions generally include short term working capital loans on floating interest rates;
(iii) Interest paid by Company on clients' funds earmarked as fixed margin are generally for short term on fixed interest rates.

Management of Interest Rate Risk

Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for re-pricing bands. However the Company does not use derivative financial instruments to hedge its interest rate risk.
The Company's investments in majority of term deposits with banks are for both short and long duration, and therefore do not expose the Company to significant interest rate risk. Further significant portion of exposure on term deposits with banks is offset with clients' funds earmarked as margins on fixed rate basis. The interest rates on the overdraft facility availed are marginally higher than the interest rates on term deposits with the banks and generally linked to the term deposit rates with the bank. Accordingly, there is limited interest rate risk exposure on the company.
The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short-term and long-term debt obligations with floating / fixed interest rates, which are included in loans and borrowings. The loans and borrowings represent loans and borrowing taken both fixed and floating interest rate.

(c) Currency risk
The Company is not significantly exposed to currency risk as there is no mismatch between the currencies in which sales of services, purchase of goods/services and borrowings are dominated and the respective functional currencies of Company . Further, the functional currency of the Company is primarily the Indian Rupee and do not expose the Company to significant currency risk. The Company considers the valuation changes in foreign currency derivatives it trades in as part of investment/price risk as those derivatives are exchange traded, managed and monitored based on exchange price and are settled in near term in Indian Rupees.

Exposure

The table below sets out the assets and liabilities subject to price risk.

₹ In Lakhs

Particulars		As at March 31, 2023	As at March 31, 2022
Assets subject to price risk			
Equity instrument fair value through profit and loss		3,756.48	15,012.78
Debt instrument fair value through profit and loss		692.82	857.99
Mutual fund fair value through profit and loss		-	-
Derivative financial assets		5,539.23	7,139.00
	(A)	9,988.51	23,009.79
Liabilities subject to price risk			
Derivative financial liabilities		5,592.66	5,621.12
	(B)	5,592.66	5,621.12
Total	(A-B)	4,395.85	17,388.67

Sensitivity analysis
Below table shows the sensitivity analysis for different financial instrument

₹ in Lakhs except otherwise stated

Particulars				For the year ended March 31, 2023		For the year ended March 31, 2022	
	Risk category	% change increase	% change decrease	Impact on profit before tax due to increase in parameter	Impact on profit before tax due to decrease in parameter	Impact on profit before tax due to increase in parameter	Impact on profit before tax due to decrease in parameter
Investment in equity instrument fair value through profit and loss and derivatives*	Price risk	5%	5%	185.15	(185.15)	244.25	(268.92)
Inventories	Price risk	5%	5%	0.93	(0.93)	118.32	(118.32)
Debt instruments	Interest rate risk	1%	1%	(6.93)	6.93	(8.58)	8.58
Borrowings	Interest rate risk	1%	1%	384.57	(384.57)	(350.74)	350.74
Currency risk	Currency risk	5%	5%	25.55	(25.55)	23.56	(23.56)

*The Company engages in proprietary transactions of equities, commodities and derivatives of equities, commodities & currencies. These transactions are primarily undertaken using various arbitrage models to capitalize pricing inefficiencies in the markets. Any change in the market prices of their underlying would result in changes in the fair value of these trading assets, trading liabilities and inventories and also result in profit/loss on futures positions.

35.16 Capital Management

Risk Management

The Company manages its capital structure and makes necessary adjustments in light of changes in economic conditions and the requirement of financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return on capital to shareholders, issue new shares or raise / repay debt.

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value and to ensure the Company's ability to continue as a going concern. There is no non compliance with any covenants of borrowings.

The Capital Composition is as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Borrowings including debt securities	38,457.15	15,093.56
Less: Cash and Cash equivalents	2,059.29	5,697.88
Net Debt (i)	36,397.86	9,395.68
Total Equity (ii)	79,800.25	79,323.36
Gearing Ratio (i)/(ii)	47.39%	11.84%

SMC GLOBAL SECURITIES LIMITED
Notes to standalone financial statements

36 Related party disclosures

As per Ind AS 24, the disclosures of transactions with related parties are given below :

36.01 List of related parties where control exists and also other related parties with whom transactions have taken place and relationships :

Sr. No.	Name of related parties	Relationship
1	SMC Comtrade Limited	Subsidiary
2	Moneywise Financial Services Private Limited	Subsidiary
3	SMC Capitals Limited	Subsidiary
4	Moneywise Finvest Limited	Subsidiary
5	SMC Investments & Advisors Limited	Subsidiary
6	SMC Global USA Inc (Foreign company)	Subsidiary
7	SMC Global IFSC Private Limited	Subsidiary
8	SMC Insurance Brokers Private Limited	Subsidiary
9	SMC Comex International DMCC (Foreign company)	Subsidiary
10	SMC Real Estate Advisors Private Limited	Subsidiary
11	Qnance Research Capital LLP (from 01/07/2021 to 30/03/2022)	Subsidiary
12	Pulin Investments Private Limited	Entity controlled by KMPs
13	SMC & IM Capitals Investment Managers LLP	Jointly controlled entity
14	SMC Global Foundation	Trust controlled by KMPs
15	SMC IFSC Global Opportunities Fund (w.e.f 28/12/2021)	Trust where in the company act as investment manager
16	Mr. Subhash Chand Aggarwal	Key managerial personnel
17	Mr. Mahesh Chand Gupta	Key managerial personnel
18	Mr. Ajay Garg	Key managerial personnel
19	Mr. Anurag Bansal	Key managerial personnel
20	Mr. Himanshu Gupta	Key managerial personnel
21	Ms. Shruti Aggarwal	Key managerial personnel
22	Mr. Vinod Kumar Jamar	Key managerial personnel
23	Mr. Suman Kumar	Key managerial personnel
24	Ms. Madhu Vij	Key managerial personnel (Independent director)
25	Mr. Kundan Mal Aggarwal	Key managerial personnel (Independent director)
26	Mr. Hari Das Khanteta	Key managerial personnel (Independent director)
27	Mr. Naveen ND Gupta	Key managerial personnel (Independent director)
28	Mr. Chandra Wadhwa	Key managerial personnel (Independent director)
29	Mr. Roop Chand Jindal (till 07/06/2022)	Key managerial personnel (Independent director)
30	Mr. Narendra Kumar (w.e.f. 16/09/2022)	Key managerial personnel (Independent director)
31	Mr. Ayush Aggarwal	Close family member of KMPs
32	Ms. Hemlata Aggarwal	Close family member of KMPs
33	Ms. Sushma Gupta	Close family member of KMPs
34	Ms. Reema Garg	Close family member of KMPs
35	Ms. Meetu Goel	Close family member of KMPs
36	Ms. Nidhi Bansal	Close family member of KMPs
37	Mr. Anuj Kansal	Close family member of KMPs
38	Mrs. Neha Gupta	Close family member of KMPs
39	Mrs. Uma Agrawal	Close family member of KMPs

Note : Related party relationship is as identified by the company and relied upon by the auditors.

36.02 Disclosure of transactions between the company & related parties:-

₹ in Lakhs

Sr. No.	Particulars of Transactions	Relationship	For the year ended March 31, 2023	For the year ended March 31, 2022
1	**Remuneration**			
	Salaries, wages & other benefits	Key managerial personnel	654.00	526.61
	Contribution to defined benefit plan	Key managerial personnel	37.95	33.19
	Total		692.55	559.80
	Salaries, wages & other benefits	Close family member of KMPs	255.21	157.06
	Contribution to defined benefit plan	Close family member of KMPs	6.40	3.22
	Total		261.61	160.28
2	**Directors sitting fee**	Independent director	15.20	22.50
3	**Investment (equity shares)**			
	SMC Comtrade Limited	Subsidiary	700.00	-
	Moneywise Finvest Limited	Subsidiary	1,500.00	800.00
4	**Capital Reduction**			
	SMC Insurance Brokers Private Limited	Subsidiary	(2,576.23)	-
5	**Investment (purchase NCD)**			
	SMC Real Estate Advisors Private Limited	Subsidiary	-	78.28
	SMC Insurance Brokers Private Limited	Subsidiary	-	3,015.77

R. Gopal & Associates, New Delhi, Chartered Accountants
SMC GLOBAL SECURITIES LTD, New Delhi

SMC GLOBAL SECURITIES LIMITED
Notes to standalone financial statements

₹ in Lakhs

Sr. No.	Particulars of transactions	Relationship	For the year ended March 31, 2023	For the year ended March 31, 2022
6	**Investment (sale NCD)**			
	SMC Real Estate Advisors Private Limited	Subsidiary	202.67	559.65
	SMC Insurance Brokers Private Limited	Subsidiary	1,238.48	1,822.28
7	**Investment (purchase MLD)**			
	SMC Insurance Brokers Private Limited	Subsidiary	1,690.79	50.00
8	**Loans & advances given**			
	Moneywise Financial Services Private Limited	Subsidiary	-	5,620.95
	SMC Real Estate Advisors Private Limited	Subsidiary	512.00	3,841.26
	SMC Investments & Advisors Limited	Subsidiary	530.00	1.02
	SMC Comtrade Limited	Subsidiary	-	2,321.23
	SMC Comex International DMCC	Subsidiary	-	303.23
9	**Loans & advances recovered**			
	SMC Investments & Advisors Limited	Subsidiary	858.57	457.17
	Moneywise Financial Services Private Limited	Subsidiary	-	5,620.95
	SMC Real Estate Advisors Private Limited	Subsidiary	512.00	4,287.15
	SMC Comtrade Limited	Subsidiary	1,412.77	824.38
10	**Loans & advances taken (net)**			
	SMC Insurance Brokers Private Limited	Subsidiary	6,925.00	5,521.00
	SMC Comtrade Limited	Subsidiary	7,527.54	-
	Moneywise Financial Services Private Limited	Subsidiary	5,600.00	
	Moneywise Finvest Limited	Subsidiary	1,300.00	
11	**Loans & advances repaid**			
	SMC Insurance Brokers Private Limited	Subsidiary	6,925.00	5,521.00
	SMC Comtrade Limited	Subsidiary	7,527.54	-
	Moneywise Financial Services Private Limited	Subsidiary	5,300.00	-
	Moneywise Finvest Limited	Subsidiary	300.00	-
12	**Brokerage received**			
	Moneywise Finvest Limited	Subsidiary	69.54	75.66
	SMC Insurance Brokers Private Limited	Subsidiary	-	1.59
	SMC Real Estate Advisors Private Limited	Subsidiary	300.11	345.03
	SMC Comtrade Limited	Subsidiary	2.64	2.32
	Moneywise Financial Services Private Limited	Subsidiary	3.52	4.49
	Qrance Research Capital LLP	Subsidiary	-	149.30
	Pulin Investments Private Limited	Entity controlled by KMPs	240.61	214.28
13	**Rent received**			
	SMC Capitals Limited	Subsidiary	4.23	4.23
	SMC Insurance Brokers Private Limited	Subsidiary	120.00	160.79
	Moneywise Finvest Limited	Subsidiary	49.80	22.25
14	**Other income**			
	Moneywise Financial Services Private Limited	Subsidiary	0.65	-
15	**Demat charges received**			
	Moneywise Finvest Limited	Subsidiary	4.12	8.45
	SMC Insurance Brokers Private Limited	Subsidiary	0.04	0.06
	SMC Real Estate Advisors Private Limited	Subsidiary	0.06	0.53
	Moneywise Financial Services Private Limited	Subsidiary	0.50	0.90
	SMC Comtrade Limited	Subsidiary	0.02	-
	SMC Investments & Advisors Limited	Subsidiary	0.03	-
	Pulin Investments Private Limited	Entity controlled by KMPs	0.01	0.01
16	**Interest income**			
	Moneywise Financial Services Private Limited	Subsidiary	-	44.15
	SMC Investments & Advisors Limited	Subsidiary	38.61	51.09
	SMC Real Estate Advisors Private Limited	Subsidiary	14.10	28.21
	SMC Comex International DMCC	Subsidiary	16.08	1.33
	SMC Comtrade Limited	Subsidiary	30.73	42.98
17	**Interest income on NCD**			
	Moneywise Financial Services Private Limited	Subsidiary	100.10	47.54
	SMC Real Estate Advisors Private Limited	Subsidiary	2.67	-

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SMC GLOBAL SECURITIES LTD.

18	**Fair value gain on MLD**			
	Moneywise Financial Services Private Limited	Subsidiary	-	0.58
19	**Delay payment charges**			
	Moneywise Financial Services Private Limited	Subsidiary	-	0.01
	SMC Insurance Brokers Private Limited	Subsidiary	-	1.43
	Pulin Investments Private Limited	Entity controlled by KMPs	66.38	0.02
20	**Income from distribution of financial products**			
	SMC Capitals Limited	Subsidiary	638.34	500.69
21	**Dividend received**			
	SMC Insurance Brokers Private Limited	Subsidiary	808.00	717.20
22	**Other borrowing cost**			
	SMC Investments & Advisors Limited	Subsidiary	-	12.50
23	**Interest expenses**			
	SMC Comtrade Limited	Subsidiary	4.26	1.06
	SMC Real Estate Advisors Private Limited	Subsidiary	-	15.30
	SMC Insurance Brokers Private Limited	Subsidiary	251.63	92.63
	Moneywise Finvest Limited	Subsidiary	340.35	205.62
	Moneywise Financial Services Private Limited	Subsidiary	55.94	-
24	**Rent expenses**			
	SMC Comtrade Limited	Subsidiary	74.48	74.48
25	**Commission expense**			
	Moneywise Finvest Limited	Subsidiary	439.98	-
26	**Service Expenses**			
	Moneywise Financial Services Private Limited	Subsidiary	72.67	-
27	**Impairment on financial instruments**			
	SMC Global USA Inc	Subsidiary		
	Loan		-	57.11
28	**Contribution to Trust**			
	SMC Global Foundation	Trust controlled by KMPs	-	0.43
29	**Reimbursement of expenses received (net)**			
	Moneywise Financial Services Private Limited	Subsidiary	9.56	0.10
	Moneywise Finvest Limited	Subsidiary	59.87	23.89
	SMC Capitals Limited	Subsidiary	2.26	1.50
	SMC Comtrade Limited	Subsidiary	1.80	1.64
	SMC Investments & Advisors Limited	Subsidiary	1.99	0.09
	SMC Insurance Brokers Private Limited	Subsidiary	10.02	1.06
	SMC Real Estate Advisors Private Limited	Subsidiary	25.85	29.45
	SMC Global IFSC Private Limited	Subsidiary	0.86	-
30	**Reimbursement of expenses paid (net)**			
	Qhance Research Capital LLP	Subsidiary	-	56.09
	SMC Global IFSC Private Limited	Subsidiary	-	0.29

Transactions and balances with KMPs and their relatives, related parties (except subsidiaries) through stock exchanges / depositories / PMS in the normal course of business have not been disclosed as the same have been transacted at prevailing market prices under online trade mechanism and not material in nature.

As the liabilities for gratuity and compensated absences are provided on actuarial basis for the Company as a whole, the amounts pertaining to individual Key Management Personnel are not separately available

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36.03 Balances outstanding

₹ in Lakhs

Sr. No.	Particulars	Relationship	As at March 31, 2023	As at March 31, 2022
1	**Loans**			
	SMC Global USA Inc (net of provision)	Subsidiary	182.14	167.94
	Provision for impairment		(182.14)	(167.94)
	SMC Real Estate Advisors Private Limited	Subsidiary	-	-
	SMC Investments & Advisors Limited	Subsidiary	-	328.97
	SMC Comex International DMCC	Subsidiary	328.87	303.23
	SMC Comtrade Limited	Subsidiary	-	1,412.77
2	**Trade receivables**			
	Moneywise Financial Services Private Limited	Subsidiary	-	0.06
	SMC Insurance Brokers Private Limited	Subsidiary	21.50	-
	SMC Capitals Limited	Subsidiary	157.97	-
3	**Other receivables**			
	SMC Capitals Limited	Subsidiary	1.88	-
	SMC Real Estate Advisors Private Limited	Subsidiary	2.35	7.25
	SMC Investments & Advisors Limited	Subsidiary	0.71	-
	Moneywise Finvest Limited	Subsidiary	0.75	
	SMC Comtrade Limited	Subsidiary	15.83	
	Moneywise Financial Services Private Limited	Subsidiary	7.32	
	SMC Global IFSC Private Limited	Subsidiary	0.79	
4	**Other Financial Assets**			
	SMC Comtrade Limited	Subsidiary	6.12	-
5	**Trade payables**			
	Moneywise Finvest Limited	Subsidiary	90.16	2,761.84
	Moneywise Financial Services Private Limited	Subsidiary	-	2.36
	SMC Comtrade Limited	Subsidiary	5.75	39.46
	SMC Real Estate Advisors Private Limited	Subsidiary	50.06	161.23
6	**Borrowings**			
	Moneywise Finvest Limited	Subsidiary	1,000.00	-
	Moneywise Financial Services Private Limited	Subsidiary	2,500.00	
7	**Other financial liabilities**			
	Moneywise Finvest Limited	Subsidiary	3,991.70	220.74
	SMC Insurance Brokers Private Limited	Subsidiary	49.00	49.00
	SMC Comtrade Limited	Subsidiary	67.54	68.49
	SMC Real Estate Advisors Private Limited	Subsidiary	-	0.09

37 Disclosure under The Micro, Small and Medium Enterprises Development Act, 2006

The Company has sent letters to vendors to confirm whether they are covered under micro, small and medium enterprise development act 2006 as well as they have filed required memorandum with prescribed authority. Out of the letter sent to the party, based on the confirmation received till the date of finalisation of balance sheet. Based on and to the extent of the information received by the Company from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors, the relevant particulars as at the year end are furnished below:

₹ in Lakhs

Particulars	As at	
	March 31, 2023	March 31, 2022
The Principal amount remaining unpaid at the year end	-	-
The interest amount remaining unpaid at the year end	-	-
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
The amount of interest due and payable for the year(where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-
The amount of interest accrued and remaining unpaid at the year end	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act.	-	-

38 Segment reporting

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on analysis of various performance indicators by business segments and geographic segments. Accordingly, information has been presented both along industry classes and geographic segmentation of customers, industry being the primary segment. Secondary segmental reporting is performed on the basis of the geographical location of customers. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the note on significant accounting policies.

a. Business Segment

The Company's primary business comprises of dealing in shares, securities, commodities, derivatives and portfolio management services either on its own or on behalf of its constituents and other related ancillary services.
Accordingly the primary business segment has been identified as below:
Broking, Distribution & Trading : Comprises of brokerage income earned on secondary market transactions done on behalf of clients, services rendered as depository participant, clearing services, research support services, proprietary trading in securities, commodities, derivatives and portfolio management services.

b. Geographical Segment

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

39 Previous year's figures have been regrouped and rearranged wherever necessary to confirm to this year's classification.

(Non-Ind AS Information)

40 Additonal Regulatory disclosures

i. Title Deeds of all immovable properties are held in the name of the company
ii. The company does not have any investment property, hence disclosure relating to its valuation are not applicable.
iii. During the year the company has not revalued its property, plant and Equipment.
iv. During the year the company has not revalued its intangible assets.

v. Disclosure for loans and advances in the nature of loans granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013) which are repayable on demand:

₹ in Lakhs

Type of Borrower	As at			
	March 31, 2023		March 31, 2022	
	Amount	% to total	Amount	% to total
Related parties	-	-	2,044.57	100%
	-	-	2,044.57	100%

vi. Capital Work in Progress Aging Schedule as at March 31, 2023

	Amount of CWIP for a period of			
Particulars	Less than 1 year	1-2 Years	2-3 years	More than 3 Years
Projects in Progress	893.49	-	-	-
Projects temporarily suspended	-	-	-	-
Total	893.49	-	-	-

Capital Work in Progress Aging Schedule as at March 31, 2022

	Amount of CWIP for a period of			
Particulars	Less than 1 year	1-2 Years	2-3 years	More than 3 Years
Projects in Progress	-	-	-	-
Projects temporarily suspended	-	-	-	-
Total	-	-	-	-

vii. Intangible assets under development ageing schedule as at March 31, 2023 ₹ in Lakhs

Particulars	Outstanding for following periods from due date of payment / transaction				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	107.90	-	-	-	107.90
Projects temporarily suspended	-	-	-	-	-

Intangible assets under development ageing schedule as at March 31, 2022 ₹ in Lakhs

Particulars	Outstanding for following periods from due date of payment / transaction				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	80.48	-	-	-	80.48
Projects temporarily suspended	-	-	-	-	-

viii. No proceeding has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ix. Quarterly statements of current assets filed with banks and financial institutions for fund borrowed from those banks and financial institutions on the basis of security of current assets are in accordance with terms and conditions.

x. The company has not been declared as wilful defaulter by any bank or financial institution. Hence the clause is not applicable.

xi. The company has not entered in any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956, except following:

₹ in Lakhs

Name of struck off Company	Nature of transactions with struck-off Company	Transactions during the year March 31, 2023	Balance Outstanding as at March 31, 2023	Relationship with the Struck off company
Lookline Commodities Private Limited	Payables	0.30	0.41	Client
Micro Forex Equity & Derivatives Private Limited	Payables		0.04	Client
Mkb Securities Private Limited	Payables	0.30	1.71	Client
Overreach Merchants Private Limited	Payables	0.30	0.71	Client
Simples Commodities Trade Private Limited	Payables	0.30	1.37	Client
F6 Commodities Private Limited	Payables	-	1.38	Client
Ori Finance Limited	Payables	0.30	0.09	Client
Adventures India Financial Services Limited	Payables	0.30	0.71	Client

Name of struck off Company	Nature of transactions with struck-off Company	Transactions during the year March 31, 2022	Balance Outstanding as at March 31, 2022	Relationship with the Struck off company
F6 Commodities Private Limited	Payables	-	0.38	Client
Ori Finance Limited	Payables	-	0.04	Client
Adventures India Financial Services Limited	Payables	-	0.01	Client

xii. No charges or satisfaction yet to be registered with ROC beyond the statutory period.

xiii. The company has complied with the number of layers prescribed under clause (87) of section 2 of the act read with companies (Restriction on number of layers) rule 2017.

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

xv. During the year no Scheme of Arrangements related to the company has been approved by the Competent Authority in terms of section 230 to 237 of the Companies Act, 2013.

R. Gopal & Associates New Delhi Chartered Accountants

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xvi. Utilisation of borrowed funds and share premium :-

A) The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

(i) 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 (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

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

(i) 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) o (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

41 The company does not have any transactions which are not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax 1961(such as search or survey or any other relevant provisions of the Income Tax 1961).

42 **Corporate Social Responsibility (CSR)**

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold , needs to spend atleast 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A CSR committee has been formed by the company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013:

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Amount required to be spent by the company during the year	181.85	91.44
Amount of expenditure incurred	181.87	91.44
Shortfall / (excess) at the end of the year	-0.02	-
Total of previous years shortfall	-	-
Reason for shortfall	NA	NA
Nature of CSR activities	Promoting education , including special education and employment enhancing vocation skill, healthcare, environment sustainability, eradication of hunger and malnutrition and rural development projects	
Details of related party transactions, e.g.,contribution to a trust controlled by KMPs in relation to CSR expenditure as per relevant Accounting Standard	-	0.43
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year	NA	NA

43 The company has not traded or invested in Crypto Currency or Virtual currency during the year.

In terms of our report of even date attached
For R. Gopal & Associates
Chartered Accountants
Firm Registration No.: 000846C

Vikash Aggarwal
Partner
Membership No.: 519574

Place: New Delhi
Date: May 18, 2023

For and on behalf of the Board

S.C. Aggarwal
Chairman &
Managing Director
DIN: 00003267

Mahesh C. Gupta
Vice-Chairman &
Managing Director
DIN: 00003082

Ajay Garg
Director & CEO
DIN: 00003166

Vinod Kumar Jamar
President & Group CFO

Suman Kumar
Company Secretary

R GOPAL & ASSOCIATES
CHARTERED ACCOUNTANTS
G- 1, Ground Floor, South Extension-II,New Delhi-110049
Ph.: 011- 41649623, 41649624,41649625,41649626

Independent Auditors' Report

To the Members of SMC Global Securities Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **SMC Global Securities Limited** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its jointly controlled entity, which comprise the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in and in our opinion, there is no any such matter to be reported by us.

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

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's

Information, but does not include the consolidated financial statements and our auditor's report thereon. The above-referred information is expected to be made available to us after the date of this audit report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions necessitated by the circumstances and the applicable laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and Joint venture are also responsible for overseeing the financial reporting process of the Group and Joint venture.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public

disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements / financial information of 9 subsidiaries whose financial statements reflect the total assets of Rs 123,072.44 lakhs as at 31.03.2023, and total revenue of Rs 21,212.01 lakhs, net profit after tax of Rs 2,644.54 lakhs, total comprehensive income Rs 3,167.77 lakhs and net cash outflow of Rs (2511.66) lakhs for the year ended 31.03.2023 as considered in the consolidated financial statements. The Consolidated financial statements include the financial results of 1 jointly controlled entity which reflect groups share of net gain of Rs 0.14 lakh for the year ended 31.03.2023. These Financial Statements have been audited by other auditors have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and Jointly controlled entity , and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries , and jointly controlled entity , are based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

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

   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

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

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

   e. On the basis of the written representations received from the directors of the holding Company as on March 31, 2023 taken on record by the Board of Directors of the Company and its subsidiaries incorporated in India and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India 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 financial statements of the holding company and the operating effectiveness of such controls; refer to our separate Report in "Annexure A" which is based on the auditor's reports of the Company and its subsidiary companies



incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control with reference to financial statements of those companies, for reasons stated therein.

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, in its consolidated financial statements – Refer Note 35 to the consolidated financial statements.

ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended 31 March, 2023.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiaries company incorporated in India.

iv.

a) The respective Managements of the holding Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, as disclosed in Note 39 (xvi) to the Financial Statements, no funds (which are material either individually or in the aggregate) 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 or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b) The respective Managements of the holding Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, as disclosed in Note 39 (xvi) to the Financial Statements, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

v)

(a) The final dividend proposed in the previous year, declared and paid by the holding Company and its subsidiary company during the year is in accordance with Section 123 of the Act, as applicable.

(b) The interim dividend declared and paid by the holding Company during the year and until the date of this report is in compliance with Section 123 of the Act.

(c) The Board of Directors of the holding Company and its subsidiaries company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed are in accordance with section 123 of the Act, as applicable.

VI Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable w.e.f. April 1, 2023 to the Parent Company and its subsidiaries and jointly controlled entity which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

For R Gopal & Associates
Chartered Accountants
Firm Registration No.: 000846C



Vikash Aggarwal
Partner
Membership No: 519574
UDIN: 23519574BGXSOA7318
Date: 18th May, 2023
Place: New Delhi

Annexure - A to the Independent Auditors' Report
Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2023, we have audited the internal financial controls with reference to financial statements of SMC Global Securities Limited ("the Holding Company") and its subsidiaries company which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to 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. 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 over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matter

Our aforesaid reports u/s 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding company, in so far as it relates to seven subsidiaries which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

For R Gopal & Associates
Chartered Accountants
Firm Registration No.: 000846C



Vikash Aggarwal
Partner
Membership No: 519574
UDIN: 23519574BGXSOA7318
Date: 18th May, 2023
Place: New Delhi

SMC GLOBAL SECURITIES LIMITED

Consolidated Balance Sheet

₹ in Lakhs

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
Assets			
Financial assets			
Cash and cash equivalents	2	7,243.96	9,224.56
Other bank balances	3	1,42,746.43	1,18,970.31
Receivables			
Trade receivables	4	37,382.93	33,850.25
Other receivables	5	1,657.38	751.73
Loans	6	1,08,276.72	77,977.60
Investments	7	5,699.66	17,058.79
Other financial assets	8	8,309.96	12,428.16
Non-financial assets			
Inventories	9	523.21	3,451.86
Current tax assets (net)	32	2,904.88	3,647.26
Deferred tax assets (net)	32	3,037.98	2,234.79
Assets held for sale	10	416.59	400.76
Property, plant and equipment	11	8,949.68	7,899.64
Capital work-in-progress	11.1	893.49	-
Right of use asset	12	3,550.54	3,303.41
Other intangible assets	13	287.73	175.82
Intangible assets under development	13.1	109.75	117.99
Other non-financial assets	14	3,495.43	2,756.94
Total assets		**3,31,486.34**	**2,94,249.89**
Liabilities and equity			
Liabilities			
Financial liabilities			
Payables			
Trade payables	15		
- to micro and small enterprises		17.15	-
- to other than micro and small enterprises		47,361.56	71,080.58
Lease liabilities	12.1	3,615.49	3,291.47
Debt securities	16	6,366.88	7,000.53
Borrowings	17	86,756.24	89,393.16
Other financial liabilities	18	89,094.98	75,394.46
Non-financial liabilities			
Current tax liabilities (net)	32	428.06	-
Provisions	19	2,935.42	2,681.10
Other non-financial liabilities	20	3,375.95	2,613.94
Equity			
Equity share capital	21	2,094.00	2,267.69
Other equity		91,179.46	90,347.69
Non-controlling interest		241.11	164.29
Total liabilities and equity		**3,31,486.34**	**2,94,249.89**

The accompanying notes form an integral part of the Consolidated financial statements. 1-44

In terms of our report of even date attached

For R. Gopal & Associates
Chartered Accountants
Firm Registration No. : 000846C

Vikash Aggarwal
Partner
Membership No. : 519574

Place: New Delhi
Date: May 18, 2023

For and on behalf of the Board

S.C. Aggarwal
Chairman & Managing Director
DIN: 00003267

Mahesh C. Gupta
Vice-Chairman & Managing Director
DIN: 00003082

Ajay Garg
Director & CFO
DIN: 00003166

Vinod Kumar Jamar
President & Group CFO

Suman Kumar
Company Secretary

SMC GLOBAL SECURITIES LIMITED

Consolidated Statement of Profit and Loss

₹ in Lakhs

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from operations			
Fee and commission income	22	77,513.72	66,818.80
Interest income	23	25,614.20	19,847.77
Rental income		11.41	-
Dividend income		108.01	630.05
Net gain on proprietary trading		16,506.32	19,102.37
Net gain on fair value changes	24	1,893.93	5,084.62
Total revenue from operations		**1,21,647.59**	**1,11,693.61**
Other income	25	408.13	388.47
Total income		**1,22,075.71**	**1,12,082.08**
Expenses			
Fees and commission expenses	26	58,965.82	53,068.78
Employee benefits expenses	27	26,051.71	20,572.22
Finance cost	28	8,012.71	5,752.38
Depreciation and amortisation	29	2,269.41	2,011.60
Impairment on financial instruments	30	640.01	1,616.57
Other expenses	31	10,030.52	6,880.99
Total expenses		**1,05,880.20**	**89,942.54**
Profit before share of profit/(loss) of joint venture and tax		**16,195.52**	**22,139.54**
Share in profit/(loss) in joint venture		0.14	(0.96)
Profit before tax		**16,195.66**	**22,138.58**
Tax expense:			
Current tax	32	5,183.20	3,734.90
Deferred tax	32	(1,027.16)	946.83
Total tax expense		**4,156.04**	**4,681.73**
Profit after tax		**12,039.62**	**17,456.85**
Other comprehensive income (OCI)			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit liability / asset		63.60	13.95
Tax effect of items that will not be reclassified subsequently to profit and loss		(8.26)	(3.36)
Items that may be reclassified subsequently to profit or loss			
Exchange difference on translation of foreign operations		448.54	154.68
Total other comprehensive income (net of tax)		**502.88**	**165.27**
Total comprehensive income for the year (comprising profit and other comprehensive income for the year)		**12,542.50**	**17,622.12**
Profit attributable to:			
Owners of the equity		12,005.47	17,437.63
Non controlling interest		34.15	19.22
Total comprehensive income attributable to:			
Owners of the equity		12,509.75	17,602.16
Non controlling interest		32.75	19.96
Earnings per equity share (Face value ₹ 2)			
Basic & Diluted (in ₹)	33	11.25	15.43

The accompanying notes form an integral part of the Consolidated financial statements. 1-64

In terms of our report of even date attached
For R. Gopal & Associates
Chartered Accountants
Firm Registration No. : 000846C

Vikash Aggarwal
Partner
Membership No. : 519574

Place: New Delhi
Date: May 13, 2023

For and on behalf of the Board

S.C. Aggarwal
Chairman &
Managing Director
DIN: 00003267

Mahesh C. Gupta
Vice-Chairman &
Managing Director
DIN: 00003082

Ajay Garg
Director & CEO
DIN: 00003166

Vinod Kumar Jamar
President & Group CFO

Suman Kumar
Company Secretary

SMC GLOBAL SECURITIES LIMITED
Consolidated statement of changes in equity

A. Equity share capital (Refer note 11)

₹ in Lakhs

Particulars	Balance as at April 1, 2021	Changes in equity share capital due to prior period errors	Restated balance as on April 1, 2021	Changes in equity share capital during the period	Balance as at March 31, 2022
Equity share capital	2,262.69	-	-	-	2,262.69

₹ in Lakhs

Particulars	Balance as at April 1, 2022	Changes in equity share capital due to prior period errors	Restated balance as on April 1, 2022	Changes in equity share capital during the period	Balance as at March 31, 2023
Equity share capital	2,262.69	-	-	(168.69)	2,094.00

B. Other equity

₹ in Lakhs

Particulars	Reserves & surplus							Other comprehensive income		Total	Non Controlling Interest
	Securities premium reserve	Retained earnings	General reserve	Capital Redemption Reserve	Capital reserve	Debenture redemption reserve	Reserve Fund u/s 45-IC of RBI act 1934	Remeasurement of the net defined benefit liability / asset	Exchange differences on translation of foreign operations		
Balance as at April 1, 2021	34,448.91	22,997.09	7,914.04	-	1,045.71	1,888.00	2,650.19	348.82	55.11	75,008.22	562.19
Changes in equity for the year ended March 31, 2022											
Profit for the year	-	17,417.63	-	-	-	-	-	-	-	17,417.63	19.22
Other comprehensive income for the year	-	-	-	-	-	-	-	9.85	254.68	264.53	0.74
Total comprehensive income for the year	-	17,417.63	-	-	-	-	-	9.85	254.68	17,682.16	19.96
Transactions with owners in their capacity as owners :											
Transfers during the year	-	(4,132.47)	-	-	-	4,000.00	132.47	-	-	-	-
Transfer to general reserves	-	-	7,000.00	-	-	(7,000.00)	-	-	-	-	-
Payment of dividend	-	(2,262.69)	-	-	-	-	-	-	-	(2,262.69)	(19.00)
Balance as at March 31, 2022	34,448.91	33,361.86	10,914.04	-	1,045.71	2,888.00	2,782.66	358.67	309.79	90,427.69	563.29
Balance as at April 1, 2022	34,448.91	33,361.86	10,914.04	-	1,045.71	2,888.00	2,782.66	358.67	309.79	90,347.69	563.29
Changes in equity for the year ended March 31, 2023											
Profit for the year	-	12,089.47	-	-	-	-	-	-	-	12,089.47	31.25
Other comprehensive income for the year	-	-	-	-	-	-	-	95.71	448.54	544.26	(1.47)
Total comprehensive income for the year	-	12,089.47	-	-	-	-	-	95.71	448.54	12,633.73	29.78
Transactions with owners in their capacity as owners :											
Adjustment for changes in ownership interest without loss of control (refer note no. 1.05)	-	(14.07)	-	-	-	-	-	-	-	(14.07)	117.77
Adjustment for Capital Reduction in Subsidiary	-	-	-	-	-	-	-	-	-	-	(93.70)
On Buyback of Shares	(9,015.57)	-	-	-	-	-	-	-	-	(9,015.57)	-
Transfer to CRR on buyback of shares	(168.69)	-	-	168.69	-	-	-	-	-	-	-
Refund of Excess Dividend	-	6.16	-	-	-	-	-	-	-	6.16	-
Distribution Tax paid	-	-	-	-	-	-	-	-	-	-	-
Payment of dividend	-	(2,599.70)	-	-	-	-	-	-	-	(2,599.70)	(19.00)
Balance as at March 31, 2023	25,264.65	42,843.72	10,914.04	168.69	1,045.71	2,888.00	2,782.66	454.38	758.33	91,159.86	241.13

Nature and purpose of reserves :

(A) Securities premium reserve
Securities premium is used to record the premium received on issue of shares. The reserve can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.

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

(C) 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 however, the same is not required to be created under Companies Act, 2013. This reserve can be utilised only in accordance with the specified requirements of Companies Act, 2013.

(D) Capital reserve
Capital reserve is created out of capital profits and can not be used for the distribution of profits and dividend.

(E) Capital redemption reserve
The Companies Act, 2013 requires that when a Company purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve. The reserve is utilised in accordance with the provisions of Section 69 of the Companies Act, 2013.

(F) Debenture redemption reserve
The debenture redemption reserve is created to be utilised towards redemption of debentures issued by the Group listed at 'C' in note no. 1.05. The reserve will be utilised in accordance with provisions of the Companies Act, 2013.

(G) Reserve fund u/s 45-IC of RBI act 1934
As required by section 45-IC of the RBI Act 1934, the company listed at 'C' in note no. 1.05 is required to maintain a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the statement of profit and loss and before any dividend is declared. The company cannot appropriate any sum from the reserve fund except for the purpose specified by Reserve Bank of India from time to time. Till date, RBI has not specified any purpose for appropriation of reserve fund maintained under section 45-IC of RBI Act, 1934.

In terms of our report of even date attached
For R. Gopal & Associates
Chartered Accountants
Firm Registration No. : 000846C

Utkarsh Aggarwal
Partner
Membership No. : 519514

Place: New Delhi
Date: May 18, 2023

For and on behalf of the Board

S.C. Aggarwal
Chairman &
Managing Director
DIN: 00003267

Mahesh C. Gupta
Vice-Chairman &
Managing Director
DIN: 00003082

Ajay Garg
Director & CEO
DIN: 00003161

Sonal Kapil Dalal
President & Group CFO

Suman Kumar
Company Secretary

SMC GLOBAL SECURITIES LIMITED
Consolidated statement of cash flows

₹ in Lakhs

Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
Cash flow from operating activities:			
Profit after tax		12,039.62	17,456.85
Adjustments to reconcile net profit to net cash provided by operating activities:			
Tax expense		4,156.04	4,681.73
Depreciation and amortization		2,269.41	2,011.60
Interest expense		8,932.73	5,752.38
Dividend income		(3.03)	(0.27)
(Gain) / loss on modification of lease		(1.08)	(31.94)
Interest income other than from financing business		(13.78)	(134.73)
Allowance for impairment of trade receivables		640.01	1,616.57
Change in investment in joint venture		(0.14)	20.96
Net loss/(profit) on derecognition of property, plant and equipment		(75.64)	(2.64)
Exchange difference on conversion of foreign currency monetary items		(43.10)	(4.94)
Operating profit before working capital changes		**27,901.04**	**31,365.57**
Changes in assets and liabilities			
Other bank balances		(23,776.12)	(13,638.50)
Trade receivables		(4,172.69)	(10,086.74)
Other receivables		(905.65)	(157.18)
Loans		(30,298.12)	(12,981.13)
Assets acquired against loan portfolio		(15.83)	(160.00)
Investments		11,359.27	(5,365.69)
Inventories		2,928.63	(2,133.80)
Other financial assets		4,118.20	(1,867.43)
Other non-financial assets		(738.49)	(339.15)
Trade payables		(23,681.87)	22,653.03
Other financial liabilities		13,700.53	17,591.98
Other non-financial liabilities		762.01	954.08
Provisions		316.92	350.52
Cash generated from / (used in) operations		**(22,503.17)**	**26,185.56**
Income taxes paid (net of refund)		(4,012.73)	(5,299.57)
Net cash generated from / (used in) operating activities	**(A)**	**(26,515.91)**	**20,885.99**
Cash flow from investing activities:			
Expenditure on Property, Plant and Equipments		(3,032.45)	(6,189.05)
Expenditure on Intangible assets		(204.21)	(206.20)
Sale proceeds on property, plant and equipments		135.01	10.09
Interest received		13.78	134.73
Dividend received		3.03	0.35
Net cash generating from / (used in) investing activities	**(B)**	**(3,084.84)**	**(6,250.08)**
Cash flow from financing activities:			
Payment of dividends		(2,598.70)	(2,257.98)
Payment of interest		(8,502.12)	(5,531.71)
Repayment of lease liabilities		(1,276.26)	(1,143.99)
Proceeds from term loan		40,653.57	24,220.58
Repayment of term loan		(16,099.35)	(7,838.33)
Proceeds / (repayment) from loan repayable on demand (net)		20,808.90	(16,628.53)
Proceeds from sale of investment of Subsidiary without loss of control		113.70	-
Buyback of Shares		(3,242.06)	-
Repayment of debt securities		(653.64)	(805.48)
Refund of Dividend distribution tax excess paid		6.16	-
Net cash generating from / (used in) financing activities	**(C)**	**23,212.20**	**(9,985.46)**
Net increase / (decrease) in cash and cash equivalents	**(A+B+C)**	**(6,388.55)**	**4,650.45**
Effect of change in exchange rate on foreign operations and foreign currency monetary items		491.64	159.62
Adjustment on account of change in non controlling interest		(83.70)	0.74
Cash and cash equivalents at the beginning of the year		9,224.56	4,413.75
Cash and cash equivalents at the end of the year (refer note 2)		**3,243.96**	**9,224.56**

SMC GLOBAL SECURITIES LIMITED
Consolidated statement of cash flows

Notes :

1. Changes in liabilities arising from financing activities

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
Opening balance	46,413.68	46,035.15
Addition during the year	61,504.26	24,220.58
Repayments during the year	(16,752.99)	(23,740.19)
Other adjustments	(41.79)	(101.86)
Closing Balance	91,123.16	46,413.68

2. The above statement of cash flows has been prepared under the "Indirect Method" as set out in Ind AS - 7 notified u/s 133 of the Companies Act, 2013.
3. Interest expense includes other borrowing cost.
4. Figures in brackets indicate cash outflow.
5. The significant accounting policies and notes to the financial statements (Refer note no. 1 - 44) form an integral part of the consolidated financial statements

In terms of our report of even date attached
For R. Gopal & Associates
Chartered Accountants
Firm Registration No.: 000846C

Vikash Aggarwal
Partner
Membership No. : 510574

Place: New Delhi
Date: May 18, 2023

For and on behalf of the Board

S.C. Aggarwal
Chairman &
Managing Director
DIN: 00003267

Mahesh C. Gupta
Vice-Chairman &
Managing Director
DIN: 00003082

Ajay Garg
Director & CEO
DIN: 00003166

Vinod Kumar Jamar
President & Group CFO

Suman Kumar
Company Secretary

SMC GLOBAL SECURITIES LIMITED
Notes to consolidated financial statements

1 Significant accounting policies and measurement basis

1.01 Group overview

SMC Global Securities Limited (CIN- L74899DL1994PLC063609) (the "Holding Company") together with its subsidiaries and joint venture (collectively, "the Group") offers its customers a wide range of services across different business segments. The Company's equity shares are listed and traded on National Stock Exchange ("NSE") and Bombay Stock Exchange ("BSE") in India with effect from Feburary 24, 2021.

The Group provides the following range of services:
Broking, distribution and trading services includes brokerage services (in equity, derivative, commodity and currency segments on various stock exchanges in India and abroad), clearing services, depository participant services, fund management, wealth management, distribution of financial products such as mutual funds and initial public offerings, fund management services, research support services, financing mortgage and loan advisory, real estate brokerage and investment banking services which advises middle class to high net worth individuals.
The Group also engages in proprietary transactions in equity securities, commodities, currencies and derivative. Such trading activities are entered primarily to capitalize on the pricing differences in equity, commodity and currency markets. These trades are executed in identical or similar financial instruments, on different markets or in different but analogous forms, such that the positions are generally hedged.
Financing business services offer a variety of loan products such as capital market loans, finance for onward retail lending, real estate loans (primarily to individuals, affiliated entities, commercial clients), consumer finance and medical equipment finance etc.
Insurance broking services comprises of providing services in life and non-life insurance products.
The Holding Company is a Limited Liability Company incorporated in the year 1994 and domiciled in India. The registered address of the company is 11/6B, Shanti Chamber, Pusa Road, New Delhi-110005.

The Holding Company is a trading member of the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") in the capital market and trading and clearing member of NSE, BSE, Metropolitan Stock Exchange of India Limited ("MSEI"), Multi Commodity Exchange ("MCX") and National Commodity & Derivatives Exchange Limited ("NCDEX") in the futures and options segment, currency derivative segment and commodity segment. The company also have depository participants registration of Central Depository Services (India) Limited and National Securities Depository Limited, participants of NCDEX Comtrack and AMFI registered mutual fund distributor. The company is regulated by Securities and Exchange Board of India ("SEBI").

1.02 Statement of compliance

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

1.03 Basis of preparation

These Consolidated financial statements are prepared under the historical cost convention on the accrual basis except for certain assets and liabilities which are measured at fair value / amortised cost / transaction price as stated in respective accounting policies / notes.
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.

Functional and presentation currency
These financial statements are presented in Indian Rupees ('INR' or 'Rs.') which is also the Company's functional currency. All amounts are rounded-off to the nearest lakhs, unless indicated otherwise.

1.04 Principles of consolidation

(a) The financial statements of the Holding Company and its subsidiaries are combined on a line by line basis by adding together sums of like nature, comprising assets, liabilities, income and expenses (including taxes) and after fully eliminating intra-group balances/ transactions.

(b) Profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant and equipment are eliminated in full.

(c) In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in other comprehensive income (OCI).

(d) Subsidiaries are consolidated from the date on which effective control is transferred to the Group and are no longer consolidated from the date of disposal.

(e) The Company's cost of its investment in its subsidiaries has been eliminated against the Company's portion of equity of each subsidiary as on the date of investment in that subsidiary. The resulting surplus is recognised as 'Goodwill' or 'Capital Reserve', as the case may be.

(f) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

(g) Investment in joint venture has been accounted under equity method as per Ind AS 28 - Investments in joint ventures and associates.

(h) Non controlling interest's share of profit/loss of consolidated subsidiaries for the years identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the company.

(i) Non controlling interest's share of net assets of consolidated subsidiaries is identified and presented in consolidated balance sheet.

1.05 The consolidated financial statements comprise the financial statements of the company, its subsidiaries and joint venture consolidated in accordance with Ind AS 110 and Ind AS 28, which have been listed as below :

Name of subsidiaries / joint venture	Country of Incorporation	As at March 31, 2023	As at March 31, 2022
Subsidiaries of SMC Global Securities Limited			
a. SMC Comtrade Limited	India	100%	100%
b. SMC Investments and Advisors Limited	India	100%	100%
c. Moneywise Financial Services Private Limited	India	100%	100%
d. SMC Capitals Limited	India	100%	100%
e. SMC Insurance Brokers Private Limited*	India	90.00%	97.58%
f. SMC Comex International DMCC	UAE	100%	100%
g. Moneywise Finvest Limited	India	100%	100%
h. SMC Global USA Inc.	USA	50%	50%
i. SMC Global IFSC Private Limited	India	100%	100%
j. SMC Real Estate Advisors Private Limited	India	100%	100%
Joint venture of SMC Investments and Advisors Limited			
k. SMC & IVI Capitals Investment Manager LLP	India	50%	50%

*The company has sold equity shares equivalent to 7.58% during the year to non-controlling interest without loss of control.

SMC Comtrade Limited is engaged in business of bullion trading.

SMC Investments and Advisors Limited is engaged in the business of mortgage advisory services.

Moneywise Financial Services Private Limited is registered as Systematically Important Non-Deposit taking Non- Banking Financial Company with Reserve Bank of India ("RBI").

SMC Capitals Limited is registered as Category I Merchant Banker with Securities and Exchange Board of India ("SEBI").

SMC Insurance Brokers Private Limited holds direct insurance broking license from Insurance & Regulatory Development Authority of India ("IRDAI") in the life and non-life insurance.

SMC Comex International, DMCC is a trading and clearing member of Dubai Gold Commodity Exchange ("DGCX").

Moneywise Finvest Limited is a trading and self clearing member of the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") in the capital market and trading member of NSE and BSE in future and option segment and currency derivative segment. Also the company is a trading member of Multi Commodity Exchange of India Limited ("MCX") in commodity segment and having AMFI registered mutual fund distributor. The company is regulated by the Securities and Exchange Board of India ("SEBI").

SMC Global IFSC Private Limited is carrying on the business as IFSC (International Financial Service Centre) Unit in accordance with the Securities Exchange Board of India (IFSC) Guidelines, 2015 to provide financial services in International Financial Services Centre, GIFT SEZ, Gandhinagar, Gujarat.

SMC Real Estate Advisors Private Limited is engaged into real estate broking services and governed by Real Estate (Regulation and Development) Act, 2016 ("RERA").

1.06 **Use of estimates**

The preparation of the financial statements in conformity with Ind AS 8, requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the year in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.07 **Revenue recognition**

The group derives it's revenue primarily from the brokerage services, clearing services, depository services, distribution of financial products such as mutual fund and initial public offerings, proprietary trading, fund management services, research support services, management and consultancy and interest income from financing business. The group follows Ind AS 115 Revenue from Contract with Customer, which prescribed the core principle to recognise revenue. This core principle is delivered in a five-step model framework:

(a) Identify the contract(s) with a customer.

(b) Identify the performance obligations in the contract.

(c) Determine the transaction price.

(d) Allocate the transaction price to the performance obligations in the contract.

(e) Recognise revenue when (or as) the entity satisfies a performance obligation.

Based on the above principle the group recognise the revenue as follows:

(i) **Broking:** In these types of contract performance obligation is to provide the platform to traders for trading in securities, commodities and the performance obligation satisfies point in time i.e. as and when the trade is executed. In real estate broking, the performance obligation is satisfied as and when the property is booked by the customer and a minimum threshold amount specified in the agreement is paid to the developer. The revenue is recorded when the threshold limit is achieved and the same is confirmed by the developer. In insurance broking, the performance obligation satisfies as and when the policy is logged in/placed in case of general insurance and on Weighted Received Premium ('WRP') basis in case of life insurance. Unbilled revenue regarding insurance broking is the income that has become due on account of policy issued by the company but pending to be billed. Further it makes provision for contractual liabilities for cancellation of Life Insurance business on the basis of past trend of business cancellation owing to the very peculiar nature of Life Insurance business and is netted off from revenue.

(ii) **Distribution of third party financial products:** In these types of contract performance obligation is to sell the third party financial products to the subscriber and the performance obligation satisfies point in time i.e. as and when subscription is ensured and target based incentives are confirmed by registrar / respective companies. Unbilled revenue is the income that has become due on account of services rendered by the Group but pending to be billed.

(iii) **Depository:** In these types of contract performance obligation is periodic maintenance of customer account as depository participant and the performance obligation satisfies over time i.e. over the period and there is reasonable certainty of recovery.

(iv) **Proprietary trading:** Ind AS 115 Revenue from Contract with Customer is not applicable on this business and hence the revenue is recognised as per Ind AS 109 Financial Instruments i.e. as and when trade is executed.

(v) **Fund management services:** In these types of contracts the performance obligation satisfies over time i.e. the services are rendered on continuous basis and the revenue is recognised on periodical basis and also considering performance based criteria of fund (as applicable).

(vi) **Management and consultancy:** Revenue from management & advisory services is accounted for when the rendering of service under a contract is completed or substantially completed.

(vii) **Interest income:** Interest income on a financial asset at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ('EIR'). The EIR is the rate that exactly discounts estimated future cash flows of the financial assets through the expected life of the financial asset or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The internal rate of return on financial assets after netting off the fees received and cost incurred approximates the effective interest rate method of return for the financial asset. The future cash flows are estimated taking into account all the contractual terms of the instrument.
The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for ECLs).
It also comprises of interest on delayed payment/margin trading facility.

(viii) **Commodity trading:** In these types of contracts the performance obligation satisfies in time i.e. when the sale is executed or ownership is transferred. Accordingly the revenue is recognised on whenever the transaction is executed.

(ix) **Dividend:** Dividend income is recognised when the shareholders right to receive payment is established.

(x) **Research support services:** In these types of contract performance obligation is periodic input to participants on the basis of capital market analysis and the performance obligation satisfies over time i.e. over the period.

(xi) **Incentives from exchange:** Incentives from exchange are recognised on point in time basis.

1.08 **Property, plant and equipment**

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Cost includes taxes, duties, identifiable direct expenses, expense on installation and net of applicable GST credit thereon. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. The Group depreciates property, plant and equipment over their estimated useful lives on written down value method. The estimated useful lives of assets are as follows:

Office Building	60	years
Computer equipment	3-6	years
Office equipment	5	years
Furniture and fixtures	10	years
Vehicles	8-10	years
Medical Equipments	13	years

The useful lives for these assets is in compliance with the useful lives as indicated under Part C of Schedule II of the Companies Act, 2013. Depreciation methods, useful lives and residual values are reviewed at each year end.

Addition to the, property plant and equipment have been accounted for on the date of installation and only when the item is in location and condition necessary for its use irrespective of date of invoice. Depreciation on asset added/sold/discarded during the year is being provided on prorata basis from / upto the date on which such assets are added/sold/discarded.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non financial assets and the assets not ready for use are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance costs are recognised in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale and the resultant gains or losses are recognised in profit or loss. Assets classified as held for sale are reported at the lower of the carrying value and the fair value less cost to sell.

1.09 **Intangible assets**

Intangible assets are stated at cost less accumulated amortization and impairment, if any. Cost includes taxes, duties, identifiable direct expenses, expense on installation and net of GST credit thereon. Intangible assets are amortized on a written down value basis, from the date that they are available for use. The rates used are as follows :

Computer software	40%
Trade mark logo	40%

1.10 **Impairment of property, plant and equipment, intangible assets and right of use assets**

At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment, intangible assets and right of use assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash flows are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash generating Units ('CGUs'). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

1.11 **Inventories**

The Group mainly has inventory of commodities (agri and non-agri), which is held for the purpose of trading. The Group measures inventories at fair value less cost to sell.

1.12 **Income tax**

The income tax expense comprises of current and deferred tax. Tax on item recognised in profit or loss is recognised in profit or loss and for items recognised in other comprehensive income or equity, the corresponding tax is recognised tax is recognised in other comprehensive income or equity respectively.

The current tax is calculated on the basis of the tax rates, laws and regulations, which have been enacted or substantively enacted as at the reporting date. The payment made in excess / (shortfall) of the Group's income tax obligation for the year are recognised in the balance sheet as current income tax assets / liabilities.

Deferred tax is recognised based on the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax is determined using tax rates that have been enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with asset will be realised.

1.13 Investment in joint venture

Investment in joint venture is under equity method.

1.14 Financial instruments

(a) Initial recognition

The group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognised at fair value on initial recognition, except for trade receivables which are initially measured at transaction price.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to or subtracted from the fair value of financial asset or financial liabilities on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in Statement of profit and loss.

(b) Subsequent measurement

(i) Financial assets at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Advances, security deposits, rental deposits, cash and cash equivalents etc. are classified for measurement at amortised cost.

(ii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss. All investment held for trading, derivative financial instruments are valued at fair value through profit and loss.

(iii) Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method, except for contingent consideration recognised in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(c) Derecognition of financial instruments

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognised from the group's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

(d) Impairment

The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in statement of profit and loss.

When determining whether credit risk of a financial asset has increased significantly since initial recognition an when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, including on historical experience and forward-looking information.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.





1.15 Foreign currency translations

The functional and presentation currency of the Company is Indian Rupee. However there are certain companies in the group which have USD as their functional currency.

Transactions in foreign currency are accounted for at the exchange rate prevailing on the transaction date. Gains / losses arising on settlement as also on translation of monetary items are recognised in the statement of profit and loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Translation difference on conversion of foreign operations is recognised in the other comprehensive income.

1.16 Employee benefits

(a) Defined contribution plans

Obligations for contributions to defined contribution plans (provident fund and employees state insurance) are recognized as a employee benefit expense in statement of profit or loss in the years during which services are rendered by employees.

(b) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's gratuity scheme is a defined benefit plan and in accordance with Payment of Gratuity Act, 1972. As per the plan, employee is entitled to get 15 days of basic salary for each completed year of service with a condition of minimum tenure of 5 years subject to a maximum amount of INR 20.00 lakhs. Gratuity liability is a defined obligation and is non-funded except in case of the holding company where it is partly funded.

The calculation of defined benefit obligations are performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements. Defined benefit obligation (DBO) is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in OCI. The group determines the net interest expense (income) on the net defined benefit liability (asset) for the year by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual year to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the year as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in employee benefits expenses in statement of profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in statement of profit or loss.

(c) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(d) Other long-term employee benefits

Liability for long service leave

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior years. That benefit is discounted to determine its present value. Remeasurements are recognised in statement of profit or loss in the year in which they arise. Un-availed leave liability is a defined obligation and is not funded. The valuation of the long service leave are obtained from actuary.

1.17 Leases

The Group account for the leases in accordance with Ind AS 116 Leases.

The Group enters into hiring/service arrangements for various assets/services. The group evaluates whether a contract contains a lease or not, in accordance with the principles of Ind AS 116. This requires significant judgements including but not limited to, whether asset is implicitly identified, substantive substitution rights available with the supplier, decision making rights with respect to how the underlying asset will be used, economic substance of the arrangement, etc.

As a lessee, the group has measured lease liability at the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. After the commencement date / transition date, the group measures the right-of-use asset applying a cost model, whereas the group measures the right-of-use asset at cost:

(a) less any accumulated depreciation and any accumulated impairment losses; and
(b) adjusted for any remeasurement of the lease liability

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The group recognises the finance charges on lease expense on reducing balance of lease liability. The Lease asset is depreciated over the lease term on straight line basis.

The group applies the above policy to all leases except:

(a) leases for which the lease term (as defined in Ind AS 116) ends within 12 months of the acquisition date;

(b) leases for which the underlying asset is of low value.

As a lessor the Group identifies leases as operating and finance lease. A lease is classified as a finance lease if the Group transfers substantially all the risks and rewards incidental to ownership of an underlying asset.

At the commencement date, the group recognises assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease. After the initial recognition the group recognises finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

For Operating leases as a lessor the Group recognises lease payments from/for operating leases as income/expense on straight-line basis.

1.18 Borrowing costs

Borrowing costs that are attributable to acquisition, construction or production of qualifying assets, are capitalized as part of the cost of such qualifying assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for intended use. All other borrowing costs are charged to the statement of profit and loss. Expenses related to borrowing cost are accounted using effective interest rate.

1.19 Assets held for sale

Assets held for sale are carried on balance sheet at the lower of carrying amount and fair value less cost to sell and no depreciation is charged on them as per Ind AS 105.

1.20 Cash and cash equivalents

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

Bank deposits having maturity more than 12 months have been classified as other bank balances.

1.21 Provision, contingent liabilities and contingent assets

Provisions are recognized only when there is a present obligation, as a result of past events and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

(a) Possible obligations which will be confirmed only by future events not wholly within the control of the Group or

(b) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are disclosed where an inflow of economic benefit is probable.

1.22 Statement of cash flows

Cash flows are reported using the indirect method where by the profit after tax is adjusted for the effect of the transactions of a non-cash nature, any deferrals or accruals of past and future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the group are segregated.

1.23 Dividend

The Group recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the board for interim dividend and by the shareholders in case of final dividend. A corresponding amount is recognised directly in equity.

1.24 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. The weighted-average number of equity shares outstanding during the year is adjusted for events including a bonus issue.
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.

1.25 Standards issued but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 vide notification no. G.S.R 242(E) dated 31st March 2023. Given below are the amendment made to Ind AS 1, Ind AS 8, Ind AS 12 in brief and their possible impact on the financial statements of the Group. Rest of the amendments are consequential in nature and have no material impact on the financial statements:

Ind AS 1 – Presentation of Financial Statements:
Disclosure of Accounting Policies, amended paragraphs 7, 10, 11A, 117 and 122, added paragraphs 117A–117E and deleted paragraphs 118, 119 and 121. The amendments to Ind AS 1 are applicable for annual reporting periods beginning on or after 1 April 2023.The amendment seeks to replace significant accounting policies with material accounting policy information and provides guidance on material accounting policy information. The amendments require complete review of existing disclosure of accounting policies and may involve redrafting, removing some of the accounting policies now being disclosed or adding new accounting policy disclosures. The Group is reviewing its accounting policy disclosure to change the same as per the amendments.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors:
Definition of Accounting Estimates amended paragraphs 5, 32, 34, 38 and 48 and added paragraphs 32A, 32B and 34A. These amendments are applicable for annual reporting periods beginning on or after 1 April 2023. The amendment replaces the definition of changes in accounting estimates with a new definition of accounting estimates and provides guidance on that definition, what are regarded as changes in accounting estimates and how to apply changes in accounting estimates. The amendments shall be applied to changes in accounting estimates and changes in accounting policies that occur on or after 1 April 2023. Therefore, the amendments have no impact on the financial position, financial performance or the cash flows of the entity in the current and previous year.

Ind AS 12– Income Tax:
Deferred Tax related to Assets and Liabilities arising from a Single Transaction, amended paragraphs 15, 22 and 24 and added paragraph 22A. The amendment clarifies that in case, where at the time of initial recognition, equal amount of taxable and deductible temporary differences arise, the initial recognition exemption does not apply and the Group shall recognise deferred tax liability and deferred tax asset on gross basis on that date of initial recognition depending on the applicable tax law. This happens typically when a lease liability and right-of-use asset is recognised initially or when decommissioning obligations are initially recognised and the same is added to the cost of the item of property, plant and equipment. If the application of this requirement results in unequal amount of deferred tax asset and deferred tax liability, the difference shall be recognised in profit or loss. These amendments are to be applied for annual reporting periods beginning on or after 1 April 2023 to transactions that occur on or after the beginning of 1 April 2022. The amendment also requires deferred tax assets and deferred tax liabilities to be recognised on 1 April 2022 based on the carrying amounts of the lease liability and right-of-use asset as on 1 April 2022 and recognise any difference in opening balance of retained earnings or another component of equity, where appropriate, if the Group has applied the initial recognition exemption requirements earlier or had recognised deferred tax assets and deferred tax liabilities on net basis. The same is also required for decommissioning obligations recognised initially and added to the cost of the item of property, plant and equipment. As the Group has recognised deferred tax assets and deferred tax liabilities on gross basis on lease liability and right-of use assets, the amendment has no impact of the financial statements. Further, the requirements relating to decommissioning obligations are not applicable to the Group.

2 **Cash and cash equivalents**

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
At amortised cost		
Cheques in hand	-	3.18
Cash in hand	26.09	22.42
Balances with banks		
In current accounts	3,217.87	9,198.96
Total cash and cash equivalents	**3,243.96**	**9,224.56**

3 **Other bank balances**

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
At amortised cost		
Deposit pledged with banks*	82,756.10	44,416.37
Deposit pledged with the clearing corporations and stock exchanges as margin	58,413.83	73,625.35
Deposit placed under lien with consumer court	2.12	2.12
Placed under lien with statutory authority	3.60	3.60
Deposit placed with pension fund regulatory and development authority	20.00	20.00
Deposit placed under arbitration	243.11	277.35
Fixed deposits having maturity more than 3 months	49.97	76.32
Earmarked balances (unpaid dividend account)	74.53	65.24
Interest accrued but not due	1,181.17	483.16
Total other bank balances	**1,42,746.43**	**1,18,970.31**

* Deposit pledged with bank as margin deposit for the guarantees issued of ₹ 1,19,986.00 lakhs and ₹ 80,380.00 lakhs as of March 31, 2023 and March 31, 2022, respectively, credit facilities or otherwise.

4 **Trade receivables**

₹ in Lakhs

Particulars		As at March 31, 2023	As at March 31, 2022
At amortised cost			
Secured considered good		30,089.21	26,152.28
Secured credit impaired		183.72	207.67
Less: Provision for impairment		(118.93)	(178.11)
	(A)	**30,083.99**	**26,181.84**
Unsecured considered good		2,071.51	2,937.76
Unsecured credit impaired		1,734.17	1,801.49
Less: Provision for impairment		(1,537.95)	(1,521.06)
	(B)	**2,267.73**	**3,218.19**
Unbilled revenue	(C)	5,031.21	4,450.72
Total trade receivables	**(A+B+C)**	**37,382.93**	**33,850.75**

Trade receivables ageing schedule as on March 31, 2023

₹ in Lakhs

Particulars	Outstanding for following periods from due date of payment / transaction					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed Trade receivables - considered good	32,038.64	20.64	3.66	1.83	25.94	32,090.71
Undisputed Trade receivables - considered credit impaired	143.41	71.37	121.63	125.55	642.49	1,104.68
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade receivables - considered credit	1.68	3.81	23.69	263.77	521.26	313.21
	32,183.74	**95.27**	**148.98**	**390.93**	**1,189.69**	**34,008.60**
Less: Provision for impairment						(1,656.88)
						32,351.72
Unbilled revenue						5,031.21
						37,382.93





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Trade receivables ageing schedule as on March 31, 2022

₹ in Lakhs

Particulars	Outstanding for following periods from due date of payment / transaction					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed Trade receivables - considered good	28,938.19	29.81	14.91	100.73	12.40	29,096.04
Undisputed Trade receivables - considered credit impaired	94.82	209.95	118.26	254.03	483.82	1,160.88
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade receivables - considered credit	7.63	30.93	227.59	41.08	551.06	848.28
	29,040.63	254.69	360.76	395.84	1,047.28	31,099.20
Less: Provision for impairment						(1,699.17)
						29,400.03
Unbilled revenue						4,450.22
						33,850.25

5 Other receivables

₹ in Lakhs

Particulars	As at	
	March 31, 2023	March 31, 2022
At amortised cost		
Other	1,676.26	772.72
	1,676.26	772.72
Less: Provision for impairment	(18.88)	(20.99)
Total other receivables	1,657.38	751.73

6 Loans

₹ in Lakhs

Particulars		As at	
		March 31, 2023	March 31, 2022
At amortised cost			
Secured			
Loans relating to financing business		44,415.91	32,784.94
Margin Trading Facility		18,638.08	8,908.14
Others		1,000.00	1,000.00
		64,053.99	42,693.08
Less: Provision for impairment		(992.71)	(780.49)
	(A)	63,061.27	41,912.59
Unsecured			
Carried at amortised cost			
Loans relating to financing business		45,550.26	36,251.75
Others		283.11	216.16
		45,833.37	36,467.41
Less: Provision for impairment		(617.93)	(402.40)
	(B)	45,215.44	36,065.01
Net loans	(A+B)	1,08,276.72	77,977.60
In India		1,08,200.91	77,906.08
Outside India		75.80	71.52

7 **Investments**

₹ in Lakhs

Particulars		As at March 31, 2023	As at March 31, 2022
Quoted			
Investments carried at fair value through profit and loss			
Held for trading			
Equity instruments		1,878.74	11,211.75
Debt instruments		647.45	799.24
	(A)	2,526.20	12,010.99
Other than held for trading			
Equity instruments		612.27	2,268.27
Equity instruments under portfolio management service		1,877.88	2,626.06
Mutual funds		172.15	-
Debt instruments		437.68	50.13
	(B)	3,099.98	4,944.46
Sub - Total	(A+B=C)	5,626.18	16,955.45
Unquoted			
Investments carried under equity method			
Investment in joint venture (partnership firm)		37.94	67.80
	(D)	37.94	67.80
Investments carried at fair value through profit and loss			
Equity instruments		35.54	35.54
	(E)	35.54	35.54
Sub - Total	(D+E=F)	73.48	103.34
Total investments	(C+F)	5,699.66	17,058.79
In India		5,699.66	17,058.79
Outside India		-	-

8 **Other financial assets**

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Derivative financial instruments	5,540.19	7,150.95
Security deposits	2,787.76	5,295.21
	8,327.96	12,446.16
Less : Provision for impairment	(18.00)	(18.00)
Total other financial assets	8,309.96	12,428.16
Financial asset carried at fair value through profit and loss	5,540.19	7,150.95
Financial asset carried at amortized cost	2,769.76	5,277.21

9 **Inventories**

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Commodities (Held for Trading)	523.23	3,451.86
Total inventories	523.23	3,451.86

10 **Assets held for sale**

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Residential Properties	416.59	400.76
Total assets held for sale	416.59	400.76
In India	416.59	400.76
Outside India	-	-

The Group classifies an asset as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The Group accounts for a non-financial assets classified as held for sale at the lower of its carrying amount and fair value less costs to sell.

One of the subsidiary company namely, Moneywise Financial Services Private Limited, has acquired certain residential properties in the process of recovery from the borrowers, those property are not used in business and held for sale in the future course of action. The management is taking appropriate actions to find the right buyer for the sale of properties.

11 Property, plant and equipment

₹ in Lakhs

Particular	Medical Equipments*	Office Building	Computer equipments	Office equipments	Furniture and fixtures	Vehicles	Freehold Land	Total
Opening gross carrying value as at April 1, 2021	-	2,353.47	3,856.28	1,044.85	2,318.83	782.64	-	10,356.02
Additions during the year	-	-	695.15	86.87	45.36	183.47	5,178.26	6,189.04
Deletions during the year	-	-	(187.43)	(100.66)	(86.79)	(17.42)	-	(392.27)
Translation difference	-	6.91	6.99	0.73	2.08	-	-	16.71
Closing gross carrying value as at March 31, 2022	-	**2,360.38**	**4,370.97**	**1,031.74**	**2,279.51**	**948.69**	**5,178.26**	**16,169.50**
Opening gross carrying value as at April 1, 2022	-	2,360.38	4,370.97	1,031.74	2,279.51	948.69	5,178.26	16,169.50
Additions during the year	166.44	315.46	564.63	158.53	144.88	674.32	-	2,222.26
Deletions during the year	-	(56.71)	(206.07)	(41.15)	(148.40)	(57.29)	-	(509.62)
Translation difference	-	20.38	27.84	2.86	7.34	-	-	58.53
Closing gross carrying value as at March 31, 2023	**166.44**	**2,639.47**	**5,157.37**	**1,150.18**	**2,283.33**	**1,565.62**	**5,178.26**	**17,940.67**
Opening accumulated depreciation as at April 1, 2021	-	720.78	3,377.30	934.30	2,094.90	557.36	-	7,674.70
Depreciation for the year	-	115.81	564.66	88.15	90.61	106.08	-	965.29
Accumulated depreciation on deletions	-	-	(180.39)	(98.98)	(82.84)	(17.26)	-	(379.47)
Translation difference	-	2.20	6.72	0.66	1.76	-	-	11.34
Closing accumulated depreciation as at March 31, 2022	-	**838.79**	**3,768.29**	**924.13**	**2,094.43**	**646.16**	-	**8,269.86**
Opening accumulated depreciation as at April 1, 2022	-	838.79	3,768.29	924.13	2,094.43	646.16	-	8,269.86
Depreciation for the year	0.14	339.86	656.88	103.68	89.52	156.07	-	1,126.06
Accumulated depreciation on deletions	-	(24.79)	(204.65)	(37.88)	(146.43)	(36.26)	-	(449.94)
Translation difference	-	7.96	27.40	2.77	6.89	-	-	45.02
Closing accumulated depreciation as at March 31, 2023	**0.14**	**931.92**	**4,219.58**	**989.93**	**2,037.52**	**766.08**	-	**8,990.99**
Carrying value as at March 31, 2022	-	**1,521.59**	**602.68**	**107.61**	**185.08**	**302.54**	**5,178.26**	**7,899.64**
Carrying value as at March 31, 2023	**166.30**	**1,707.55**	**937.79**	**160.25**	**245.81**	**798.75**	**5,178.26**	**8,949.68**

*One of the subsidiary company, Moneywise Financial Services Private Limited has given medical equipments on lease.

11.1 Capital Work in Progress

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Capital Work in Progress	893.49	-
Closing balance	**893.49**	-

12 Right of use asset

₹ in Lakhs

Particulars	Lease hold assets	Total
Opening gross carrying value as at April 1, 2021	4,962.94	4,962.94
Additions during the year	785.00	785.00
Termination during the year	(39.68)	(39.68)
Closing gross carrying value as at March 31, 2022	**5,708.26**	**5,708.26**
Opening gross carrying value as at April 1, 2022	5,708.26	5,708.26
Additions during the year	1,359.45	1,359.45
Termination during the year	(91.68)	(91.68)
Closing gross carrying value as at March 31, 2023	**6,976.03**	**6,976.03**
Opening accumulated depreciation as at April 1, 2021	1,458.36	1,458.36
Depreciation for the year	961.67	961.67
Accumulated depreciation on termination	(15.18)	(15.18)
Closing accumulated depreciation as at March 31, 2022	**2,404.85**	**2,404.85**
Opening accumulated depreciation as at April 1, 2022	2,404.85	2,404.85
Depreciation for the year	1,042.81	1,042.81
Accumulated depreciation on termination	(22.17)	(22.17)
Closing accumulated depreciation as at March 31, 2023	**3,425.49**	**3,425.49**
Carrying value as at March 31, 2022	**3,303.41**	**3,303.41**
Carrying value as at March 31, 2023	**3,550.54**	**3,550.54**

12.1 Detail of lease liability

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	3,291.47	3,384.40
Addition during the year	1,359.45	785.00
Termination during the year	(65.48)	(24.52)
Finance charges on lease	430.61	322.51
Write back during the year	(26.82)	(31.94)
Repayment during the year	(1,373.75)	(1,143.98)
Closing balance	**3,615.48**	**3,291.47**
Interest rate used for capitalisation	9.66%	9.66%

Maturity analysis of lease liabilities

₹ in Lakhs

Particulars	Carrying amount	1-90 days	91-180 days	181-365 days	1-2 years	2-5 years	More than 5 years
As at March 31, 2023	3,615.48	328.45	336.26	653.48	1,228.92	1,818.34	1,027.23
As at March 31, 2022	3,291.47	283.33	300.21	607.80	1,197.17	1,543.23	1,061.66

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13 Other intangible assets

₹ in Lakhs

Particular	Computer software	Trademark logo	Total
Opening gross carrying value as at April 1, 2021	1,130.36	0.54	1,130.90
Additions during the year	93.92	0.09	94.01
Deletions during the year	(2.59)	-	(2.59)
Translation difference	0.29	-	0.29
Closing gross carrying value as at March 31, 2022	**1,221.99**	**0.63**	**1,222.62**
Opening gross carrying value as at April 1, 2022	1,221.99	0.63	1,222.62
Additions during the year	212.18	0.27	212.45
Deletions during the year	(8.21)	-	(8.21)
Translation difference	1.24	-	1.24
Closing gross carrying value as at March 31, 2023	**1,427.15**	**0.90**	**1,428.09**
Opening accumulated amortisation as at April 1, 2021	962.14	0.30	962.44
Amortization for the year	86.62	0.13	86.64
Accumulated amortization on deletion	(2.57)	-	(2.57)
Translation difference	0.28	-	0.28
Closing accumulated amortization as at March 31, 2022	**1,046.37**	**0.43**	**1,046.80**
Opening accumulated amortization as at April 1, 2022	1,046.37	0.43	1,046.80
Amortization for the year	100.03	0.13	100.16
Accumulated amortization on deletion	(8.21)	-	(8.21)
Translation difference	1.72	-	1.72
Closing accumulated amortization as at March 31, 2023	**1,139.90**	**0.56**	**1,140.46**
Carrying value as at March 31, 2022	**175.62**	**0.20**	**175.82**
Carrying value as at March 31, 2023	**287.39**	**0.34**	**287.73**

13.1 Intangible assets under development

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Intangible assets under development	109.75	117.99
Total intangible assets under development	**109.75**	**117.99**

IND AS 101 gives option to choose from fair value as its deemed cost or carrying value in the previous gaap as deemed cost, on the date of transition to Ind AS for property, plant & equipment and intangible assets, accordingly the company has taken the carrying value in the previous gaap as deemed cost.

14 Other non-financial assets

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Capital advances	328.87	350.97
Prepaid expenses	2,089.56	1,644.85
Balances with government authorities and other taxes receivable	608.94	521.19
Advance payment to vendors for supply of goods	458.37	234.88
Others	9.69	5.05
Total other non financial assets	**3,495.43**	**2,756.94**

15 Trade Payable

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises	17.15	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Trade payables - Clients	33,141.78	64,485.93
Trade payables - Expenses	14,239.78	6,594.65
Total trade payable	**47,398.70**	**71,080.58**

Ageing schedule as at March 31, 2023

₹ in Lakhs

Particulars	Outstanding for following periods from due date of payment / transaction				Total
	Less than 1	1 - 2 years	2 - 3 years	More than 3 years	
MSME	17.15	-	-	-	17.15
Others	39,940.33	125.76	73.68	14.82	40,154.59
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
	39,957.48	125.76	73.68	14.82	**40,171.74**
Accrued expenses					7,226.96
					47,398.70

Ageing schedule as at March 31, 2022

₹ in Lakhs

Particulars	Outstanding for following periods from due date of payment / transaction				Total
	Less than 1	1 - 2 years	2 - 3 years	More than 3 years	
MSME	-	-	-	-	-
Others	64,217.26	499.26	30.79	5.00	64,752.31
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
	64,217.26	499.26	30.79	5.00	**64,752.31**
Accrued expenses					6,328.27
					71,080.58

16 Debt securities

Particulars	As at March 31, 2023	As at March 31, 2022
Secured - at amortised cost		
Non convertible debentures*	6,067.00	6,994.00
Interest accrued but not due	304.88	26.52
Total debt securities	**6,366.88**	**7,020.52**
In India	6,366.88	7,020.52
Outside India	-	-

₹ in Lakhs

* During the year ended March 31, 2023, one of the subsidiary company namely, Moneywise Financial Services Private Limited, issued listed secured redeemable non-convertible debentures secured by way of charge by hypothecation on all present and future eligible book debts namely, 9.50% secured listed redeemable non-convertible debentures for a value of ₹ 2,500 lakhs, with a maturity date of February 5, 2026. The interest on these debentures is payable on half yearly basis.
Further, the subsidiary company namely, Moneywise Financial Services Private Limited has also redeemed non-convertible debentures amounting to ₹ 5,000 lakhs during the year.
* During the year ended March 31, 2022, one of the subsidiary company namely, Moneywise Financial Services Private Limited, issued market linked debentures secured by way of charge by hypothecation on all present and future eligible book debts namely, 8.60% secured listed rated redeemable principal protected market linked non convertible debentures, with a maturity date of March 27, 2025. The interest on these market linked debentures is payable on maturity.

17 Borrowings

Particulars		As at March 31, 2023	As at March 31, 2022
Secured			
Term loan			
from banks		36,810.05	15,216.14
from others		11,299.72	7,614.26
Loan repayable on demand			
from banks		36,458.87	12,830.73
from others		130.90	1,634.00
Interest accrued but not due		56.74	98.53
Total secured borrowings	**(A)**	**84,756.28**	**37,393.16**
Unsecured			
Loan repayable on demand			
from others			2,000.00
Total Unsecured borrowings	**(B)**	-	**2,000.00**
Total borrowings	**(A+B=C)**	**84,756.28**	**39,393.16**
In India		84,756.28	39,393.16
Outside India		-	-

₹ in Lakhs

a) Term Loan from others amounting ₹ 3,482.35 lakhs and ₹ 3,700 lakhs as of March 31, 2023 and March 31, 2022, respectively, are secured by way of hypothecation of freehold land and personal guarantee of directors are repayable in 60 instalments.
b) Term Loan from others amounting ₹ 3,000 lakhs and ₹ Nil as of March 31, 2023 and March 31, 2022 , respectively, are secured by way of Multilateral trading facility.

c) Term Loan amounting ₹ 343.43 lakhs and ₹ 205.73 lakhs as of March 31, 2023 and March 31, 2022 , respectively, are secured by way of hypothecation of vehicles and are repayable over a period up to five years.

d) Term Loan amounting to ₹ 41,284.05 lakhs and ₹ 18,924.67 lakhs as of March 31, 2023 and March 31, 2022, respectively, are secured by way of hypothecation of loan book, guarantee given by the holding company and personal guarantee of promoters directors.

e) Loan from others amounting ₹ 36,589.71 and ₹ 14,464.23 lakhs as of March 31, 2023 and March 31, 2022 , respectively, are secured against shares, receivables (including exchange balances), fixed deposits, certain office buildings and personal guarantee of promoter/directors.

Repayment terms of borrowings

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
In the first year	56,421.15	22,222.58
In the second year	14,731.43	10,467.94
In the third to fifth year	12,603.34	5,336.04
Over fifth Year	1,000.37	1,366.60
Total	**84,756.28**	**39,393.16**

Segregation of Borrowing on the basis of Fixed & Floating interest rate

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Secured		
Secured		
Fixed rate borrowings	7.72%	8.18%
Floating rate borrowings	8.81%	8.75%
Unsecured		
Floating rate borrowings	-	9.50%
Amount borrowed		
Secured		
Fixed rate borrowings	12,178.25	7,558.37
Floating rate borrowings	72,578.03	29,834.79
Unsecured		
Floating rate borrowings	-	2,000.00
Total borrowings	**84,756.28**	**39,393.16**

Refer note no. 36.05 for contractual maturities of borrowings

18 **Other financial liabilities**

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Book overdraft from banks	1,680.02	1,783.96
Security deposits received	1,312.40	1,034.79
Employee benefit payable	794.83	851.62
Derivative financial instruments	5,592.66	5,633.10
Unpaid dividend	74.53	65.24
Margin received from clients	79,624.28	66,025.64
Other liabilities	16.26	-
Total other financial liabilities	**89,094.98**	**75,394.45**
Financial liability carried at amortized cost	83,502.32	69,761.35
Financial liability carried at fair value through profit and loss	5,592.66	5,633.10

19 **Provisions**

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits*		
Gratuity	1,823.28	1,453.72
Leave encashment	784.14	788.94
Others**	328.00	438.44
Total provisions	**2,935.42**	**2,681.10**

*Refer Note 34

₹ in Lakhs

**Provision- Others	As at March 31, 2023	As at March 31, 2022
Carrying amount as at beginning of the period	438.44	400.54
Additions	38.79	157.21
Amount used/reversed during the period	(149.23)	(119.31)
Closing Balance as at end of period	**328.00**	**438.44**

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20 Other non-financial liabilities

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Unearned income	1,444.29	690.96
Withholding taxes and other taxes payable	1,905.87	1,634.83
Others	25.79	288.15
Total other non-financial liabilities	**3,375.95**	**2,613.94**

21 Equity share capital

21 Authorised issued and subscribed capital

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised		
47,75,50,000 (March 31, 2022 : 47,75,50,000) equity shares of ₹ 2/- each	9,551.00	9,551.00
	9,551.00	**9,551.00**
Issued, subscribed & fully paid up		
10,47,00,000 (March 31, 2022 : 11,31,34,450) equity shares of ₹ 2/- each	2,094.00	2,262.69
	2,094.00	**2,262.69**

21 Reconciliation of number of equity shares outstanding

(in numbers)

Particulars	As at March 31, 2023	As at March 31, 2023
At the beginning of the year	11,31,34,450	11,31,34,450
Issued during the year	-	-
Buyback/forfeiture during the year*	(84,34,450)	-
At the end of the year	**10,47,00,000**	**11,31,34,450**

*Pursuant to the public announcement dated May 10, 2022 in respect of buy back of shares from the open market through stock exchange mechanism as prescribed under SEBI (Buy Back of Securities) Regulation, 2018, the Buy back of shares commenced on 20th May, 2022 and ended on 16th August, 2022. The Company under the scheme, bought back a total of 84,34,450 shares from the open market. A total sum of ₹ 9,242.06 lakhs was incurred on the shares bought back (including ₹ 1,769.21 lakhs towards buy back distribution tax and other expenses). Consequently the total number of paid up equity shares of the company (₹ 2/- nominal value of per share) reduced from 11,31,34,450 shares to 10,47,00,000 shares as at the end of 16th August, 2022. The consideration paid towards buy-back of shares is adjusted against share capital by ₹ 168.69 lakhs and the balance in share premium by ₹ 9,073.37 lakhs.

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The Board of Directors has proposed an equity dividend @ 60% i.e. ₹ 1.20 (P.Y. ₹ 1.20) per share for the financial year ending March 31, 2023 at there meeting held on dated May 18, 2023 , which is subject to approval by the shareholders in the ensuing Annual General Meeting. The amount of per share dividend recognised as distribution to equity shareholders for interim dividend is ₹ 1.20 (P.Y. ₹ 1.20).

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.

21 Shares held by shareholders holding more than 5% shares

(in numbers)

Name of Shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of Shares held	% held	No. of Shares held	% held
ASM Pipes Private Limited	1,86,67,140	17.83	1,86,67,140	16.50
Pulin Investments Private Limited	92,77,205	8.86	92,77,205	8.20
Mahesh C. Gupta	82,48,500	7.88	82,48,500	7.29
Subhash Chand Aggarwal	80,95,500	7.73	80,95,500	7.16
Signature Global (India) Private Limited	-	-	18,12,329	1.60
Sushma Gupta	75,66,550	7.23	75,66,550	6.69
Globe Capital Market Limited	54,43,055	5.20	-	-

21 Shareholding of Promoters

(In numbers)

Shares held by promoters as at March 31, 2023			% Change during the
Promoter Name	No. of Shares	% of total shares	year
Subhash Chand Aggarwal	80,95,500	7.73%	0.58%
Mahesh Chand Gupta	82,48,500	7.88%	0.59%
Sushma Gupta	75,66,550	7.23%	0.54%
Hemlata Aggarwal	50,00,000	4.78%	0.36%
Pranay Aggarwal	47,20,550	4.51%	0.34%
Ginni Devi	31,84,000	3.04%	1.10%
Himanshu Gupta	20,00,000	1.91%	0.14%
Madan Gopal Agarwal	-	0.00%	(0.87%)
Ajay Garg	8,41,600	0.80%	0.06%
Damodar Krishan Aggarwal	7,81,970	0.75%	0.06%
Anurag Bansal	2,50,000	0.24%	0.01%
Shruti Aggarwal	20,175	0.02%	0.02%
Aditi Aggarwal	43,085	0.04%	0.04%
Archana Aggarwal	30,000	0.03%	0.00%
ASM Pipes Private Limited	1,86,67,140	17.83%	1.33%
Pulin Investments Private Limited	92,77,205	8.86%	0.66%
Jai Ambey Share Broking Limited	16,16,670	1.54%	0.12%
SMC Share Brokers Limited	2,25,000	0.21%	0.01%

(In numbers)

Shares held by promoters as at March 31, 2022			% Change during the
Promoter Name	No. of Shares	% of total shares	year
Subhash Chand Aggarwal	80,95,500	7.16%	(1.77%)
Mahesh Chand Gupta	82,48,500	7.29%	(0.88%)
Sushma Gupta	75,66,550	6.69%	0.00%
Hemlata Aggarwal	50,00,000	4.42%	0.00%
Pranay Aggarwal	47,20,550	4.17%	1.77%
Ginni Devi	22,00,000	1.94%	0.00%
Himanshu Gupta	20,00,000	1.77%	0.88%
Madan Gopal Agarwal	9,84,000	0.87%	0.00%
Ajay Garg	8,41,600	0.74%	0.00%
Damodar Krishan Aggarwal	7,81,970	0.69%	0.00%
Anurag Bansal	2,50,000	0.22%	0.00%
Shruti Aggarwal	20,175	0.02%	0.02%
Aditi Aggarwal	33,050	0.03%	0.03%
Archana Aggarwal	30,000	0.03%	0.00%
ASM Pipes Private Limited	1,86,67,140	16.50%	0.00%
Pulin Investments Private Limited	92,77,205	8.20%	0.00%
Jai Ambey Share Broking Limited	16,16,670	1.43%	0.00%
SMC Share Brokers Limited	2,25,000	0.20%	0.00%

22 Fee and commission income

₹ in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Income from:		
Brokerage Income	60,764.00	54,393.79
Distribution of financial products	10,128.31	8,960.59
Depository activities	550.04	468.35
Research support services	3,149.46	687.97
Service & Administrative charges	326.31	143.77
Management fees	106.30	113.03
Advisory fees	1,485.13	743.75
Incentives from exchange	1,024.17	1,307.55
Total fee and commission income	**77,533.72**	**66,818.80**

*Revenue from contracts with customers is ₹ 76,509.55 lakhs (Previous year ₹ 65,511.25 lakhs)

23 Interest income

₹ in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
On financial assets measured at amortised cost		
Interest on loans	11,617.98	8,539.92
Interest on deposits with banks	6,991.89	6,625.11
Interest on delayed payment / margin trading facility	6,961.15	4,648.56
Securitisation receipt	-	15.13
Others	35.45	-
On financial assets carried at fair value through profit and loss		
Interest income from investments held for trading	7.73	19.04
Total interest income	**25,614.20**	**19,847.77**

24 Net gain on fair value changes

₹ in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Net gain on financial instruments at fair value through profit or loss		
Realised	1,951.18	4,086.89
Unrealised	(57.25)	997.73
Total fair value change of investments	**1,893.93**	**5,084.62**

25 Other income

₹ in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income	13.78	134.73
Fair value change of investments		
Realised gain / (loss)	71.06	(397.61)
Unrealised gain	-	368.42
Net gain on derecognition of property, plant and equipment	75.64	2.64
Dividend income	3.03	0.27
Liability no longer required written back	139.94	140.91
Net gain on translation of foreign currency monetary items	43.10	4.94
Miscellaneous income	61.58	134.17
Total other income	**408.13**	**388.47**

26 **Fees and commission expenses**

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
Client introduction charges	42,170.52	35,368.25
Exchange & other regulatory charges	5,758.72	5,786.03
Expense for distribution of financial products	7,735.66	6,969.76
VPN, leaseline, internet & VSAT expenses (net)	366.53	255.51
Securities transaction tax	2,924.39	4,719.23
Total fees and commission expenses	**58,955.82**	**53,098.78**

27 **Employee benefits expenses**

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
Salaries and incentives	22,977.80	19,033.22
Staff welfare	473.57	224.50
Contribution to provident and other funds	1,077.79	852.78
Gratuity*	522.55	461.72
Total employee benefits expenses	**25,051.71**	**20,572.22**

*Refer note no. 34

28 **Finance costs**

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
On financial liabilities measured at amortised cost		
Interest on borrowings from banks and financial institution	4,548.29	2,017.44
Interest on debt securities	596.48	804.79
Interest-others	2,452.13	2,039.25
Other borrowing cost	905.22	568.39
Finance charges on lease	430.61	322.51
Total finance costs	**8,932.73**	**5,752.38**

29 **Depreciation and amortisation**

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
Depreciation on tangible assets	1,126.06	963.29
Amortisation of intangible assets	100.55	86.64
Depreciation on lease assets	1,042.81	961.67
Total depreciation and amortisation	**2,269.41**	**2,011.60**

30 **Impairment on financial instruments**

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
On financial assets measured at amortised cost/transaction price		
Trade receivables	25.09	163.96
Loans	614.92	1,450.37
Other receivables	-	2.24
Total impairment on financial instruments	**640.01**	**1,616.57**

31 **Other expenses**

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
Advertisement and Publicity	1,851.69	1,095.94
Business promotion	927.11	591.74
Conveyance & traveling expenses	697.92	326.50
Directors sitting fee	27.01	30.15
Donation	3.17	76.39
Insurance	162.90	49.75
Legal & professional charges	1,415.72	933.28
Bank charges	67.30	37.91
Repair & Maintenance		
Information Technology	1,184.17	794.86
Others	888.22	556.56
Printing and stationery	203.73	174.34
Rent	682.56	661.69
Electricity and water expenses	710.18	592.43
Membership fees & subscription	30.19	32.30
Communication expenses	536.68	433.72
Fair value change of investments		
Unrealised	0.18	-
Vehicle running & maintenance	94.75	62.60
Rates & taxes	68.22	63.61
CSR expenses	244.99	175.43
Miscellaneous expenses	169.73	155.33
Auditor's fees and expenses		
as statutory auditor	51.65	46.73
as tax auditor	7.47	7.43
as fee for other services	4.98	3.30
Total other expenses	**10,030.52**	**6,890.99**

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Notes to Consolidated financial statements

32 Income taxes

32.01 Income tax expense in the statement of profit and loss

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax expense		
For the year	5,036.12	5,750.53
Change in estimates relating to prior years	147.08	(15.63)
	5,183.20	5,734.90
Deferred tax charge/(benefit)		
Origination and reversal of temporary differences	(971.99)	985.07
Minimum alternate tax	(55.17)	(38.24)
	(1,027.16)	946.83
Total income tax expense	4,156.04	6,681.73

32.02 Tax expense recognised in other comprehensive income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Remeasurement of the net defined benefit liability / asset	8.26	5.36
Total tax expense recognised in other comprehensive income	8.26	5.36

32.03 Reconciliation of the income tax expense to the amount computed by applying the statutory income tax rate to the income before income taxes

₹ in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit before tax	16,195.66	22,138.58
Enacted tax rates in India	25.168%	25.168%
Computed expected tax expense	4,076.12	5,571.84
Non deductible permanent difference	55.11	47.52
Non deductible temporary difference	-	68.33
Deductible permanent difference	(33.35)	147.65
Income exempt from tax	(76.60)	(22.21)
Change in estimates relating to prior years	147.08	(15.63)
Deductions under chapter VI-A	(397.00)	(628.33)
Effect of change in tax rate due to different head of income	(334.39)	(258.83)
Tax on unrealised gain / loss on investment	17.18	-
Deferred tax not created due to non availability of reasonable certainty	400.09	-
Effect of differential tax rates	199.80	(228.61)
Income tax expense	4,156.04	6,681.73

The applicable Indian statutory tax rates for fiscal 2023 and fiscal 2022 is 25.168%

32.04 Details of current tax assets and current tax liabilities

₹ in Lakhs

Particulars		As at March 31, 2023	As at March 31, 2022
Current tax assets pertaining to current year		5,193.90	5,187.42
Current tax liabilities pertaining to current year		4,722.60	3,703.75
Net current tax assets/ (liability) pertaining to current year	**(A)**	**417.90**	**1,483.65**
Current tax assets pertaining to previous years	(B)	2,059.02	2,161.63
Total current tax assets / (liability) - net	(A+B)	2,476.92	3,645.28

32.05 Movement in the temporary differences of deferred tax

₹ in Lakhs

Particulars	Balance as at April 1, 2021	Recognised in profit or loss during 2021-22	Recognised in other comprehensive income	MAT credit adjustment	Others	Balance as at March 31, 2022	Recognised in profit or loss during 2022-23	Recognised in other comprehensive income	MAT credit adjustment	Balance as at March 31, 2023
Employee benefits	344.38	84.98	(1.36)	-	(10.02)	415.98	20.85	(8.26)	-	428.57
Investment securities	(68.71)	(158.94)	-	-	-	(227.65)	238.73	-	-	11.08
ECDS	(123.02)	(375.57)	-	-	-	(498.59)	614.69	-	-	16.10
Provisions	536.99	(52.60)	-	-	-	500.99	127.18	-	-	631.17
Property, plant & equipment and intangible assets	305.05	6.15	-	-	-	311.16	43.14	-	-	354.30
Provision for impairment on receivable from clients	1,042.41	(372.02)	-	-	-	670.39	43.52	-	-	713.91
Other temporary differences	149.39	16.68	-	-	-	166.06	(52.07)	-	-	113.99
Total	2,206.06	(851.34)	(1.36)	-	(10.02)	1,343.33	1,036.04	(8.26)	-	2,269.11
Minimum alternate tax	522.18	15.69	-	24.55	-	560.42	55.17	-	(215.72)	399.87
Carried forward of tax losses shares	13.73	(13.73)	-	-	-	-	-	-	-	-
Carried forward of tax losses and unabsorbed depreciation	428.49	4.55	-	-	-	433.04	(64.04)	-	-	369.00
	3,170.45	(946.83)	(3.36)	24.55	(10.02)	2,336.79	1,027.17	(8.26)	(215.72)	3,037.98

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33 **Earnings per share**

The followings is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share.

Particulars	₹ in Lakhs except otherwise stated	
	For the year ended	
	March 31, 2023	March 31, 2022
Profit attributable to equity share holders	12,039.62	17,456.85
Weighted average number of share outstanding during the year	10,70,32,379	11,31,36,450
Nominal Value per share (₹)	2.00	2.00
Basic & Diluted (₹)	11.25	15.43

34 **Employee Benefits**

(a) Gratuity

34.01 **Breakup of amount recognised in statement of profit and loss**

Particulars	₹ in Lakhs	
	For the year ended	
	March 31, 2023	March 31, 2022
Interest on defined benefit obligation	97.94	76.68
Current service cost	424.61	385.04
Total expense recognized in the statement of profit and loss	522.55	461.72

34.02 **Break up of amount recognised in the statement of other comprehensive income**

Particulars	₹ in Lakhs	
	For the year ended	
	March 31, 2023	March 31, 2022
Remeasurements of the net defined benefit liability/ (asset)		
Opening amount recognised in OCI outside profit and loss account	(431.71)	(417.76)
Actuarial gains / (losses)	32.36	44.30
Return on plan assets (greater) / less than discount rate	30.81	(58.25)
	(368.74)	(431.71)

34.03 **Breakup of the amount recognised in balance sheet**

Particulars	₹ in Lakhs	
	As at	
	March 31, 2023	March 31, 2022
Present value of the obligation as at the end of the year	2,823.00	2,521.01
Fair value of plan assets as at the end of the year	(999.72)	(1,067.29)
Net liability recognised in balance sheet	1,823.28	1,453.72

34.04 **Reconciliation of defined benefit obligation and plan asset**

Particulars		₹ in Lakhs	
		As at	
		March 31, 2023	March 31, 2022
Change in benefit obligations			
Present value of the obligation as at the beginning of the year		2,521.01	2,228.86
Current service cost		424.61	385.04
Interest cost		170.52	143.72
Actuarial (gain)/loss on obligations		(94.15)	44.30
Acquisitions (credit)/cost		28.00	(28.11)
Changes on account of loss of control		-	(4.59)
Benefits paid		(227.18)	(249.38)
Effects of movement in exchange rate		0.17	1.17
Benefit obligations at the end	(A)	2,823.00	2,521.01
Change in plan assets			
Fair value of plan assets at the beginning of the year		1,067.29	1,003.25
Interest income on plan assets		72.58	67.04
Contributions		30.00	100.00
Benefits paid		(139.34)	(158.25)
Return on plan assets greater (lesser) than discount rate		(30.81)	58.25
Fair value of plan assets at the end	(B)	999.72	1,067.29
Amount recognised in balance sheet [(surplus) / deficit]	(A-B)	1,823.28	1,453.72

34.05 **Disaggregation of plan assets**

Particulars		
	As at	
	March 31, 2023	March 31, 2022
Managed by insurance company	100.00%	100.00%
	100.00%	100.00%

34.06 Sensitivity of significant assumptions used for DBO valuation

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
Effect on DBO due to 0.5% increase in discount rate	(87.96)	(156.06)
Effect on DBO due to 0.5% decrease in discount rate	93.55	171.55
Effect on DBO due to 0.5% increase in salary escalation rate	77.62	143.85
Effect on DBO due to 0.5% decrease in salary escalation rate	(75.16)	(135.34)

34.07 Maturity profile of defined benefit obligation

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
Within one year	538.87	186.04
One to five years	1,660.00	426.27
More than five years	2,159.21	1,246.08

34.08 Assumptions to determine the defined benefit obligations

Particulars	As at	
	March 31, 2023	March 31, 2022
Discount rate	7.10%	7.20%
Salary escalation rate (p.a.)	8.50%	8.25%

Assumptions regarding future mortality experience are set in accordance with the published statistics by the Life Insurance Corporation of India.

The company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The discount rate is based on the government securities yield.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by 50bps, keeping all other actuarial assumptions constant.

Gratuity is applicable only to employees drawing salary in Indian rupees.

(b) Compensated absences

34.09 Breakup of the amount recognised in balance sheet

₹ in Lakhs

Particulars	As at	
	March 31, 2023	March 31, 2022
Present value of the obligation as at the end of the year	784.14	788.94
Fair value of plan assets as at the end of the year	-	-
Net liability recognised in balance sheet	784.14	788.94

34.10 Number of compensated leave absences outstanding

in days

Particulars	As at	
	March 31, 2023	March 31, 2022
Total leave balance (days)	64,204.47	61,096.59

34.11 Assumption used in valuation

Particulars	As at	
	March 31, 2023	March 31, 2022
Discount rate	7.10%	7.20%
Salary escalation rate (p.a.)	8.50%	8.25%
Leave availment rate	5.00%	5.00%

The estimates of future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

35 Contingent liabilities and commitments

35.01 Contingent liabilities not provided in the financial statements

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
1 ESI demand (Total amount paid under protest ₹ 12.43 Lakhs (31.03.2022: ₹ 12.43 Lakhs))	31.06	31.06
2 Service Tax Demand (Total amount paid under protest ₹ 42.77 Lakhs (31.03.2022: ₹ 42.77 Lakhs))	615.98	615.98
3 Income Tax Demand (A.Y. 2013-14 to 2019-20) (31.03.2022: A.Y. 2013-14, 2015-16 & 2016-17) (Total amount paid under protest ₹ Nil (31.03.2022: ₹ Nil))	141.56	52.89
4 Provident Fund	-	-
5 Stamp Duty	-	-
6 Insurance Regulatory and Development Authority of India (IRDAI	300.00	300.00
7 VAT Demand (Paid under protest ₹ 1.52 lakhs (31.03.2022: ₹ 1.52 lakhs)	15.64	15.64

Notes:

1. An ESI demand is being agitated by the Company at High Court, Delhi.
2. Service Tax demand of ₹ 45.66 Lakhs is being agitated by the Company before Commissioner of Service Tax, Audit 1, Delhi. The adjudication proceedings in the case has been kept in abeyance for the time being since similar issue is sub-judice before the Hon'ble supreme court.
   Another demand of ₹ 570.32 Lakhs was being agitated by the Company before the Customs, Excise and Service Tax Appellate Tribunal (CESTAT).
3. Income Tax demand has been agitated by the Company as per details
   Block Assessments u/s 158(A) for the A.Y 2013-14 to A.Y 2019-20 have been completed and certain disallowances made by the Income Tax Department against which the rectification was filed by the company which has been accordingly rectified by the assessing officer to the extent of apparent mistakes, during the year. The company has filed necessary appeals before the Commissioner of Income Tax (Appeals), Delhi. However certain refunds have been adjusted against the demand raised, pending final assessment.
4. PF matter for the period October 1995 to November 2003 is pending before High Court and amount is not quantifiable.
5. The Company had received a notice dated 21.11.2014 from the Collector of Stamp (HQ), Delhi on account of verification of records pertaining to Stamp duty chargeable on the basis of broker's Note for the period 2010 to 21.11.2014. Matter is sub-judice and has been stayed by jurisdictional High Court at Delhi vide its order dated 09/12/2014 until further order.

   The Demerged Company M/s SMC Comtrade Limited had received a show cause notice of demand dated 05/01/2015 from the Office of The Collector of Stamps, Delhi, on account of levy of stamp duty on commodity transactions. The matter is sub-judice and has been stayed by jurisdictional High Court at Delhi vide its order dated 19/01/2015 in the matter of WP/C/536/2015.
6. One of the subsidiary company, namely SMC Insurance Brokers Private Limited, has received penalty order of₹ 300 lakhs from Insurance Regulatory Development Authority of India vide order dated (IRDA/INT/MISC/ORD/14.01.2020) for non compliance of MISP (Motor Insurance Service Provider) Guidelines. Appeal has been filed by the company on 6th Feb 2020 before The Securities Appellate Tribunal at Mumbai. Matter is sub-judice and has been stayed till the pendency of the appeal vide its Stay Order dated 12th Feb 2020.
7. One of the subsidiary company, namely SMC Comtrade Limited has received a notice for VAT demand of₹ 15.64 lakhs out which ₹ 1.52 lakhs has been paid under protest and the case is pending before State Tax Commissioner Office.

35.02 Other litigations

1. Title of the property located at Office no 205, 2nd Floor, Plot no 4A, Community Centre, 21st Century Plaza, Sector 8, Rohini, New Delhi having gross carrying value of ₹ 46.12 Lakhs is under dispute and sealed due to the allegation of acquisition of the said property by the transferor from the funds of Ganga Yamuna Finvest Pvt. Ltd, which is under liquidation.
2. The group is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the group's results of operations and financial condition.

Pending completion of the legal process the impact of liability, if any, cannot be ascertained at this stage, however, management believes that, based on legal advice, the outcome of these contingencies will be favorable and that outflow of economic resources is not probable.

35.03 Commitments

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Contracts remaining to be executed on account of capital (net of advances)		
For Purchase/construction of building	1,712.70	18.00
For purchase of software and others	199.99	178.12

36 Financial Instruments

36.01 Financial instruments by category

The carrying value and fair value of financial instruments by categories as of March 31, 2023 were as follows:

₹ in Lakhs

Particulars	Amortised cost	Financial assets/ liabilities carried at fair value through profit and Mandatorily required	Total carrying value	Total fair value
Assets:				
Cash and cash equivalents	3,243.96	-	3,243.96	3,243.96
Other bank balance	1,42,746.43	-	1,42,746.43	1,42,746.43
Trade receivables	37,382.93	-	37,382.93	37,382.93
Other receivables	1,657.38	-	1,657.38	1,657.38
Loans	1,08,276.72	-	1,08,276.72	1,08,276.72
Investments*		5,661.72	5,661.72	5,661.72
Other financial assets	2,768.78	5,540.18	8,308.96	8,308.96
Total	**2,96,077.18**	**11,201.91**	**3,07,279.10**	**3,07,279.10**
Liabilities:				
Trade payables	47,398.71	-	47,398.71	47,398.71
Debt Securities	6,366.88	-	6,366.88	6,366.88
Borrowings	84,756.28	-	84,756.28	84,756.28
Other financial liabilities	83,302.32	5,592.66	88,894.98	88,894.98
Total	**2,22,824.19**	**5,592.66**	**2,27,616.84**	**2,27,616.84**

* Investments in joint venture carried under equity method amounting to ₹ 37.94 lakhs which do not fall within the scope of financial instruments

The carrying value and fair value of financial instruments by categories as of March 31, 2022 were as follows:

₹ in Lakhs

Particulars	Amortised cost	Financial assets/ liabilities carried at fair value through profit and Mandatorily required	Total carrying value	Total fair value
Assets:				
Cash and cash equivalents	9,224.56	-	9,224.56	9,224.56
Other bank balance	1,18,970.31	-	1,18,970.31	1,18,970.31
Trade receivables	33,850.25	-	33,850.25	33,850.25
Other receivables	751.73	-	751.73	751.73
Loans	77,977.60	-	77,977.60	77,977.60
Investments*	-	16,990.99	16,990.99	16,990.99
Other financial assets	4,112.57	8,315.91	12,428.48	12,428.48
Total	**2,44,887.02**	**25,306.58**	**2,70,193.60**	**2,70,193.60**
Liabilities:				
Trade payables	71,080.58	-	71,080.58	71,080.58
Debt securities	7,020.52	-	7,020.52	7,020.52
Borrowings	39,393.16	-	39,393.16	39,393.16
Other financial liabilities	69,761.25	5,633.20	75,394.45	75,394.45
Total	**1,87,255.51**	**5,633.20**	**1,92,888.71**	**1,92,888.71**

* Investments in joint venture carried under equity method amounting to ₹ 67.80 lakhs which do not fall within the scope of financial instruments

36.02 Collateral

(A) Assets pledged as collateral

The Group has pledged its certain assets as collateral for liabilities

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Assets:		
Property Plant and Equipments	7,157.78	6,752.70
Other bank balances	1,42,621.03	1,18,305.39
Trade receivables	29,859.61	26,774.60
Loans	82,714.87	46,369.39
Investments	2,539.96	2,961.79
Other financial assets (net)	-	1,517.95
Total	**2,64,874.35**	**2,02,721.28**

(B) Asset taken as collateral

₹ in Lakhs

Particulars	As at March 31, 2023		As at March 31, 2022	
	Value of asset	Fair value of collateral held	Value of asset	Fair value of collateral held
Assets:				
Trade receivables				
Secured	30,202.94	1,51,409.87	26,359.95	2,54,756.57
Loans				
Secured	64,053.97	1,49,214.73	42,693.08	93,430.12
Total	**94,256.91**	**3,01,624.60**	**69,053.03**	**3,48,186.70**

36.03 Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at March 31, 2023:

₹ in Lakhs

Particulars	As at March 31, 2023	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Assets				
Investments				
Equity instruments	4,404.43	4,368.89	-	35.54
Mutual funds	172.15	172.15	-	-
Debt	1,085.14	1,085.14	-	-

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at March 31, 2022:

₹ in Lakhs

Particulars	As at March 31, 2022	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Assets				
Investments				
Equity instruments	16,141.63	16,106.38	-	35.54
Debt	849.37	849.37	-	-

Valuation techniques used to determine fair value
Following valuation technique has been used for fair valuation of the assets:
Level 2 : Debt instruments have been fair valued based on interest yield and actual transaction data with unrelated parties.

36.04 Financial risk management

Financial risk factors
This note presents the information about the Group's exposure to financial risks, the Group's objectives, policies and processes for measuring and managing risk and the group's management of capital.
The Group has exposure to the following risks arising from financial instruments:
- Credit risk;
- Liquidity risk and
- Market risk

Financial Risk management framework
The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. Financial risk management within the Group is governed by policies and guidelines approved by the management. The Board has established a Risk Management Committee which is responsible for developing and monitoring the Group's risk management policies. Group policies and guidelines cover areas such as cash management, investment of excess funds and raising of debt and are managed by segregated functions within the Group.

The Group's risk management policies and procedures are established to identify and analyse the risks faced by the Group within the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees and stakeholders understand their roles and obligations.

Different types of risks arising from financial instruments as identified by the Group above have been explained below:

(i) Credit risk :
The credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivable from clients and exchange and trading members, loan and advances, investments other than the quoted securities given. Credit risk in respect of quoted securities is expected to have a direct correlation with the quoted market prices and risk.

The Group is exposed to the risk that third parties that owe money or securities will not perform their obligations. Such third parties include clients, trading members, exchanges, clearing houses, and other financial intermediaries. These parties may default on their obligations owed to the Group due to insolvency, lack of liquidity, operational failure, government or other regulatory intervention or other reasons. In these circumstances, the Group is exposed to risks arising, for example, from holding securities of third parties, executing securities trades that fail to settle at the required time due to non-delivery by the counterparty trading members, exchanges, clearing houses or other financial intermediaries. Significant failures by third parties to timely perform their obligations owed could materially and adversely affect the Group's financial position, and ability to borrow in the credit markets and ability to operate the business.

For the risk management purposes, the Group considers and consolidates all elements of credit risk exposures such as individual obligator default risk, country and sector risk.

Management / mitigation of credit risk

The Group operates in a highly regulated environment which limits its credit risk against exchanges and clearing houses. The Group collects upfront margins in form of funds and/or securities/commodities from clients and trading members against their trading positions. The Group monitors positions, margins, mark to market losses and risks on real time basis through risk management systems and policies specially designed to mitigate the credit risk.

The Board of Directors has delegated responsibility for the oversight of credit risk to the Risk Management Committee ("the Committee"). The Committee is responsible for management of the Group's credit risk, including the following:

(i) Formulating credit policies in consultation with business units, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements.
(ii) Establishing the organizational structure for the approval of new customers or counter parties. Authorization limits are allocated to business unit credit officers or the Arbitrage as appropriate.
(iii) Providing advice, guidance and specialist skills to business units through periodic reviews to promote best practices throughout the Group in the management of credit risk.

(iv) The Committee assesses the credit worthiness of client or counterparties, prior to taking exposure on them. Accordingly, limits are assigned and the monitoring mechanism ensures that exposure to single client does not cross the laid down threshold limits. Collateral securities are also collected from clients to cover the exposure.
(v) Limiting concentrations of exposure to counterparties, geographies and industries (for loans and advances and similar exposures), and by issuer, credit rating band, market liquidity and country (for investment securities and trading assets).
(vi) Reviewing compliance of business units with agreed exposure limits, including those for selected industries, country risk and product types. Regular reports on the credit quality of local portfolios are provided to the management, which may require appropriate corrective action to be taken.

The Board of Directors has also constituted Audit Committee, which is responsible for evaluation of internal financial controls and risk management systems. The Group conducts regular internal audits of various business units to identify scope of improvement/enhancement of the processes, quality control, fraud prevention and legal compliance. The internal audit reports are reviewed by audit committee and also placed with the Board.

Credit Exposure:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

₹ in Lakhs

Particular	As at March 31, 2023	As at March 31, 2022
Trade receivables	17,382.44	13,860.25
Other receivables	1,657.38	751.73
Loans	1,08,276.72	77,977.60
Other financial assets	8,309.90	12,428.16
Total	1,35,626.59	1,35,007.74

Loan to Value (LTV) for loan and advances to customer

The general creditworthiness of a customer tends to be the most relevant indicator of credit quality of a loan extended to it. However, collateral provides additional security and the Group generally requests borrowers to provide it. The Group may take collateral in the form of a charge over real estate, floating charges over pledge of securities or other assets and other liens and guarantees.

The table below drafts credit exposures from secured loans and advances to customers which has become non performing assets by ranges of loan-to-value (LTV) ratio. LTV is calculated as the ratio of the gross amount of the loan to the value of the collateral. The gross amounts exclude any impairment allowance. The valuation of the collateral excludes any adjustments for obtaining and selling the collateral.

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Less than equal to 50 %	13,562.95	8,967.53
51 - 70%	6,680.56	7,376.33
71 - 90%	18,124.54	13,504.93
91 - 100%	5,699.76	2,836.86
more than 100%	514.37	166.29
Total	44,582.18	32,784.94

36.05 Credit quality of debt securities

The table below sets out the credit quality of debt securities.

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Government bonds:		
Rated sovereign	104.10	381.84
Corporate bonds:		
Rated AAA	122.07	31.99
Rated AA- to AA+	168.63	154.52
Rated A- to A+	388.48	281.02
Rated BBB- to BBB+	1.86	-
Fair value and carrying amount	1,085.14	849.37

Following are the reconciliations of the provision for impairment of financial assets

The group monitors all the receivables, loans and other financial assets continuously basis the factors considered while dealing. If there are any indicators of impairment on management assessment of these receivables, loans and other financial assets, these are provided for. The Group uses ECL method for impairment.

₹ in Lakhs

Particulars	As at									
	March 31, 2023					March 31, 2022				
	Trade receivables	Other receivables	Loans	Other financial assets	Total	Trade receivables	Other receivables	Loans	Other financial assets	Total
Opening balance at the beginning of the year	1,699.17	20.99	1,182.89	18.00	2,921.05	1,925.50	18.75	2,409.80	18.00	4,372.05
Addition/reversal during the year	35.09	-	614.82	-	649.91	183.06	2.24	1,450.37	-	1,635.67
Exchange difference	-	-	4.29	-	4.29	-	-	5.76	-	5.76
Written off	(67.38)	(1.11)	(191.47)	-	(260.86)	(390.29)	-	(2,683.04)	-	(3,073.33)
Closing balance at the end of the year	**1,666.88**	**19.88**	**1,610.53**	**18.00**	**3,304.39**	**1,699.17**	**20.99**	**1,182.89**	**18.00**	**2,921.05**

(ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group require sufficient liquidity to meet their obligations. Individual companies are generally responsible for their own fund management, including the short-term investment of surpluses and the raising of loans to cover deficits from third parties/companies.

The Group's primary liquidity requirements are to finance the working capital needs, which are typically towards margin maintenance at various exchanges. The principal portion of the working capital requirement is utilized by :
(a) depositing funds with banks to obtain term deposits and guarantees towards margins payable to the exchanges/clearing houses;
(b) payments to stock exchanges/clearing houses towards settlement obligations;
(c) payment towards purchase of various trading assets; and
(d) meeting expenses incurred for operations.

Management of liquidity risk

Working capital requirements fluctuate on a regular basis depending on the business requirements. The Group's approach to managing liquidity is to ensure, as far as possible to have sufficient funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

To fund the working capital requirements, the Group currently relies principally on internal accruals and short term credit facilities from banks and financial institutions against pledge of derivative assets, term deposits, receivables from clients and investments carried at fair value through profit and loss. By maintaining sufficient liquid funds and drawing facilities with banks, the Group comfortably meets the foreseeable liabilities in the present and immediate future, as well as unforeseeable contingencies.

Central treasury receives information from business units regarding the liquidity profile of their financial assets and liabilities and projected cash flows. Central treasury maintains surplus funds in cash and cash equivalents including term deposits with banks and in investment securities for which there is an active and liquid market. These assets can be readily sold to meet liquidity requirements. Hence, the Group believes that the above monetary mechanism adequately addresses the liquidity risk.

Maturity analysis for financial assets and financial liabilities

March 31, 2023 ₹ in Lakhs

Particulars	Carrying amount	1-90 days	91-180 days	181-365 days	1-2 years	2-5 years	More than 5 years
Assets:							
Cash and cash equivalents	3,283.96	3,283.96	-	-	-	-	-
Other bank balances	1,42,748.43	35,181.60	20,078.71	32,432.23	52,197.30	2,306.60	-
Trade receivables	37,382.03	37,247.55	35.99	-	9.32	90.07	-
Other receivables	1,657.38	1,657.38	-	-	-	-	-
Loans	1,08,276.72	25,000.47	7,768.11	31,616.05	15,526.45	14,692.25	9,275.40
Investments	5,699.66	2,526.20	-	612.27	2,487.71	72.94	0.54
Other financial assets	8,209.96	5,540.19	-	-	-	-	2,669.76
Total	**3,07,317.04**	**1,10,347.34**	**27,882.80**	**64,660.55**	**25,218.78**	**17,161.86**	**12,045.70**
Liabilities:							
Trade payables	47,398.71	46,710.24	302.58	386.20	-	-	-
Debt Securities	6,366.88	91.50	-	-	5,025.38	1,250.00	-
Borrowings	84,756.28	8,893.12	4,299.37	43,228.62	14,731.43	12,603.39	1,000.36
Other financial liabilities*	89,094.98	29,057.18	11,199.93	18,090.77	29,450.65	1,286.63	-
Total	**2,27,616.84**	**84,752.03**	**15,801.88**	**61,705.59**	**49,207.27**	**15,140.01**	**1,000.36**

* Maturity analysis of margin from clients (under other financial liabilities) Rs. 29,024.28 Lakhs has been bench marked to the corresponding fixed deposits (under other bank balances).





March 31, 2022 ₹ in Lakhs

Particulars	Carrying amount	1-90 days	91-180 days	181-365 days	1-2 years	2-5 years	More than 5 years
Assets:							
Cash and cash equivalents	9,224.56	9,224.56	-	-	-	-	-
Other bank balances	1,24,970.33	16,526.98	8,423.99	14,692.26	44,983.10	34,344.10	-
Trade receivables	33,850.25	33,799.36	-	50.89	-	-	-
Other receivables	751.73	744.77	-	-	6.96	-	-
Loans	77,977.60	16,467.98	6,832.42	16,530.43	19,782.05	5,264.80	3,119.96
Investments	17,058.79	14,213.46	-	-	2,776.99	67.80	0.54
Other financial assets	12,428.16	7,402.97	0.90	11.69	27.20	12.81	4,972.60
Total	**2,76,261.40**	**98,359.54**	**15,257.31**	**31,285.26**	**67,576.47**	**29,689.71**	**8,093.10**
Liabilities:							
Trade payables	71,080.58	70,171.03	78.56	-	696.90	-	134.40
Debt securities	7,020.52	2,500.00	1,522.00	-	-	2,998.52	-
Borrowings	99,993.16	5,608.80	1,268.10	17,345.82	10,467.54	5,186.04	1,366.60
Other financial liabilities*	75,394.45	38,916.03	4,264.77	13,715.90	25,208.36	14,189.49	-
Total	**1,93,888.71**	**96,395.65**	**7,133.40**	**31,061.72**	**36,372.80**	**22,526.05**	**1,501.00**

* Maturity analysis of margin from clients (under other financial liabilities) ₹ 66,035.66 Lakhs has been bench marked to the corresponding fixed deposits (under other bank balances).

(iii) Market risk

The Group participates in trading and investing in various asset classes such as equity, debt securities, commodities, foreign currency and derivatives. These assets classes experience volatility due to economic growth levels, inflation, prices, interest rates, foreign exchange rates and other macro-economic factors. Any changes in market prices of these asset classes will affect the Group's income or the value of its holdings of financial instruments.
The Group segregates its exposure to market risks between price risk, interest rate risk and currency risk.
Management of market risks:

The objective of market risk management is to manage and minimize market risk exposures within acceptable parameters, while optimizing the return on risk. The Group's exposure to market risk is determined by a number of factors, including size, composition and diversification of positions held and market volatility.

(a) Price risk
Trading and investment portfolios include proprietary positions taken in equities, fixed income securities, commodities, foreign currency and their derivatives mainly for availing arbitrage opportunities. All financial assets and liabilities are accounted on fair value basis. Management actively monitors its market risk by reviewing the effectiveness of arbitrage and setting outstanding position limits. The Group manages market risk with central oversight, analysis and formation of risk policy, specific maximum risk levels to which the individual trader must adhere to and real time continuous monitoring by the senior management.
In respect of the proprietary positions, the Group is exposed to volatility in the price of the underlying securities.

(b) Interest rate risk
Interest rate risk arises from movements in interest rates which could have effects on the Group's net income or financial position. Changes in interest rates may cause variations in interest income and expenses resulting from interest-bearing assets and liabilities. Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.
The Group's exposure to interest rate risk relates to the loans taken from banks, investment in term deposits placed with banks, investment in debt securities and investments of its excess funds in liquid instruments. A majority of the financing of the Group has come from overdraft facility with banks. The business of the Group is exposed to fluctuation in interest rate for the following activities:
(i) Term deposits placed with banks are generally for short term on fixed interest rates;
(ii) Facilities availed from banks and other financial institutions generally include short term working capital loans on floating interest rates;
(iii) Interest paid by Group on clients' funds earmarked as fixed margin are generally for short term on fixed interest rates.

Management of Interest Rate Risk

Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for re-pricing bands. However the Group does not use derivative financial instruments to hedge its interest rate risk.
The Group's investments in majority of term deposits with banks are for both short and long duration, and therefore do not expose the Group to significant interest rate risk. Further significant portion of exposure on term deposits with banks is offset with clients' funds earmarked as margins on fixed rate basis. The interest rates on the overdraft facility availed are marginally higher than the interest rates on term deposits with the banks and generally linked to the term deposit rates with the bank. Accordingly, there is limited interest rate risk exposure on the Group.
The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's short-term and long-term debt obligations with floating / fixed interest rates, which are included in loans and borrowings. The loans and borrowings represent loans and borrowing taken both fixed and floating interest rate.

(c) Currency risk
The Group is not significantly exposed to currency risk as there is no mismatch between the currencies in which sales of services, purchase of goods/services and borrowings are dominated and the respective functional currencies of Group . Further, the functional currency of the Group is primarily the Indian Rupee and do not expose the Group to significant currency risk. The Group considers the valuation changes in foreign currency derivatives & trades in as part of investment/price risk as those derivatives are exchange traded, managed and monitored based on exchange price and are settled in near term in Indian Rupees.

Exposure

The table below sets out the assets and liabilities subject to price risk.

₹ in Lakhs

Particulars		As at March 31, 2023	As at March 31, 2022
Assets subject to price risk			
Equity instrument fair value through profit and loss		4,408.43	16,106.08
Debt instrument fair value through profit and loss		7,085.14	849.37
Mutual fund fair value through profit and loss		172.15	-
Derivative financial assets		5,540.19	7,150.95
	(A)	17,205.92	24,106.40
Liabilities subject to price risk			
Derivative financial liabilities		5,592.66	5,633.20
	(B)	5,592.66	5,633.20
Total	(A-B)	5,609.27	18,473.20

Sensitivity analysis

Below table shows the sensitivity analysis for different financial instrument

₹ in Lakhs except otherwise stated

Particulars	Risk category	% change increase	% change decrease	For the year ended March 31, 2023: Impact on profit before tax due to increase in parameter	For the year ended March 31, 2023: Impact on profit before tax due to decrease in parameter	For the year ended March 31, 2022: Impact on profit before tax due to increase in parameter	For the year ended March 31, 2022: Impact on profit before tax due to decrease in parameter
Investment in equity instrument fair value through profit and loss and derivatives*	Price risk	5%	5%	217.60	(217.60)	269.42	(269.05)
Inventories	Price risk	5%	5%	26.16	(26.16)	272.59	(272.59)
Debt instruments	Interest rate risk	1%	1%	(10.85)	10.85	(8.40)	8.40
Borrowings	Interest rate risk	1%	1%	847.56	(847.56)	(392.95)	392.95
Foreign currency (FL)	Foreign currency risk	1%	1%	2.09	(2.09)	13.98	(13.98)
Foreign currency (OD)	Foreign currency risk	1%	1%	52.45	(52.45)	52.22	(52.22)

*The group engages in proprietary transactions into equities, commodities and derivatives (equities, commodities and currencies). These transactions are primarily undertaken using various arbitrage models to capitalize pricing differences in the markets. Any change in the market prices of their underlying would result in changes in the fair value of these trading assets, trading liabilities and inventories and also result in profit/loss on futures position.

38.06 Capital Management

Risk Management

The Group manages its capital structure and makes necessary adjustments in light of changes in economic conditions and the requirement of financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return on capital to shareholders, issue new shares or raise / repay debt.

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Group's capital management is to maximize the shareholder value and to ensure the Group's ability to continue as a going concern. There is no non compliance with any covenants of borrowings.

The Capital Composition is as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Borrowings including debt securities	91,123.16	46,413.68
Less: Cash and Cash equivalents	3,243.96	9,224.56
Net Debt (I)	87,879.21	37,189.12
Total Equity (II)	95,273.46	92,610.38
Gearing Ratio (I/II)	92.22%	40.16%

37 Related party disclosures

As per Ind AS 24, the disclosures of transactions with related parties are given below :

37.01 List of related parties where control exists and also other related parties with whom transactions have taken place and relationships :

Sr. No.	Name of related parties	Relationship
1	Mr. Subhash Chand Aggarwal	Key managerial personnel
2	Mr. Mahesh Chand Gupta	Key managerial personnel
3	Mr. Ajay Garg	Key managerial personnel
4	Mr. Anurag Bansal	Key managerial personnel
5	Mr. Vinod Kumar Jamar	Key managerial personnel
6	Mr. Suman Kumar	Key managerial personnel
7	Mr. Himanshu Gupta	Key managerial personnel
8	Ms. Shruti Aggarwal	Key managerial personnel
9	Ms. Madhu Vij	Key managerial personnel (Independent Director)
10	Mr. Kundan Mal Aggarwal	Key managerial personnel (Independent Director)
11	Mr. Hari Das Khunteta	Key managerial personnel (Independent Director)
12	Mr. Naveen ND Gupta	Key managerial personnel (Independent Director)
13	Mr. Chandra Wadhwa	Key managerial personnel (Independent Director)
14	Mr. Roop Chand Jindal (till 07/05/2022)	Key managerial personnel (Independent Director)
15	Mr. Narendra Kumar (w.e.f. 16/09/2022)	Key managerial personnel (Independent Director)
15	Ms. Hemlata Aggarwal	Close Family Member of KMPs
16	Ms. Sushma Gupta	Close Family Member of KMPs
17	Ms. Reema Garg	Close Family Member of KMPs
18	Ms. Neetu Goel	Close Family Member of KMPs
19	Ms. Archana Aggarwal	Close Family Member of KMPs
20	Mr. Aayush Aggarwal	Close Family Member of KMPs
21	Ms. Nidhi Bansal	Close Family Member of KMPs
22	Mr. Anuj Kansal	Close Family Member of KMPs
23	Mrs. Neha Gupta	Close family member of KMPs
24	Mrs. Uma Agrawal	Close family member of KMPs
24	SMC Global Foundation	Trust where in KMPs have control
25	Pulin Investments Private Limited	Entity controlled by KMPs
26	MVR Share Trading Private Limited	Entity controlled by KMPs
27	Dee Faces Herbal Private Limited	Entity controlled by KMPs
28	Excellent Agencies Private Limited	Entity controlled by KMPs
29	Aroma Securities Limited	Entity controlled by KMPs
30	SMC Share Brokers Limited	Entity controlled by KMPs

Note : Related party relationship is as identified by the Group and relied upon by the auditors.

37.02 Disclosure of transactions with related parties :-

₹ in Lakhs

Sr. No.	Particulars of transactions	Relationship	For the year ended March 31, 2023	For the year ended March 31, 2022
1	**Remuneration**			
	Salaries, wages & other benefits	Key managerial personnel	654.60	526.61
	Contribution to defined benefit plan	Key managerial personnel	37.95	33.19
	Total		692.55	559.80
	Directors sitting fee	Independent director	27.01	30.11
2	**Remuneration**			
	Salaries, wages & other benefits	Close Family Member of KMPs	255.21	157.06
	Contribution to defined benefit plan	Close Family Member of KMPs	6.40	3.22
	Total		261.61	160.28
3	**Contribution to Trust**			
	SMC Global Foundation	Trust where in KMPs have control	1.08	2.04
4	**Loans & advances given**			
	MVR Share Trading Pvt. Ltd	Entity controlled by KMPs	13.36	-
	Dee Faces Herbal Private Limited	Entity controlled by KMPs	77.50	-
	Pulin Investments Private Limited	Entity controlled by KMPs	1,482.93	-
	SMC Share Brokers Limited	Entity controlled by KMPs	1.53	-
5	**Loans & advances recovered**			
	Pulin Investments Private Limited	Entity controlled by KMPs	1,482.93	-
	SMC Share Brokers Limited	Entity controlled by KMPs	1.53	-

₹ in Lakhs

Sr. No.	Particulars of Transactions	Relationship	For the year ended March 31, 2023	For the year ended March 31, 2022
6	**Brokerage received**			
	Pulin Investments Private Limited	Entity controlled by KMPs	240.61	214.28
	Excellent Agencies Private Limited	Entity controlled by KMPs	1,200.00	
7	**Loans & advances repaid**			
	Excellent Agencies Private Limited	Entity controlled by KMPs	1,200.00	-
8	**Demat charges received**			
	Pulin Investments Private Limited	Entity controlled by KMPs	0.03	0.01
9	**Interest income**			
	Dee Faces Herbal Private Limited	Entity controlled by KMPs	1.16	-
	Pulin Investments Private Limited	Entity controlled by KMPs	16.09	-
	MVR Share Trading Pvt. Ltd	Entity controlled by KMPs	1.35	-
10	**Delay payment charges**			
	Pulin Investments Private Limited	Entity controlled by KMPs	66.38	0.02
11	**Finance Cost**			
	Excellent Agencies Private Limited	Entity controlled by KMPs	3.66	-
	Pulin Investments Private Limited	Entity controlled by KMPs	-	0.14
	Aroma Securities Limited	Entity controlled by KMPs	-	2.84
	SMC Share Brokers Limited	Entity controlled by KMPs	-	1.45

37.03 **Balances outstanding**

₹ in Lakhs

Sr. No.	Particulars	Relationship	As at March 31, 2023	As at March 31, 2022
12	**Loans**			
	MVR Share Trading Pvt. Ltd	Entity controlled by KMPs	13.36	-
	Dee Faces Herbal Private Limited	Entity controlled by KMPs	77.27	

Transactions and balances with KMPs and their relatives, related parties through stock exchanges / depositories / PMS in the normal course of business have not been disclosed as the same have been transacted at prevailing market prices under online trade mechanism and not material in nature.

As the liabilities for gratuity and compensated absences are provided on actuarial basis for the Group as a whole, the amounts pertaining to individual Key Management Personnel are not separately available.

38 **Segment reporting**

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the group's performance and allocates resources based on analysis of various performance indicators by business segments and geographic segments. Accordingly, information has been presented both along industry classes and geographic segmentation of customers. Industry being the primary segment. Secondary segmental reporting is performed on the basis of the geographical location of customers. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the note on significant accounting policy.

Business Segment:

The Group has three reportable segments, as described below, which are the Group's Lines of Business (LoBs). The LoBs offer different products and services, and are managed separately because the nature of products and method used to distribute the services are different.

The following summary describes the operations in each of the Group's reportable segments:

1. Broking, distribution and trading primarily comprises
   a. Brokerage on dealing in shares, commodities, currency, derivatives and other securities on behalf of customers;
   b. Proprietary trading in shares, commodities, currency, derivatives and other securities;
   c. Clearing services;
   d. Depositary services rendered as depository participant;
   e. Distribution of third party financial products;
   f. Fund management services and research support services
   g. Portfolio and wealth management;
   h. Real estate broking and
   i. Mortgage and loan advisory and investment banking services
2. Insurance broking services primarily comprises providing services in life and non-life insurance products.
3. Financing services primarily comprises business of providing loans.

For these LoBs, the Group's Leadership Team comprising of Chairman, Vice-Chairman, Chief Executive Officer and Group Chief Financial Officer, reviews internal management reports. Accordingly, the leadership team is construed to be the Chief Operating Decision Maker (CODM).

R. Gopal & Associates New Delhi Chartered Accountants

SMC GLOBAL SECURITIES LTD New Delhi

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Geographical Segment:
The geographical segments have been identified by the location of the customers and business operations of the group and the same have been considered as secondary segments viz within India and Outside India.

38.01 Business segment

₹ in Lakhs

Particulars	Broking, Distribution and Trading		Insurance Broking		Financing		Elimination		Total	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Segment revenue including other income										
External revenue	73,995.23	75,002.29	34,901.97	27,361.11	13,578.53	9,858.68	-	-	1,22,075.72	1,12,082.08
Inter segment revenue	2,784.03	2,127.56	319.97	437.28	125.49	(4.49)	(3,229.49)	(2,560.35)	-	-
Total	76,779.26	77,189.85	34,821.94	27,598.39	13,704.02	9,854.19	(3,229.49)	(2,560.35)	1,22,075.72	1,12,082.08
Expenses										
Fees and commission expenses	30,067.62	30,468.97	29,199.17	22,795.48	863.12	415.06	(1,174.59)	(580.67)	58,955.82	53,098.78
Employee benefits expenses	19,327.80	16,306.95	3,245.34	2,535.69	2,478.07	1,729.94	-	-	25,051.71	20,572.22
Finance costs	6,148.78	4,259.55	22.92	26.68	1,732.07	2,432.75	(971.04)	(966.58)	8,932.73	5,752.38
Depreciation and amortization	1,891.22	1,162.90	156.29	578.52	221.90	250.18	-	-	2,269.41	2,011.60
Impairment on financial instruments	106.87	204.78	1.43	18.59	521.75	1,490.57	(90.02)	(97.11)	540.03	1,616.57
Other expenses	8,040.26	5,431.10	1,312.04	1,096.61	1,153.56	604.45	(275.86)	(221.17)	10,030.52	6,890.99
Segment expense	65,683.35	58,234.39	33,737.89	26,051.75	8,970.47	6,882.13	(2,511.51)	(1,825.53)	1,05,880.20	89,942.54
Profit before share of profit/(loss) of joint venture and tax	11,095.91	18,955.66	1,084.04	946.64	4,733.55	2,972.06	(717.98)	(734.82)	16,195.52	22,139.54
Share in profit/(loss) in joint venture accounted using equity method of accounting	0.14	(0.96)							0.14	(0.96)
Profit before tax	11,096.05	18,954.70	1,084.04	946.64	4,733.55	2,972.06	(717.98)	(734.82)	16,195.66	22,138.58
Tax expense	2,728.70	3,803.39	308.13	150.83	1,119.12	727.49	-	-	4,156.04	4,681.73
Profit after tax	8,367.36	15,151.31	775.82	795.79	3,614.43	2,244.57	(717.98)	(734.82)	12,039.62	17,456.85
Other information										
Segment assets	2,50,732.36	2,20,633.57	7,409.53	9,202.96	1,02,878.88	75,725.89	(12,572.41)	(13,545.28)	3,28,448.36	2,92,015.10
Segment liabilities	1,82,216.86	1,70,883.25	5,883.85	4,666.56	63,215.12	39,660.64	(12,202.64)	(13,548.94)	2,38,213.89	2,01,659.51

38.02 Geographical segment

₹ in Lakhs

Particulars	2022-23	2021-22
Segment revenue - external		
Within India	1,21,173.42	1,10,477.85
Outside India	902.30	1,604.23
Total	1,22,075.72	1,12,082.08
Other information		
Segment assets		
Within India	3,24,062.39	2,85,467.96
Outside India	3,685.97	6,547.14
Segment liabilities		
Within India	2,37,639.51	1,97,682.30
Outside India	573.38	3,977.21

(Non-Ind AS Information)

35 **Additional Regulatory disclosures**

Additional regulatory information/disclosures as required by general instructions to Division-III of Schedule III to the Companies Act, 2013 are furnished to the extent applicable to the Group.

i. Title Deeds of all immovable properties are held in the name of the Group.
ii. The Group does not have any investment property, hence disclosure relating to its valuation are not applicable.
iii. During the year the Group has not revalued its property, plant and Equipment.
iv. During the year the Group has not revalued its intangible assets.
v. There are no loans and advances in the nature of loans granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013) which are repayable on demand or without specifying any terms of repayment.

vi. **Capital Work in Progress Aging Schedule as at March 31, 2023**

₹ in Lakhs

	Amount of CWIP for a period of			
Particulars	**Less than 1 year**	**1-2 Years**	**2-3 years**	**More than 3 Years**
Projects in Progress	893.49	-	-	-
Projects temporarily suspended	-	-	-	-
Total	**893.49**	-	-	-

Capital Work in Progress Aging Schedule as at March 31, 2022

₹ in Lakhs

	Amount of CWIP for a period of			
Particulars	**Less than 1 year**	**1-2 Years**	**2-3 years**	**More than 3 Years**
Projects in Progress	-	-	-	-
Projects temporarily suspended	-	-	-	-
Total	-	-	-	-

vii. **Intangible assets under development ageing schedule as at March 31, 2023**

₹ in Lakhs

Particulars	Outstanding for following periods from due date of payment / transaction				**Total**
	Less than 1 year	**1 - 2 years**	**2 - 3 years**	**More than 3 years**	
Projects in progress	109.75	-	-	-	109.75
Projects temporarily suspended	-	-	-	-	-

Intangible assets under development ageing schedule as at March 31, 2022

₹ in Lakhs

Particulars	Outstanding for following periods from due date of payment / transaction				**Total**
	Less than 1 year	**1 - 2 years**	**2 - 3 years**	**More than 3**	
Projects in progress	112.19	5.80	-	-	117.99
Projects temporarily suspended	-	-	-	-	-

viii. No proceeding has been initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ix. Quarterly statements of current assets filed with banks and financial institutions for fund borrowed from those banks and financial institutions on the basis of security of current assets are in accordance with terms and conditions.

x. The Group has not been declared as wilful defaulter by any bank or financial institution. Hence the clause is not applicable.

xi. The Group has not entered in any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956, except :

₹ in Lakhs

Name of struck off Company	**Nature of transactions with struck-off Company**	**Transactions during the year March 31, 2023**	**Balance Outstanding as at March 31, 2023**	**Relationship with the Struck off company**
Lookline Commodities Private Limited	Payables	0.30	0.41	Client
Micro Forex Equity & Derivatives Private Limited	Payables	-	0.04	Client
Mkb Securities Private Limited	Payables	0.30	1.71	Client
Overreach Merchants Private Limited	Payables	0.30	0.71	Client
Simplex Commodities Trade Private Limited	Payables	0.30	1.37	Client
Fg Commodities Private Limited	Payables	-	1.38	Client
Ori Finance Limited	Payables	0.30	0.09	Client
Adventures India Financial Services Limited	Payables	0.30	0.71	Client

₹ in Lakhs

Name of struck off Company	Nature of transactions with struck-off Company	Transactions during the year March 31, 2022	Balance Outstanding as at March 31, 2022	Relationship with the struck off company
PB Commodities Private Limited	Payables	-	0.38	Client
Dri Finance Limited	Payables	-	0.04	Client
Adventures India Financial Services Limited	Payables	-	0.01	Client

xiii. No charges or satisfaction yet to be registered with ROC beyond the statutory period.

xiii. The Group has complied with the number of layers prescribed under clause (87) of section 2 of the act read with companies (Restriction on number of layers) rule 2017.

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

xv. During the year no Scheme of Arrangements related to the Group has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

xvi. Utilisation of Borrowed funds and share premium:-

A) The Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

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

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

40 The Group does not have any transactions not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961) such as search or survey or any other relevant provisions of the Income Tax Act, 1961).

41 **Corporate Social Responsibility (CSR)**

As per Section 135 of the Companies Act, 2013, a Group, meeting the applicability threshold , needs to spend atleast 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A CSR committee has been formed by the Group as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Amount required to be spent by the Group during the year	244.97	175.43
Amount of expenditure incurred	244.99	175.43
Shortfall / (excess) at the end of the year	(0.02)	-
Total of previous years shortfall		
Reason for shortfall	NA	NA
Nature of CSR activities	Promoting Education , including Special Education and Employment Enhancing Vocation Skill, healthcare, environment sustainability, Eradication of hunger and malnutrition and rural development projects	
Details of related party transactions, e.g.,contribution to a trust controlled by KMPs in relation to CSR expenditure as per relevant Accounting Standard	1.08	2.04
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year	NA	NA

42 The Group has not traded or invested in Crypto Currency or Virtual currency during the year.

R. Gopal & Associates * Chartered Accountants * Delhi

SMC GLOBAL SECURITIES LTD

43 Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements :

₹ in Lakhs

Name of entity	Net assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	as % of consolidated net assets	Amount	as % of consolidated profit or loss	Amount	as % of consolidated other comprehensive income	Amount	as % of consolidated total comprehensive income	Amount
SMC Global Securities Limited	82.13	76,830.24	77.77	9,337.21	(5.48)	(27.64)	74.42	9,309.59
Indian Subsidiaries								
SMC Comtrade Limited	1.07	1,003.75	0.21	25.31	0.03	0.15	0.20	25.45
SMC Investments and Advisors Limited	0.44	407.94	(3.93)	(471.26)	(1.06)	(5.36)	(3.81)	(476.62)
Moneywise Financial Services Private Limited	42.82	40,042.89	30.11	3,614.41	7.64	38.52	29.20	3,652.93
SMC Capitals Limited	1.62	1,514.46	0.61	73.49	(0.62)	(3.14)	0.58	70.35
SMC Insurance Brokers Private Limited	1.58	2,411.33	6.46	775.83	1.44	7.28	6.26	783.11
Moneywise Finvest Limited	3.42	3,200.44	0.97	116.60	1.67	8.42	1.00	125.02
SMC Global IFSC Private Limited	3.73	3,489.89	2.22	266.77	45.27	228.28	3.96	495.05
SMC Real Estate Advisors Private Limited	(1.07)	(999.22)	(9.19)	(1,103.46)	7.19	36.25	(8.53)	(1,067.21)
Foreign Subsidiaries								
SMC Comex International DMCC	3.31	3,094.74	1.65	198.36	45.62	230.03	3.42	428.38
SMC Global USA Inc.	(0.19)	(182.14)	(0.63)	(75.81)	(1.96)	(9.90)	(0.69)	(85.71)
Joint Venture								
SMC & IM Capitals Investment Manager LLP	-	-	0.00	0.14	-	-	0.00	0.14
Adjustment arising out of consolidation	(40.11)	(37,510.46)	(5.98)	(717.98)	-	-	(5.74)	(717.98)
	99.74	**93,273.46**	**100.28**	**12,039.62**	**99.72**	**502.88**	**100.26**	**12,542.50**
Non-controlling interest in subsidiaries	0.26	241.11	(0.28)	(34.15)	0.28	1.40	(0.26)	(32.75)
Total	**100.00**	**93,514.57**	**100.00**	**12,005.47**	**100.00**	**504.28**	**100.00**	**12,509.75**

44 Previous year's figures have been regrouped and rearranged wherever necessary to confirm to this year's classification.

In terms of our report of even date attached
For R. Gopal & Associates
Chartered Accountants
Firm Registration No.: 000846C

Vikash Aggarwal
Partner
Membership No.: 519574

Place: New Delhi
Date: May 18, 2023

For and on behalf of the Board

S.C. Aggarwal
Chairman & Managing Director
DIN: 00003267

Mahesh C. Gupta
Vice-Chairman & Managing Director
DIN: 00001082

Ajay Garg
Director & CEO
DIN: 00003166

Vinod Kumar Jamar
President & Group CFO

Suman Kumar
Company Secretary

R GOPAL & ASSOCIATES
CHARTERED ACCOUNTANTS
G- 1, Ground Floor, South Extension-II,New Delhi-110049
Ph.: 011- 41649623, 41649624,41649625,41649626

Independent Auditor's Report

To the Members of SMC Global Securities Limited

Report on the Audit of the Standalone Financial Statements

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matter

Key audit matter is those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in our opinion there is no any such matter to be reported by us.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Business Responsibility Report and Report on Corporate Governance and shareholder information, but does not include the standalone financial statements and our auditors' report thereon. The above-referred information is expected to be made available to us after the date of this audit report.

R. Gopal & Associates Vikash Aggarwal New Delhi

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone 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.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions necessitated by the circumstances and the applicable laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

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

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a

R. Gupta & Associates Vikash Aggarwal Delhi M.No. 519574 Chartered Accountants

material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Other Matter

We audited the restatement adjustments, as disclosed in Note No. 32 to the financial statements, which have been made to the comparative financial information presented for the Year ended March 2021 in accordance with the

R. Gopal & Associates Vikash Aggarwal New Delhi M.No. 519374 Chartered Accountants

requirements of applicable Ind AS. In our opinion, such adjustments are appropriate and have been properly applied. Our Opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1 As required by the Companies (Auditor's Report) Order, 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-A, a statement on the matters specified in the paragraph 3 and 4 of the order.

2 As required by Section 143(3) of the Act, based on our audit we report that:

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

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

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

d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

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

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Sec 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 standalone financial statements. Refer Note no 34 to the standalone financial statements.

II. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses, and



III. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

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

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

V. As stated in Note 19 to the standalone financial statements: -

(a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

(b) The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with Section 123 of the Act.

(c) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

For R Gopal & Associates
Chartered Accountants
Firm Registration No.: 000846C

Vikash Aggarwal
Partner
Membership No: 519574
UDIN: 22519574AIPLCM4367
Date: 07th May, 2022
Place: Kathmandu, Nepal

Annexure A to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March 2022, we report that:

(i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of Intangible Assets.

(b) Property, Plant & Equipment are physically verified by the management according to a phased manner to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant & Equipment have been physically verified by the management during the year and no material discrepancies have been noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right of use assets) and Intangible Assets during the year.

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

(ii)

(a) Inventory comprises of stock of commodities which have been physically verified and reconciled by the management with reference to the confirmation / statements from brokers and holding statements of warehouse and depository participants, during the year and coverage and procedure of such verification by the management is appropriate No discrepancies of 10% or more in the aggregate for each class of inventory were noticed.

(b) During the year company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets and the quarterly returns or statements filed by the company with such banks or financial institutions are in accordance with terms and conditions and the company has never reported in excess of books.

(iii)

(a) During the year company has granted loans to its subsidiaries. Details of the loan are stated below. The Company has not granted any loans, secured or unsecured, to firms, limited liability partnerships or any other parties during the year.



Particulars	Rs in Lakhs
	Loan
Aggregate amount granted/ provided during the year to	
subsidiaries	12,087.85*
Other	-
Balance outstanding as at balance sheet date in respect of above cases	
subsidiaries	2,044.57
Other	-

*The Company extents revolving credit facilities to its wholly owned Subsidiaries which is within the limit assigned.

(b) According to the information and explanations given to us, the terms and conditions of loans granted by the company to its subsidiaries are not prejudicial to the interest of the Company. The company has not provided any guarantee during the year.

(c) The Company has granted loans during the year to its subsidiaries which are repayable on demand and payment of interest has been stipulated and the repayment or receipts are regular.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days.

(e) There were no loans granted to companies, firms, Limited Liability Partnerships or any other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.

(f) The Company has granted loans to its subsidiaries as defined in clause (76) of Section 2 of the Companies Act, 2013, which are repayable on demand. The Company has not given any loan to its promoters.

Particulars	Rs In Lakhs
	Related Parties
Aggregate amount of loans/ advances in nature of loans	11,784.46
Repayable on demand	
Percentage of loans to the total loans	97.49%

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provision of section 186 of the Act, with respect to the loans, investments, guarantees and security made as applicable. The company has not given any loan to its directors, hence section 185 not applicable.

R. Gopal & Associates Chartered Accountants Vikash Aggarwal New Delhi M.No. 519574

(v) The Company has not accepted any deposits from the public within the meaning of sections 73 to 76 of the Act, 2013 and rules framed there under.

(vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.

(vii)

(a) According to the information and explanations given to us, Company has generally been regular in depositing undisputed statutory dues including provident fund, employee's state insurance, income-tax, goods and service tax, cess and other statutory dues applicable to it with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employee's state insurance, income-tax, goods and service tax, cess and other material statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub -clause (a) above which have not been deposited as on March 31,2022 on accounts of dispute are given below:

Name of the statute	Nature of dues	Amount (Rs in Lacs)	Period to which the amount relates	Forum where dispute is pending
Finance Act 1994	Service Tax	45.66	FY 2009-10 to FY 2012-13	Commissioner of Service Tax, Audit 1, Delhi
Finance Act 1994	Service Tax	527.55	01.07.2012 to 30.06.2017	Customs, Excise and Service Tax Appellate Tribunal (CESTAT).
Income Tax Act 1961	Income Tax	52.89	A.Y 2013-2014 to A.Y 2019-2020	Commissioner of Income Tax (Appeals), Delhi
The Employee State Insurance Act,1948	ESI	18.63	September 2005 to December 2007	Additional Senior Civil Judge, Tis Hajari Court - Delhi
The Indian Stamp Act, 1899*	Stamp Duty	-	2010 to 21.11.2014	High Court, Delhi
The Employees Provident Fund Act, 1952*	PF	-	October 1995 to November 2003	High Court, Delhi

* Amount not ascertained.



(viii) As per information and explanation given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix)

(a) According to the information and explanations given to us the company has not defaulted in repayment of loans and borrowings including interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) According to the information and explanations given to us, the company has utilized the money obtained by way of term loan during the year for the purpose for purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. Company does not have any associates and joint venture.

(f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries. Company does not have any associates and joint venture.

(x)

(a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under clause (x)(b) of the Order is not applicable.

(xi)

(a) According to the information and explanations given to us, no fraud by / on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

R. Gopal & Associates ★ Vikash Aggarwal ★ New Delhi ★ M.No. 519574 ★ Chartered Accountants

(c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.

(xiv)

(a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi)

(a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), of the Order is not applicable.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(b), of the Order is not applicable.

(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) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable

R. Gopal & Associates Vikash Aggarwal New Delhi M.No. 518074 Chartered Accountants

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) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub-section 5 of Section 135 of the Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

(b) In respect of the ongoing projects, there are no unspent amounts which is required to be transferred to special account in compliance with provision of sub section (6) of section 135 of the said Act; Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

For R Gopal & Associates
Chartered Accountants
Firm Registration No.: 000846C



Vikash Aggarwal
Partner
Membership No: 519574
UDIN: 22519574AIPLCM4367
Date: 07th May, 2022
Place: Kathmandu, Nepal

Annexure - B to the Auditors' Report

Report on the Internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **SMC Global Securities Limited** ("the Company") as of 31st March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that: -

R. Gopal & Associates Vikash Aggarwal New Delhi M.No. 519574 Chartered Accountants

1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

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

For R Gopal & Associates
Chartered Accountants
Firm Registration No.: 000846C



Vikash Aggarwal
Partner
Membership No: 519574
UDIN: 22519574AIPLCM4367
Date: 07th May, 2022
Place: Kathmandu, Nepal

SMC GLOBAL SECURITIES LIMITED

Standalone Balance Sheet

₹ in Lakhs

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
Assets			
Financial assets			
Cash and cash equivalents	2	5,697.88	2,710.69
Other bank balances	3	1,13,627.87	1,01,417.42
Receivables			
Trade receivables	4	35,637.86	23,290.09
Other receivables	5	473.51	450.00
Loans	6	2,044.57	1,282.61
Investments	7	55,273.50	48,409.58
Other financial assets	8	8,419.49	6,561.50
Non-financial assets			
Inventories	9	2,366.41	1,317.48
Current tax assets (net)	30	2,125.09	1,626.09
Deferred tax assets (net)	30	211.18	795.49
Property, plant and equipment	10	7,414.49	3,095.10
Right of use assets	11	2,460.48	2,636.42
Other intangible assets	12	77.12	83.32
Intangible assets under development	12	80.48	-
Other non-financial assets	13	1,247.34	1,372.95
Total assets		**2,37,157.27**	**1,94,048.74**
Liabilities and equity			
Liabilities			
Financial liabilities			
Payables			
Trade payables	14		
- to micro and small enterprises		-	-
- to other than micro and small enterprises		63,556.28	39,790.31
Lease liabilities	11	2,372.98	2,466.03
Borrowings	15	15,093.56	23,840.61
Other financial liabilities	16	74,000.72	58,722.93
Non-financial liabilities			
Provisions	17	1,578.23	1,281.34
Other non-financial liabilities	18	1,232.24	800.40
Equity			
Equity share capital	19	2,262.69	2,262.69
Other equity		77,060.57	64,884.43
Total liabilities and equity		**2,37,157.27**	**1,94,048.74**

The accompanying notes form an integral part of the standalone financial statements. 1-43

In terms of our report of even date attached
For R. Gopal & Associates
Chartered Accountants
Firm Registration No. : 000846C

Vikash Aggarwal
Partner
Membership No. : 519574

Place: Kathmandu, Nepal
Date: May 07, 2022

For and on behalf of the Board

S.C. Aggarwal
Chairman &
Managing Director
DIN: 00003267

Mahesh C. Gupta
Vice-Chairman &
Managing Director
DIN: 00003082

Ajay Garg
Director & CEO
DIN: 00003166

Vinod Kumar Jamar
President & Group CFO

Suman Kumar
Company Secretary

SMC GLOBAL SECURITIES LIMITED

Standalone Statement of Profit and Loss

₹ in Lakhs

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021*
Revenue from operations			
Fee and commission income	20	36,025.16	29,087.00
Interest income	21	10,963.90	7,098.54
Dividend income		840.00	838.36
Net gain on proprietary trading		15,141.05	12,360.44
Net gain on fair value changes	22	4,023.95	745.64
Total revenue from operations		**66,994.06**	**50,129.98**
Other income	23	1,415.55	1,967.18
Total income		**68,409.61**	**52,097.16**
Expenses			
Fees and commission expenses	24	27,798.32	22,648.79
Employee benefits expenses	25,33	12,917.25	10,898.10
Finance cost	26	3,718.74	2,800.75
Depreciation and amortisation	27	1,439.99	1,181.53
Impairment on financial instruments	28	146.28	259.91
Other expenses	29	4,172.08	3,784.48
Total expenses		**50,192.66**	**41,573.56**
Profit before tax		**18,216.95**	**10,523.60**
Tax expense:			
Current tax	30	3,164.14	2,030.31
Deferred tax	30	591.78	999.00
Total tax expense		**3,755.92**	**3,029.31**
Profit after tax		**14,461.03**	**7,494.29**
Other comprehensive income (OCI)			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit liability / asset		(29.67)	339.00
Tax effect of items that will not be reclassified subsequently to profit and loss		7.47	(85.32)
Total other comprehensive income (net of tax)		**(22.20)**	**253.68**
Total comprehensive income for the year (comprising profit and other comprehensive income for the year)		**14,438.83**	**7,747.97**
Earnings per equity share (Face value ₹ 2)			
Basic & Diluted (in ₹)	31	12.78	6.62
The accompanying notes form an integral part of the standalone financial statements.	1-43		

* Restated - Refer Note no. 32

In terms of our report of even date attached
For R. Gopal & Associates
Chartered Accountants
Firm Registration No.: 000846C

Vikash Aggarwal
Partner
Membership No.: 519574

Place: Kathmandu, Nepal
Date: May 07, 2022

For and on behalf of the Board

S.C. Aggarwal
Chairman &
Managing Director
DIN: 00009267

Mahesh C. Gupta
Vice-Chairman &
Managing Director
DIN: 00003082

Ajay Garg
Director & CEO
DIN: 00003166

Vinod Kumar Jamar
President & Group CFO

Suman Kumar
Company Secretary

SMC GLOBAL SECURITIES LIMITED
Standalone statement of changes in equity

A. Equity share capital (Refer note 19)

₹ in Lakhs

Particulars	Balance as at April 1, 2020	Changes in equity share capital due to prior period errors	Restated balance as on April 1, 2020	Changes in equity share capital during the period	Balance as at March 31, 2021
Equity share capital	2,262.69	-	-	-	2,262.69

₹ in Lakhs

Particulars	Balance as at April 1, 2021	Changes in equity share capital due to prior period errors	Restated balance as on April 1, 2021	Changes in equity share capital during the period	Balance as at March 31, 2022
Equity share capital	2,262.69	-	-	-	2,262.69

B. Other equity

₹ in Lakhs

Particulars	Reserves & surplus				Other comprehensive income			Total
	Securities premium reserve	Retained earnings	General reserve	Capital reserve	Remeasurement of the net defined benefit liability / asset	Fair value changes in investments	Tax effect of other component of equity	
Balance as at April 1, 2020	34,444.50	15,399.43	7,844.60	1,439.24	(189.86)	(302.66)	130.28	58,765.53
Retrospective restatement (Refer note no. 32)	-	(249.51)	-	-	77.19	302.66	(130.28)	-
Restated balance as at April 1, 2020	34,444.50	15,149.92	7,844.60	1,439.24	(112.67)	-	-	58,765.53
Changes in equity for the year ended March 31, 2021								
Profit for the year	-	7,494.29	-	-	-	-	-	7,494.29
Other comprehensive income for the year	-	-	-	-	253.68	-	-	253.68
Total comprehensive income for the year	-	7,494.29	-	-	253.68	-	-	7,747.97
Transactions with owners in their capacity as owners :								
Payment of dividend	-	(1,629.13)	-	-	-	-	-	(1,629.13)
Balance as at March 31, 2021	34,444.50	21,015.08	7,844.60	1,439.24	141.01	-	-	64,884.43
Balance as at April 1, 2021	34,444.50	21,015.08	7,844.60	1,439.24	141.01			64,884.43
Changes in equity for the year ended March 31, 2021								
Profit for the year	-	14,461.03	-	-	-			14,461.03
Other comprehensive income for the year	-	-	-	-	(22.20)			(22.20)
Total comprehensive income for the year	-	14,461.03	-	-	(22.20)	-	-	14,438.83
Transactions with owners in their capacity as owners :								
Payment of dividend	-	(2,262.69)	-	-	-			(2,262.69)
Balance as at March 31, 2022	34,444.50	33,213.42	7,844.60	1,439.24	118.81	-	-	77,060.57

Nature and purpose of reserves :

(A) Securities premium reserve

Securities premium is used to record the premium received on issue of shares. The reserve can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.

(B) Retained earnings

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

(C) 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 however, the same is not required to be created under Companies Act, 2013. This reserve can be utilised only in accordance with the specified requirements of Companies Act, 2013.

(D) Capital reserve

It is comprising of capital reserve on forfeiture amounting to ₹ 1,235.98 lakhs (PY ₹ 1,235.98 lakhs) and on amalgamation amounting to ₹ 199.26 lakhs (PY ₹ 199.26 lakhs). This reserve can be utilised only in accordance with the specified requirements of Companies Act, 2013.

In terms of our report of even date attached
For R. Gopal & Associates
Chartered Accountants
Firm Registration No.: 000846C

Vikash Aggarwal
Partner
Membership No.: 519574

Place: Kathmandu, Nepal
Date: May 07, 2022

For and on behalf of the Board

S.C. Aggarwal
Chairman & Managing Director
DIN: 00603267

Mahesh C. Gupta
Vice-Chairman & Managing Director
DIN: 00003082

Ajay Garg
Director & CFO
DIN: 00003166

Vinod Kumar Jamar
President & Group CFO

Suman Kumar
Company Secretary

SMC GLOBAL SECURITIES LIMITED
Standalone statement of cash flows

₹ in Lakhs

Particulars		For the year ended March 31, 2022	For the year ended March 31, 2021*
Cash flow from operating activities:			
Profit after tax		14,461.03	7,494.29
Adjustments to reconcile net profit to net cash provided by operating activities:			
Tax expense		3,755.92	3,029.31
Depreciation and amortization		1,439.99	1,181.53
Interest expense		3,718.74	2,800.75
Dividend income		(727.20)	(808.00)
(Gain) / loss on modification of lease		(3.01)	(6.80)
Interest income other than from revenue from operation		(288.57)	(558.14)
Allowance for impairment on financial instruments		146.28	259.91
Rent income		(187.28)	(165.03)
Net loss/(profit) on derecognition of property, plant and equipment		(2.81)	(28.11)
Exchange difference on conversion of foreign currency monetary items		(4.94)	4.17
Operating profit before working capital changes		**22,308.15**	**13,203.88**
Changes in assets and liabilities			
Other bank balances		(12,210.45)	(61,539.18)
Trade receivables		(12,435.31)	(6,010.88)
Other receivables		(25.15)	115.91
Loans		(819.07)	(38.90)
Inventories		(1,048.93)	(1,317.48)
Investments		(6,863.91)	(4,391.84)
Other financial assets		(1,858.00)	5,651.29
Other non-financial assets		125.62	(284.38)
Trade payables		23,765.96	8,447.80
Other financial liabilities		15,255.09	20,047.94
Other non-financial liabilities		431.84	286.14
Provisions		274.69	186.77
Cash generated from / (used in) operations		**26,900.53**	**(25,642.93)**
Income taxes paid (net of refund)		(3,670.60)	(2,008.81)
Net cash generated from / (used in) operating activities	**(A)**	**23,229.93**	**(27,651.74)**
Cash flow from investing activities:			
Expenditure on PPE, intangible assets and intangible assets under development		(6,090.43)	(423.00)
Sale proceeds on property, plant and equipment and intangible assets		4.00	89.23
Interest received		288.57	558.14
Dividend received		727.20	808.00
Rent received		187.28	165.03
Net cash generating from / (used in) investing activities	**(B)**	**(4,883.38)**	**1,197.40**
Cash flow from financing activities:			
Payment of dividends		(2,239.98)	(1,618.46)
Payment of interest		(3,491.94)	(2,482.40)
Repayment of lease liabilities		(894.24)	(693.26)
Proceeds from term loan		3,811.73	47.24
Repayment of term loan		(31.80)	(23.65)
Proceeds / (repayment) from loan repayable on demand (net)		(12,518.07)	17,635.45
Repayment of debt securities		-	(366.18)
Net cash generating from / (used in) financing activities	**(C)**	**(15,364.30)**	**12,498.74**

SMC GLOBAL SECURITIES LIMITED

Standalone statement of cash flows

₹ in Lakhs

Particulars		For the year ended	
		March 31, 2022	March 31, 2021*
Net increase / (decrease) in cash and cash equivalents	**(A+B+C)**	**2,982.25**	**(13,955.60)**
Effect of change in exchange rate on foreign operations and foreign currency monetary items		4.94	(4.17)
Cash and cash equivalents at the beginning of the year		2,710.69	16,670.46
Cash and cash equivalents at the end of the year (refer note 2)		**5,697.88**	**2,710.69**

* Restated - Refer Note no. 32

Notes :

1. Changes in liabilities arising from financing activities

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Opening balance	23,840.61	6,519.92
Addition during the year	3,811.73	17,682.69
Repayments during the year	(12,549.87)	(389.83)
Other Adjustments	(8.91)	27.83
Closing balance	**15,093.56**	**23,840.61**

2. The above statement of cash flows has been prepared under the "Indirect Method" as set out in Ind AS - 7 notified u/s 133 of the Companies Act, 2013.
3. Interest expense includes other borrowing cost.
4. Figures in brackets indicate cash outflow.
5. The significant accounting policies and notes to the financial statements (Refer note no. 1 - 43) form an integral part of the standalone financial statements.

In terms of our report of even date attached
For R. Gopal & Associates
Chartered Accountants
Firm Registration No.: 000846C

Vikash Aggarwal
Partner
Membership No. : 519574

Place: Kathmandu, Nepal
Date: May 07, 2022

For and on behalf of the Board

S.C. Aggarwal
Chairman &
Managing Director
DIN: 00003267

Mahesh C. Gupta
Vice-Chairman &
Managing Director
DIN: 00003082

Ajay Garg
Director & CEO
DIN: 00003166

Vinod Kumar Jamar
President & Group CFO

Suman Kumar
Company Secretary

SMC GLOBAL SECURITIES LIMITED
Notes to standalone financial statements

1 Significant accounting policies and measurement basis

1.01 Company overview

SMC Global Securities Limited ("the company" or "SMC Global"), a limited liability company is domiciled in India, incorporated in the year 1994 having its registered office at 11/6B, Shanti Chambers, Pusa Road, New Delhi-110005. The Company's equity shares are listed and traded on National Stock Exchange ("NSE") and Bombay Stock Exchange ("BSE") in India with effect from Feburary 24, 2021. The Company is a trading and clearing member of the National Stock Exchange of India Limited ("NSE"), BSE Limited ("BSE") and Metropolitan Stock Exchange of India Limited ("MSEI") in the capital market. Further, the company is a clearing and trading member of NSE, BSE, MSEI, MCX and NCDEX in the futures and options of currency, commodity and equity derivative segment. The Company also holds depository participants registration of Central Depository Services (India) Limited and National Securities Depository Limited, participants of NCDEX, Comtrack, AMFI registered mutual fund distribution and portfolio management service (PMS) registration from Securities and Exchange Board of India ("SEBI"). The company is regulated by SEBI. The company has ten subsidiaries and one jointly controlled entity.
The company offers a wide range of services to meet client's needs including brokerage services, clearing services, depository services, distribution of financial products such as mutual fund and initial public offerings, fund management services, research support services and also engages in proprietary transactions.

1.02 Statement of compliance

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

1.03 Basis of preparation

These standalone financial statements are prepared under the historical cost convention on the accrual basis except for certain assets and liabilities which are measured at fair value / amortised cost / transaction price as stated in respective accounting policies / notes.
The financial statements are presented in Indian Rupees in lakhs and all values are rounded off to the nearest two decimal points except otherwise stated.

1.04 Use of estimates

The preparation of the financial statements in conformity with Ind AS, requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the year in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.05 Revenue recognition

The company derives it's revenue primarily from the brokerage services, clearing services, depository services, distribution of financial products such as mutual fund and initial public offerings, interest income and proprietary trading. The company follows Ind AS 115 Revenue from Contract with Customer, which prescribed the core principle to recognise revenue. This core principle is delivered in a five-step model framework:
(a) Identify the contract(s) with a customer.
(b) Identify the performance obligations in the contract.
(c) Determine the transaction price.
(d) Allocate the transaction price to the performance obligations in the contract.
(e) Recognise revenue when (or as) the entity satisfies a performance obligation.

Based on the above principle the company recognise the revenue as follows:
(i) **Broking**: In these types of contract performance obligation is to provide the platform to traders for trading in securities, commodities and the performance obligation satisfies point in time i.e. as and when the trade is executed. Revenue on commission/brokerage on sale made on behalf of principals is accounted for at the time of purchase/sale made on their behalf.

(ii) **Distribution of third party financial products**: In these types of contract performance obligation is to sell the third party financial products to the subscriber and the performance obligation satisfies point in time i.e. as and when subscription is ensured and target based incentives are confirmed by registrar / respective companies. Untilled revenue is the income that has become due on account of services rendered by the company but pending to be billed.

R. Gopal & Associates Vikash Agarwal New Delhi M.No. 518574 Chartered Accountants

SMC GLOBAL SECURITIES LTD New Delhi

(iii) **Depository**: In these types of contract performance obligation is periodic maintenance of customer account as depository participant and the performance obligation satisfies over time i.e. over the period and there is reasonable certainty of recovery.

(iv) **Proprietary trading**: Ind AS 115 Revenue from Contract with Customer is not applicable on this business and hence the revenue is recognised as per Ind AS 109 Financial Instruments i.e. as and when trade is executed.

(v) **Interest income**: Interest income on a financial asset at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ('EIR'). The EIR is the rate that exactly discounts estimated future cash flows of the financial assets through the expected life of the financial asset or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The internal rate of return on financial assets after netting off the fees received and cost incurred approximates the effective interest rate method of return for the financial asset. The future cash flows are estimated taking into account all the contractual terms of the instrument.
The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For creditimpaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for ECLs).
It also includes Delayed payment charges.

(vi) **Commodity trading**: In these types of contracts the performance obligation satisfies in time i.e. when the sale is executed or ownership is transferred. Accordingly the revenue is recognised on whenever the transaction is executed.

(vii) **Fund management services**: In these types of contracts the performance obligation satisfies over time i.e. the services are rendered on continuous basis and the revenue is recognised on periodical basis and also considering performance based criteria of fund (as applicable).

(viii) **Dividend**: Dividend income is recognised when the shareholders right to receive payment is established.

(ix) **Research support services**: In these types of contract performance obligation is periodic input to participants on the basis of capital market analysis and the performance obligation satisfies over time i.e. over the period.

(x) **Incentives from exchange**: Incentives from exchange are recognised on point in time basis.

1.06 Inventories

The Company mainly has inventory of commodities (agri and non-agri), which is held for the purpose of trading. The Company follows Ind AS 2 "Inventories" for valuation of inventory held in trade, accordingly, the company value its inventories at fair value less cost to sell.

1.07 Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Cost includes taxes, duties, identifiable direct expenses, expense on installation and net of applicable GST credit thereon. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. The company depreciates property, plant and equipment over their estimated useful lives on written down value method. The estimated useful lives of assets are as follows:

Office building	60	years
Computer equipment	3-6	years
Office equipment	5	years
Furniture and fixtures	10	years
Vehicles	8-10	years
VSAT	13	years

The useful lives for these assets is in compliance with the useful lives as indicated under Part C of Schedule II of the Companies Act, 2013.
Depreciation methods, useful lives and residual values are reviewed at each year end.
Addition to the, property plant and equipment have been accounted for on the date of installation and its use irrespective of date of invoice. Depreciation on asset added/sold/discarded during the year is being provided on prorata basis from / upto the date on which such assets are added/sold/discarded.
Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non financial assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognised in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale and the resultant gains or losses are recognised in net profit in the statement of profit and loss. Assets classified as held for sale are reported at the lower of the carrying value and the fair value less cost to sell.

R. Gopal & Associates Chartered Accountants New Delhi M.No. 519574

SMC GLOBAL SECURITIES LTD. New Delhi

1.08 Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment, if any. Cost includes taxes, duties, identifiable direct expenses, expense on installation and net of GST credit thereon. Intangible assets are amortized on a written down value basis, from the date that they are available for use. The rates used are as follows :

Computer software	40%
Trade mark logo	40%

1.09 Impairment of property, plant and equipment, intangible assets and right of use assets

At each reporting date, the Company reviews the carrying amounts of its property, plant and equipment, intangible assets and right of use assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash flows are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash generating Units ('CGUs'). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

1.10 Income tax

The income tax expense comprises of current and deferred tax. Current tax and deferred tax are recognised in statement of profit and loss and the corresponding impact is taken to the current tax asset/ liability and deferred tax asset/liability respectively in balance sheet. The tax impact on the item of OCI are recognised in OCI.

The current tax is calculated on the basis of the tax rates, laws and regulations, which have been enacted or substantively enacted as at the reporting date. The payment made in excess / (shortfall) of the Company's income tax obligation for the year are recognised in the balance sheet as current income tax assets / liabilities.

Deferred tax is recognised based on the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax is determined using tax rates that have been enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

1.11 Investment in subsidiaries

Investment in subsidiaries are carried at cost less accumulated impairment, if any.

1.12 Financial instruments

(a) Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognised at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

(b) Subsequent measurement

(i) Financial assets at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Advances, security deposits, rental deposits, cash and cash equivalents etc. are classified for measurement at amortised cost.

(ii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss. All investment held for trading, derivative financial instruments are measured at fair value through profit and loss.

R. Gopal & Associates Ulkash Aggarwal New Delhi M.No. 519574 Chartered Accountants

SMC GLOBAL SECURITIES LTD. New Delhi

(iii) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognised in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(c) Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognised from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

(d) Impairment

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in statement of profit and loss.

1.13 Foreign currency translations

The functional and presentation currency of the Company is Indian Rupee.

Transactions in foreign currency are accounted for at the exchange rate prevailing on the transaction date. Gains / losses arising on settlement as also on translation of monetary items are recognised in the statement of profit and loss.

1.14 Employee benefits

(a) Defined contribution plans

Obligations for contributions to defined contribution plans (provident fund and employees state insurance) are recognized as a personnel expense in statement of profit or loss in the years during which services are rendered by employees.

(b) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's gratuity scheme is a defined benefit plan and in accordance with Payment of Gratuity Act, 1972. As per the plan, employee is entitled to get 15 days of basic salary for each completed year of service with a condition of minimum tenure of 5 years subject to a maximum amount of INR 20.00 lakhs.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements. Defined benefit obligation (DBO) is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the year by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual year to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the year as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in personnel expenses in statement of profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in statement of profit or loss.

(c) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.





(d) Other long-term employee benefits

Liability for long service leave

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior years. That benefit is discounted to determine its present value. Remeasurements are recognised in statement of profit or loss in the year in which they arise. The valuation of the long service leave are obtained from actuary.

1.15 Leases

The Company account for the leases in accordance with Ind AS 116 Leases. The Company has adopted Ind AS 116 with effect from 1st April 2019 and followed Appendix C to the Ind AS 116 for the purpose of transition. Accordingly as a practical expedient, company have not reassessed whether a contract is, or contains, a lease at the date of initial application. Instead, the company has :

(a) applied this Standard to contracts that were previously identified as leases applying Ind AS 17, Leases.

(b) not applied this Standard to contracts that were not previously identified as containing a lease applying Ind AS 17.

The Company enters into hiring/service arrangements for various assets/services. The Company evaluates whether a contract contains a lease or not, in accordance with the principles of Ind AS 116. This requires significant judgements including but not limited to, whether asset is implicitly identified, substantive substitution rights available with the supplier, decision making rights with respect to how the underlying asset will be used, economic substance of the arrangement, etc.

As a lessee the Company has measured lease liability at the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. After the commencement date / transition date, the Company measures the right-of-use asset applying a cost model, whereas the Company measures the right-of-use asset at cost:

(a) less any accumulated depreciation and any accumulated impairment losses; and

(b) adjusted for any remeasurement of the lease liability.

The Company recognises the finance charges on lease expense on reducing balance of lease liability. The lease asset is depreciated over the lease term on straight line basis.

The Company applies the above policy to all leases except:

(a) leases for which the lease term (as defined in Ind AS 116) ends within 12 months of the acquisition date;

(b) leases for which the underlying asset is of low value.

As a lessor the Company identifies leases as operating and finance lease. A lease is classified as a finance lease if the Company transfers substantially all the risks and rewards incidental to ownership of an underlying asset.

At the commencement date, the Company recognises assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease. After the initial recognition the Company recognises finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

For operating leases as a lessor the Company recognises lease payments from operating leases as income on straight-line basis.

1.16 Borrowing costs

Borrowing costs that are attributable to acquisition, construction or production of qualifying assets, are capitalized as part of the cost of such qualifying assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for intended use. All other borrowing costs are charged to the statement of profit and loss.

1.17 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, demand deposits and short-term highly liquid investments that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value.

1.18 Provision, contingent liabilities and contingent assets

Provisions are recognized only when there is a present obligation, as a result of past events and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

(a) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or

(b) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are disclosed where an inflow of economic benefit is probable.

1.19 Statement of cash flows

Cash flows are reported using the indirect method where by the profit after tax is adjusted for the effect of the transactions of a non-cash nature, any deferrals or accruals of past and future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

1.20 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. The weighted-average number of equity shares outstanding during the year is adjusted for events including a bonus issue. 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.

1.21 Standards issued but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2022 vide notification no. G.S.R 255(E) dated 23rd March 2022. Given below are the amendment made in brief and their possible impact on the financial statements of the company. The company will be apply the amendments from 1 April 2022 being the effective date of the amendments:

Ind AS 101 – First-time adoption of Indian Accounting Standards:
The amendment removes the conflict between the requirements of paragraph D16(a) of Ind AS 101 which provides exemptions where a subsidiary adopts Ind AS later than its parent and the exemptions on cumulative translation differences. The amendment permits the subsidiary to measure cumulative translation differences at the carrying amount included in the parent's consolidated financial statements. Similar exemption is available to associate and joint venture that uses the exemption in paragraph D16(a) of Ind AS 101. Paragraph D16(a) of Ind AS 101 provides that the subsidiary can measure its assets and liabilities at the carrying amounts in parent's consolidated financial statements. The amendment is applicable for entities adopting Ind AS from 1 April 2022. As the company has already adopted Ind AS, there is no impact of this amendment on the company.

Ind AS 103 – Business Combinations:
The amendments are made to enable change of reference to Conceptual Framework for Financial Reporting under Indian Accounting Standards issued by The Institute of Chartered Accountants of India and have no impact on the financial statements of the company. The amendments are applicable for business combinations having acquisition date on or after 1 April 2022.

Ind AS 109 – Financial Instruments:
The amendments clarify that only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf will be included in calculating the discounted present value of the cash flow under the new terms on modification of financial liability. The amendment is applicable for modification / exchange of financial liabilities on or after 1 April 2022. The amendment has no impact on the financial statements of the company.

Ind AS 16 – Property, Plant and Equipment:
The amendment creates a carve-out from IAS 16. IAS 16 requires any sale proceeds and cost of samples produced when testing whether the asset is functioning properly to be recognised in profit or loss whereas the amendment clarifies that the same shall be deducted from the cost of the property, plant and equipment. No transition provisions have been specified and therefore, this amendment shall be applicable retrospectively. The company has been following the practice as clarified by the amendment and hence no impact on the financial statements of the company.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets:
The paragraph clarifies what cost needs to be considered in the costs to fulfil a contract while determining whether the contract is onerous. Changes previous practice of considering only incremental costs in the costs to fulfil a contract for determination of onerous contract. Now apart from incremental costs, the costs to fulfil a contact includes an allocation of directly attributable costs. The amendments apply to unfulfilled onerous contracts as on 1 April 2022. As the company does not have any onerous contract, the said amendment has no impact on the financial statements of the company.

Ind AS 41 – Agriculture:
The amendment removes taxation cash flows from paragraph 22 indicating tax cash flows must be included in the fair value less costs to sell. The amendment is applicable to fair value measurements on or after 1 April 2022. Ind AS 41 is not applicable to the company and hence has no impact on the financial statements of the company.

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SMC GLOBAL SECURITIES LTD. New Delhi

2 **Cash and cash equivalents**

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Cash in hand	14.22	22.37
Balances with banks		
In current accounts	5,683.66	2,688.32
Total cash and cash equivalents	**5,697.88**	**2,710.69**

3 **Other bank balances**

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Deposit pledged with banks*	41,465.82	35,953.41
Deposit pledged with the clearing corporations and stock exchanges as margin*	71,313.44	64,048.86
Deposit placed under lien with consumer court	2.12	2.88
Deposit placed with pension fund regulatory and development authority	20.00	20.00
Deposit placed under arbitration	277.35	166.82
Deposit - no lien	41.54	667.49
Emarked balances (unpaid dividend account)	65.24	42.52
Interest accrued but not due	442.36	521.44
Total other bank balances	**1,13,627.87**	**1,01,417.42**

* Deposit pledged with bank as margin deposit for the guarantees issued of ₹ 80,348.75 lakhs and ₹ 43,955.50 lakhs as of March 31, 2022 and March 31, 2021 respectively, credit facilities or otherwise.

4 **Trade receivables**

₹ in Lakhs

Particulars		As at March 31, 2022	As at March 31, 2021
At amortised cost			
Secured considered good		33,862.70	20,877.41
Secured credit impaired		204.85	489.94
Less: Provision for impairment		(175.29)	(375.07)
	(A)	**33,892.26**	**20,992.28**
Unsecured considered good		532.25	1,052.77
Unsecured credit impaired		565.11	654.48
Less: Provision for impairment		(593.63)	(646.33)
	(B)	**523.73**	**1,060.92**
Unbilled revenue	(C)	1,221.87	1,236.89
Total trade receivables	**(A+B+C)**	**35,637.86**	**23,290.09**

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Vikash Aggarwal
New Delhi
M.No. 519674
Chartered Accountants

SMC GLOBAL SECURITIES LTD.
New Delhi

Trade receivables ageing schedule as on March 31, 2022

₹ in Lakhs

Particulars	Outstanding for following periods from due date of payment / transaction					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed Trade receivables - considered good	34,394.95	-	-	-	-	34,394.95
Undisputed Trade receivables - considered credit impaired	40.83	136.49	13.32	82.35	4.86	277.85
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade receivables - considered credit impaired	7.62	20.61	209.57	25.39	248.92	512.11
	34,443.40	**157.10**	**222.89**	**107.74**	**253.78**	**35,184.91**
Less: Provision for impairment						(768.92)
						34,415.99
Unbilled revenue						1,221.87
						35,637.86

Trade receivables ageing schedule as on March 31, 2021

₹ in Lakhs

Particulars	Outstanding for following periods from due date of payment / transaction					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed Trade receivables - considered good	21,930.18	-	-	-	-	21,930.18
Undisputed Trade receivables - considered credit impaired	26.95	125.77	380.70	28.80	7.20	569.42
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade receivables - considered credit impaired	44.54	221.15	10.17	24.42	274.72	575.00
	22,001.67	**346.92**	**390.87**	**53.22**	**281.92**	**23,074.60**
Less: Provision for impairment						(1,021.40)
						22,053.20
Unbilled revenue						1,236.89
						23,290.09

6 **Other receivables**

₹ in Lakhs

Particulars	As at	
	March 31, 2022	March 31, 2021
At amortised cost		
Other receivables	493.90	468.75
	493.90	**468.75**
Less: Provision for impairment	(20.39)	(18.75)
Total other receivables	**473.51**	**450.00**





6 Loans

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Unsecured		
Loans to related party*	2,212.51	1,393.44
	2,212.51	1,393.44
Less: Provision for impairment	(167.94)	(110.83)
Net loans	2,044.57	1,282.61
In India	1,741.34	1,230.60
Outside India	303.23	52.01

*(Refer note no 37.03)

7 Investments

₹ in Lakhs

Particulars		As at March 31, 2022	As at March 31, 2021*
Quoted			
Investments carried at fair value through profit and loss			
Held for trading			
Equity instruments		10,971.78	8,527.63
Debt instruments		792.31	369.42
	(A)	11,764.09	8,897.05
Other than held for trading			
Equity instruments		1,814.94	-
Equity instruments under portfolio management service		2,636.06	1,976.48
Mutual funds		-	30.94
Debt instruments		65.64	23.34
	(B)	4,506.64	2,030.76
Sub - Total	(A+B=C)	16,270.73	10,927.81
Unquoted			
Investments carried at cost			
Equity instrument of subsidiaries		37,651.05	36,851.05
Preference instrument of subsidiary		1,000.00	1,000.00
Less : Provision for impairment		(633.82)	(633.82)
	(D)	38,017.23	37,217.23
Investments carried at fair value through profit and loss			
Equity instruments		0.54	0.54
Debt instruments		985.00	264.00
	(E)	985.54	264.54
Sub - Total	(D+E=F)	39,002.77	37,481.77
Total investments	(C+F)	55,273.50	48,409.58
In India		53,735.23	46,871.31
Outside India		1,538.27	1,538.27

* Restated - Refer Note no. 37





7.01 **Investments in equity instruments of subsidiaries (Unquoted, fully paid-up)** ₹ in Lakhs

Particulars	Face Value	No. of shares		As at	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Investments measured at cost (Unquoted)					
Investments in Equity shares of subsidiaries: (Fully paid up)					
SMC Comtrade Limited	10	25,00,000	25,00,000	250.00	250.00
SMC Investments and Advisors Limited	10	75,00,000	75,00,000	750.00	750.00
Moneywise Financial Services Private Limited	10	4,36,56,920	4,36,56,920	23,024.60	23,024.60
SMC Capitals Limited	10	1,00,00,000	1,00,00,000	1,248.77	1,248.77
SMC Insurance Brokers Private Limited	10	4,04,00,000	4,04,00,000	4,040.00	4,040.00
SMC Comex International DMCC	1000 AED	8,840	8,840	1,538.27	1,538.27
Moneywise Finvest Limited	10	2,00,00,000	1,20,00,000	2,125.49	1,325.49
SMC Global USA Inc.	$ 5000	140	140	473.94	473.94
SMC Global IFSC Private Limited	10	1,19,99,800	1,19,99,800	1,199.98	1,199.98
SMC Real Estate Advisors Private Limited	100	30,00,000	30,00,000	3,000.00	3,000.00
				37,651.05	36,851.05
Investment in Preference shares of subsidiary: (Fully paid up)					
SMC Real Estate Advisors Private Limited	100	10,00,000	10,00,000	1,000.00	1,000.00
(1% Cumulative, Redeemable, Non Participating and Optionally Convertible)				1,000.00	1,000.00
				38,651.05	37,851.05

Place of all subsidiaries are in india except SMC Comex International DMCC and SMC Global USA Inc which are in UAE and USA, respectively.
All subsidiaries are wholly owned except SMC Insurance Brokers Private Limited and SMC Global USA Inc. where the holding is 97.58 % and 60%, respectively.

8 **Other financial assets** ₹ in Lakhs

Particulars	As at	
	March 31, 2022	March 31, 2021
Derivative financial instruments	7,139.06	4,859.58
Security deposits	1,280.93	1,702.42
	8,419.99	6,562.00
Less : Provision for impairment	(0.50)	(0.50)
Total other financial assets	8,419.49	6,561.50
Financial asset carried at fair value through profit and loss	7,692.53	5,283.14
Financial asset carried at amortised cost	726.96	1,278.36

9 **Inventories** ₹ in Lakhs

Particulars	As at	
	March 31, 2022	March 31, 2021
Commodities	2,366.41	1,317.48
Total inventories	2,366.41	1,317.48





10 **Property, plant and equipment** ₹ in Lakhs

Particular	Office Building	Computer equipments	Office equipments	Furniture and fixtures	Vehicles	Freehold Land	VSAT	Total
Opening gross carrying value as at April 1, 2020	2,151.83	2,543.10	657.93	1,827.86	444.82	-	368.22	7,993.76
Additions during the year	14.55	268.61	53.00	19.26	64.58	-	-	420.00
Deletions during the year	(106.86)	(179.06)	(23.93)	(4.26)	(11.34)	-	(368.22)	(693.67)
Closing gross carrying value as at March 31, 2021	**2,059.52**	**2,632.65**	**687.00**	**1,842.86**	**498.06**	**-**	**-**	**7,720.09**
Opening gross carrying value as at April 1, 2021	2,059.52	2,632.65	687.00	1,842.86	498.06	-	-	7,720.09
Additions during the year	-	494.56	70.58	45.36	183.47	5,178.26	-	5,972.23
Deletions during the year	-	(76.90)	(5.34)	(29.84)	(2.93)	-	-	(115.01)
Closing gross carrying value as at March 31, 2022	**2,059.52**	**3,050.31**	**752.24**	**1,858.38**	**678.60**	**5,178.26**	**-**	**13,577.31**
Opening accumulated depreciation as at April 1, 2020	578.34	2,222.01	581.14	1,585.70	356.84	-	353.67	5,677.70
Depreciation for the year	112.50	281.54	56.48	86.71	38.62	-	4.06	579.87
Accumulated depreciation on deletions	(65.95)	(170.10)	(23.49)	(4.15)	(11.07)	-	(357.72)	(632.58)
Closing accumulated depreciation as at March 31, 2021	**624.89**	**2,333.35**	**614.10**	**1,668.26**	**384.39**	**-**	**-**	**5,624.99**
Opening accumulated depreciation as at April 1, 2021	624.89	2,333.35	614.10	1,668.26	384.39	-	-	5,624.99
Depreciation for the year	100.04	363.11	62.89	68.34	57.26	-	-	651.64
Accumulated depreciation on deletions	-	(76.49)	(5.23)	(29.19)	(2.90)	-	-	(113.81)
Closing accumulated depreciation as at March 31, 2022	**724.93**	**2,619.97**	**671.76**	**1,707.41**	**438.75**	**-**	**-**	**6,162.82**
Carrying value as at March 31, 2021	**1,434.63**	**299.30**	**72.90**	**174.60**	**113.67**	**-**	**-**	**2,095.10**
Carrying value as at March 31, 2022	**1,334.59**	**430.34**	**80.48**	**150.97**	**239.85**	**5,178.26**	**-**	**7,414.49**

11 **Right of use assets** ₹ in Lakhs

Particulars	Lease hold assets	Total
Opening gross carrying value as at April 1, 2020	2,975.01	2,975.01
Additions during the year	859.03	859.03
Termination during the year	(124.43)	(124.43)
Closing gross carrying value as at March 31, 2021	**3,709.61**	**3,709.61**
Opening gross carrying value as at April 1, 2021	3,709.61	3,709.61
Additions during the year	590.52	590.52
Termination during the year	(37.19)	(37.19)
Closing gross carrying value as at March 31, 2022	**4,262.94**	**4,262.94**
Opening accumulated depreciation as at April 1, 2020	545.10	545.10
Depreciation for the year	556.15	556.15
Accumulated depreciation on termination	(28.06)	(28.06)
Closing accumulated depreciation as at March 31, 2021	**1,073.19**	**1,073.19**
Opening accumulated depreciation as at April 1, 2021	1,073.19	1,073.19
Depreciation for the year	744.43	744.43
Accumulated depreciation on termination	(15.16)	(15.16)
Closing accumulated depreciation as at March 31, 2022	**1,802.46**	**1,802.46**
Carrying value as at March 31, 2021	**2,636.42**	**2,636.42**
Carrying value as at March 31, 2022	**2,460.48**	**2,460.48**

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11.01 Detail of lease liability

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	2,466.03	2,132.91
Addition during the year	560.52	859.03
Termination during the year	(22.03)	(96.37)
Finance charges on lease	235.71	290.53
Write back during the year	(3.02)	(6.80)
Repayment during the year	(894.23)	(693.27)
Closing balance	**2,372.98**	**2,466.03**
Interest rate used for capitalisation	9.66%	9.66%

11.02 Maturity analysis of lease liabilities

₹ in Lakhs

Particulars	Carrying amount	1-90 days	91-180 days	181-365 days	1-2 years	2-5 years	More than 5 years
As at March 31, 2022	2,372.98	181.86	171.45	280.34	453.32	895.66	390.35
As at March 31, 2021	2,466.03	185.24	183.44	363.18	699.80	993.79	40.58

12 Other intangible assets

₹ in Lakhs

Particular	Computer software	Trademark logo	Total
Opening gross carrying value as at April 1, 2020	673.42	0.20	673.62
Additions during the year	41.98	-	41.98
Deletions during the year	-	-	-
Closing gross carrying value as at March 31, 2021	**715.40**	**0.20**	**715.60**
Opening gross carrying value as at April 1, 2021	715.40	0.20	715.60
Additions during the year	37.72	-	37.72
Deletions during the year	-	-	-
Closing gross carrying value as at March 31, 2022	**753.12**	**0.20**	**753.32**
Opening accumulated amortization as at April 1, 2020	586.57	0.20	586.77
Amortization for the year	45.51	0.00	45.51
Accumulated amortization on deletions	-	-	-
Closing accumulated amortization as at March 31, 2021	**632.08**	**0.20**	**632.28**
Opening accumulated amortization as at April 1, 2021	632.08	0.20	632.28
Amortization for the year	43.92	-	43.92
Accumulated amortization on deletions	-	-	-
Closing accumulated amortization as at March 31, 2022	**676.00**	**0.20**	**676.20**
Carrying value as at March 31, 2021	**83.32**	**(0.00)**	**83.32**
Carrying value as at March 31, 2022	**77.12**	**-**	**77.12**

Intangible assets under development

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Intangible assets under development	80.48	-
Total intangible assets under development	**80.48**	**-**

IND AS 101 gives option to choose from fair value as its deemed cost or carrying value in the previous gaap as deemed cost, on the date of transition to Ind AS for property, plant & equipment and intangible assets, accordingly the company has taken the carrying value in the previous gaap as deemed cost.

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SMC GLOBAL SECURITIES LTD New Delhi

13 **Other non-financial assets**

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Capital advances	203.95	110.52
Prepaid expenses	826.24	332.01
Balances with government authorities and other taxes receivable	128.24	137.75
Advance payment to vendors for supply of goods	88.55	791.94
Salary advances	0.36	0.65
Dividend receivable	-	0.08
Total other non financial assets	**1,247.34**	**1,371.95**

14 **Trade Payables**

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Trade payables - Clients	60,719.18	37,638.68
Trade payables - Expenses	2,837.10	2,151.63
Total trade payables	**63,556.28**	**39,790.31**

Ageing schedule as at March 31, 2022

₹ in Lakhs

Particulars	Outstanding for following periods from due date of payment / transaction				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
MSME	-	-	-	-	-
Others	60,505.60	364.27	30.65	5.00	60,905.52
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
	60,505.60	364.27	30.65	5.00	60,905.52
Accrued expenses					2,650.76
					63,556.28

Ageing schedule as at March 31, 2021

₹ in Lakhs

Particulars	Outstanding for following periods from due date of payment / transaction				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
MSME	-	-	-	-	-
Others	37,383.46	324.80	70.15	9.15	37,787.56
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
	37,383.46	324.80	70.15	9.15	37,787.56
Accrued expenses					2,002.75
					39,790.31

15 **Borrowings**

₹ in Lakhs

Particulars		As at March 31, 2022	As at March 31, 2021
At amortised cost			
Secured			
Term loan			
from banks		132.04	91.37
from others		3,739.21	-
Loan repayable on demand			
from banks		9,727.39	23,636.40
from others		1,475.00	-
Interest accrued but not due		19.87	28.77
Total secured borrowings	(A)	15,093.56	23,756.54
Unsecured			
Loan repayable on demand			
from related party		-	84.07
Total Unsecured borrowings	(B)	-	84.07
Total borrowings	(A+B=C)	15,093.56	23,840.61
In India		15,093.56	23,840.61
Outside India		-	-

a) Term Loan amounting ₹ 3,700 lakhs and ₹ Nil as of March 31, 2022 and March 31, 2021, respectively, are secured by way of hypothecation of freehold land and personal guarantee of promoter directors and are repayable in 60 installments.
b) Term Loan amounting ₹ 171.50 lakhs and ₹ 91.37 lakhs as of March 31, 2022 and March 31, 2021, respectively, are secured by way of hypothecation of vehicles and are repayable over a period up to five years.
b) Loan from banks amounting ₹ 9,727.39 lakhs and ₹ 23,636.40 lakhs as of March 31, 2022 and March 31, 2021, respectively, are secured against shares, receivables (including exchange balances), fixed deposits, certain office buildings and personal guarantee of promoter directors.
c) Loan from others amounting ₹ 1,475.00 lakhs and ₹ Nil as of March 31, 2022 and March 31, 2021, respectively, are secured by way of hypothecation of shares and personal guarantee of promoter directors.

Repayment terms of borrowings

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
In the first year	11,425.76	23,778.94
In the second year	917.98	32.24
In the third to fifth year	2,749.82	29.43
Total	15,093.56	23,840.61

Segregation of Borrowing on the basis of Fixed & Floating interest rate

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Secured		
Weighted average rate		
Fixed rate borrowings	7.99%	8.48%
Floating rate borrowings	8.43%	7.37%
Amount borrowed		
Fixed rate borrowings	3,874.24	91.37
Floating rate borrowings	11,219.32	23,749.24
Total borrowings	15,093.56	23,840.61

Refer note no. 36.05 for contractual maturities of borrowings

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16 Other financial liabilities

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Book overdraft from banks	1,234.54	711.80
Security deposits received	298.83	250.26
Employee benefit payable	563.98	455.53
Derivative financial instruments	5,621.47	3,497.01
Unpaid dividend	65.24	42.52
Margin received from clients	66,217.01	53,765.81
Total other financial liabilities	**74,000.72**	**58,722.93**
Financial liability carried at amortized cost	68,379.60	55,225.92
Financial liability carried at fair value through profit and loss	5,621.12	3,497.01

17 Provisions

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits		
Gratuity	878.96	714.62
Leave encashment	491.26	446.10
Others	208.01	120.62
Total provisions	**1,578.23**	**1,281.34**

18 Other non-financial liabilities

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Unearned income	398.23	220.35
Withholding taxes and other taxes payable	810.22	566.49
Others	23.79	13.56
Total other non-financial liabilities	**1,252.24**	**800.40**

19 Equity share capital

19.01 Authorised issued and subscribed capital

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised		
47,75,50,000 (March 31, 2021 : 47,75,50,000) equity shares of ₹ 2/- each	9,551.00	9,551.00
	9,551.00	**9,551.00**
Issued, subscribed & fully paid up		
11,31,34,450 (March 31, 2021 : 11,31,34,450) equity shares of ₹ 2/- each	2,262.69	2,262.69
	2,262.69	**2,262.69**

19.02 Reconciliation of number of equity shares outstanding

(in numbers)

Particulars	As at March 31, 2022	As at March 31, 2021
At the beginning of the year	11,31,34,450	11,31,34,450
Issued during the year	-	-
Buyback/forfeiture during the year	-	-
At the end of the year	**11,31,34,450**	**11,31,34,450**

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The Board of Directors has proposed an equity dividend @ 60% i.e. ₹ 1.20 (P.Y. ₹ 0.80) per share for the financial year ending March 31, 2022 at there meeting held on dated May 7, 2022 , which is subject to approval by the shareholders in the ensuing Annual General Meeting. The amount of per share dividend recognised as distribution to equity shareholders for interim dividend is ₹ 1.20 (P.Y. ₹ 1.20).

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.

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19.03 Shares held by shareholders holding more than 5% shares

(in numbers)

Name of Shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of Shares held	% held	No. of Shares held	% held
ASM Pipes Private Limited	1,86,67,140	16.50	1,86,67,140	16.50
Mahesh C. Gupta	81,48,500	7.20	92,48,500	8.17
Subhash Chand Aggarwal	80,95,500	7.16	1,00,95,500	8.92
Signature Global (India) Private Limited	18,12,329	1.60	79,72,457	7.05
Sushma Gupta	75,66,550	6.69	75,66,550	6.69
Pulin Investments Private Limited	92,77,205	8.20	92,77,205	8.20

19.04 Shareholding of Promoters

(in numbers)

Shares held by promoters as at March 31, 2022 Promoter Name	No. of Shares	% of total shares	% Change during the year
Subhash Chand Aggarwal	80,95,500	7.16%	(1.77%)
Mahesh Chand Gupta	82,48,500	7.29%	(0.88%)
Sushma Gupta	75,66,550	6.69%	0.00%
Hemlata Aggarwal	50,00,000	4.42%	0.00%
Pranay Aggarwal	47,20,550	4.17%	1.77%
Ginni Devi	22,00,000	1.94%	0.00%
Himanshu Gupta	20,00,000	1.77%	0.88%
Madan Gopal Agarwal	9,84,000	0.87%	0.00%
Ajay Garg	8,41,600	0.74%	0.00%
Damodar Krishan Aggarwal	7,81,970	0.69%	0.00%
Anurag Bansal	2,50,000	0.22%	0.00%
Shruti Aggarwal	20,175	0.02%	0.02%
Aditi Aggarwal	33,050	0.03%	0.03%
Archana Aggarwal	30,000	0.03%	0.00%
ASM Pipes Private Limited	1,86,67,140	16.50%	0.00%
Pulin Investments Private Limited	92,77,205	8.20%	0.00%
Jai Ambey Share Broking Limited	16,16,670	1.43%	0.00%
SMC Share Brokers Limited	2,25,000	0.20%	0.00%

(in numbers)

Shares held by promoters as at March 31, 2021 Promoter Name	No. of Shares	% of total shares	% Change during the year
Subhash Chand Aggarwal	1,00,95,500	8.92%	0.00%
Mahesh Chand Gupta	92,48,500	8.17%	0.00%
Sushma Gupta	75,66,550	6.69%	0.00%
Hemlata Aggarwal	50,00,000	4.42%	0.00%
Pranay Aggarwal	27,20,550	2.40%	0.00%
Ginni Devi	22,00,000	1.94%	0.00%
Himanshu Gupta	10,00,000	0.88%	0.00%
Madan Gopal Agarwal	9,84,000	0.87%	0.00%
Ajay Garg	8,41,600	0.74%	0.00%
Damodar Krishan Aggarwal	7,81,970	0.69%	0.00%
Anurag Bansal	2,50,000	0.22%	0.00%
Archana Aggarwal	30,000	0.03%	0.00%
ASM Pipes Private Limited	1,86,67,140	16.50%	0.00%
Pulin Investments Private Limited	92,77,205	8.20%	0.27%
Jai Ambey Share Broking Limited	16,16,670	1.43%	0.00%
SMC Share Brokers Limited	2,25,000	0.20%	0.00%

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20 **Fee and commission income**

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Income from:		
Brokerage	25,150.87	21,357.97
Distribution of financial products	9,208.52	6,545.01
Depository activities	678.30	414.38
Management fees	113.03	30.12
Incentives from exchange	476.22	244.29
Research support services	598.22	495.31
Total fee and commission income	**36,025.16**	**29,087.00**

21 **Interest income**

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
On financial assets measured at amortised cost		
Interest on deposits with banks	5,501.92	4,867.12
Interest on delayed payment / margin trading facility	4,442.94	2,161.77
On financial assets carried at fair value through profit and loss		
Interest income from investments held for trading	19.04	69.65
Total interest income	**10,963.90**	**7,098.54**

22 **Net gain on fair value changes**

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Net gain on financial instruments at fair value through profit or loss		
Realised	2,896.12	103.70
Unrealised	1,127.83	641.94
Total fair value change of investments	**4,023.95**	**745.64**

23 **Other income**

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Interest income	286.57	556.14
Net gain on derecognition of property, plant and equipment	2.81	28.11
Dividend income*	727.20	808.00
Rent income	167.28	165.03
Liability no longer required written back	116.41	166.64
Net gain on translation of foreign currency monetary items	4.94	-
Miscellaneous income	88.34	241.26
Total other income	**1,415.55**	**1,967.18**

* represents dividend received from one of the subsidiary company

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24 **Fees and commission expenses**

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Client introduction charges	11,673.68	9,596.99
Exchange & other regulatory charges	5,091.15	4,513.72
Expense for distribution of financial products	6,969.76	4,892.26
VPN, leaseline, internet & VSAT expenses (net)	219.52	228.88
Securities transaction tax	3,844.21	3,416.94
Total fees and commission expenses	**27,798.32**	**22,648.79**

25 **Employee benefits expenses**

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Salaries and incentives	11,959.30	10,098.81
Staff welfare	142.74	80.81
Contribution to provident and other funds	554.13	439.80
Gratuity	261.08	278.68
Total employee benefits expenses	**12,917.25**	**10,898.10**

26 **Finance costs**

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
On financial liabilities measured at amortised cost		
Interest to banks & NBFCs	977.48	709.57
Interest-others	2,093.03	1,401.80
Other borrowing cost	472.52	398.85
Finance charges on lease	235.71	290.53
Total finance costs	**3,718.74**	**2,800.75**

27 **Depreciation and amortisation**

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Depreciation on tangible assets	651.64	579.87
Amortisation of intangible assets	43.92	46.51
Depreciation on lease assets	744.43	556.15
Total depreciation and amortisation	**1,439.99**	**1,182.53**

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New Delhi
M No. 516574
Chartered Accountants

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28 **Impairment on financial instruments**

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
On financial assets measured at amortised cost/transaction price		
Trade receivables	87.53	240.81
Loans	57.11	16.00
Security deposits	-	0.40
Other receivables	1.64	2.70
Total impairment on financial instruments	**146.28**	**259.91**

29 **Other expenses**

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Advertisement	488.87	739.38
Business promotion	195.24	40.75
Computer repair & maintenance	524.84	432.97
Conveyance & traveling expenses	140.08	116.98
Directors sitting fee	22.50	18.25
Insurance	31.08	26.53
Legal & professional charges	504.26	436.84
Bank charges	32.31	24.70
Office repair & maintenance	389.15	330.31
Printing and stationery	159.61	118.52
Rent	623.02	606.26
Electricity and water expenses	670.14	595.85
Membership fees & subscription	16.10	9.02
Communication expenses	287.13	237.86
Net loss on foreign currency transaction and translation	-	4.17
Vehicle running & maintenance	46.61	29.47
Rates & taxes	19.51	21.19
CSR expenses	91.44	70.10
Miscellaneous expenses	98.35	93.08
Auditor's fees and expenses		
as statutory auditor	27.00	27.00
as tax auditor	3.00	3.00
as fee for other services	1.83	2.25
Total other expenses	**4,172.08**	**3,784.48**

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30 Income taxes

30.01 Income tax expense in the statement of profit and loss

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2022	March 31, 2021*
Current tax expense		
For the year	3,149.40	2,067.69
Change in estimates relating to prior years	14.74	(37.38)
	3,164.14	2,030.31
Deferred tax charge/(benefit)		
Origination and reversal of temporary differences	591.78	520.00
Minimum alternate tax	-	478.90
	591.78	998.00
Total income tax expense	3,755.92	3,029.31

* Restated - Refer Note no. 32

30.02 Tax expense recognised in other comprehensive income

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2022	March 31, 2021*
Remeasurement of the net defined benefit liability / asset	(7.47)	85.52
Total tax expense recognised in other comprehensive income	(7.47)	85.52

* Restated - Refer Note no. 32

30.03 Reconciliation of the income tax expense to the amount computed by applying the statutory income tax rate to the income before income taxes

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2022	March 31, 2021*
Profit before tax	18,216.95	13,523.60
Enacted tax rates in India	25.168%	25.168%
Computed expected tax expense	4,584.84	2,648.58
Non deductible permanent difference	35.92	60.47
Deductible permanent difference	(38.49)	(15.33)
Income exempt from tax	(8.81)	-
Change in estimates relating to prior years	14.74	(37.38)
Deductions under chapter VI-A	(439.29)	(459.79)
Effect of change in tax rate due to different head of income	(265.39)	-
Tax on unrealised gain / loss on investment	(117.55)	-
Effect of change in tax rates u/s 115BAA	-	353.84
Deferred tax asset / MAT reversed	-	478.90
Income tax expense	3,755.92	3,029.31

The applicable Indian statutory tax rates for fiscal 2022 and fiscal 2021 is 25.168%.

The company elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 in the previous year. The Company accordingly has recognized Provision for Income Tax for the year ended March 31, 2021 and re-measured its Deferred Tax Assets on the basis the rate prescribed in the said section. The impact of this change has been recognized in the Statement of Profit & Loss including write off of deferred tax assets relating to earlier years of ₹ 353.84 lakhs and MAT Credit of ₹ 478.90 lakhs. However, the above MAT Credit would be utilised to settle tax liabilities pertaining to past periods, if any.

* Restated - Refer Note no. 32

30.04 Details of current tax assets and current tax liabilities

₹ in Lakhs

Particulars		As at	
		March 31, 2022	March 31, 2021
Current tax assets pertaining to current year		3,744.42	2,105.68
Current tax liabilities pertaining to current year		3,149.40	2,067.69
Net current tax assets/ (liability) pertaining to current year	(A)	595.02	35.99
Current tax assets pertaining to previous years	(B)	1,530.07	1,590.10
Total current tax assets / (liability) - net	(A+B)	2,125.09	1,626.09

30.05 Movement in the temporary differences of deferred tax

₹ in Lakhs

Particulars	Balance as at April 1, 2020	Recognised in profit or loss during 2020-21*	Recognised in other comprehensive income*	MAT credit adjustment	Balance as at March 31, 2021	Recognised in profit or loss during 2021-22	Recognised in other comprehensive income	Balance as at March 31, 2022
Employee benefits	441.88	(64.44)	(85.32)	-	292.12	45.26	7.47	344.85
Investment securities	52.87	(161.56)	-	-	(108.69)	(142.99)	-	(251.68)
ICDS	(44.33)	(91.71)	-	-	(136.04)	(450.79)	-	(586.83)
Provisions	140.53	11.26	-	-	151.79	12.79	-	164.58
Property, plant & equipment and intangible assets	384.97	(217.79)	-	-	267.18	(6.03)	-	261.15
Provision for impairment on receivable from clients	367.29	(110.33)	-	-	257.07	(63.54)	-	193.53
Other temporary differences	57.69	14.37	-	-	72.06	13.51	-	85.58
Origination and reversal of temporary differences	1,400.90	(520.09)	(85.32)	-	795.49	(591.78)	7.47	211.18
Minimum alternate tax	435.82	(478.91)	-	43.09	-	-	-	-
Total	1,836.72	(999.00)	(85.32)	43.09	795.49	(591.78)	7.47	211.18

* Restated - Refer Note no. 32

31 Earnings per share

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share.

₹ in Lakhs except otherwise stated

Particulars	For the year ended	
	March 31, 2022	March 31, 2021*
Profit attributable to equity share holders	14,461.03	7,494.29
Weighted average number of share outstanding during the year	11,31,34,450	11,31,34,450
Nominal Value per share (₹)	2.00	2.00
Basic & Diluted (₹)	12.78	6.62

* Restated - Refer Note no. 32

32 Restatement of financial statements

In Accordance with Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and Ind AS 1 'Presentation of Financial Statement', the Company has retrospectively restated –

Statement of Profit and Loss for the year ended March 31, 2021;

Statement of Changes in Equity for the year ended March 31, 2021 and as on April 1, 2020; and

Statement of Cash Flows for the year ended March 31, 2021

Notes for the year ended March 31, 2021 from classification of equity and debt instruments at fair value through OCI (FVTOCI) to FVTPL in accordance with Ind AS 109, Financial Instruments.

As per Ind AS 109 investments in equity instruments should be classified as fair value through other comprehensive income (FVTOCI) only when the investment is of strategic and long term in nature and the company doesn't intend to sell over a long period. Further, debt instruments are to be classified as at fair value through other comprehensive income if the debt instrument is held within a business model of hold to collect contractual cash flows and sell. The company does not hold the equity investment for strategic purposes and there could be frequent purchases and sales in those instruments. The company holds debt instruments for trading. Accordingly, the classification of equity and debt investments have been restated retrospectively to reflect the business model of the company resulting in more relevant and faithful representation of the financial statements. Such restatement did not have any impact in the balance sheet as the equity and debt instruments were already stated at fair value. Also there is no change in total comprehensive income for the year ended March 31, 2021. The impact of the same have been given in the Statement of Profit and Loss and Statement of Cash Flows for the comparative period, and Statement of Changes in Equity at the beginning of the comparative period and for the comparative period. Further the statement of cash flows has been restated for the effects of non cash items. Moreover, the Balance Sheet at the beginning of the comparative period as on 01 April 2020 is not required as per Para 40A of Ind AS 1, as there is no change on the information in the balance sheet at the beginning of the comparative period.

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The impact of the said retrospective restatement on the various components of the financial performance is as under:

₹ in Lakhs

Particulars	Year ended March 31, 2021		
	Previously reported March 31, 2021	Restatement / Regrouping	Restated March 31, 2021
Revenue from operations			
Fee and commission income	29,087.00	-	29,087.00
Interest income	7,028.80	69.66	7,098.54
Dividend income	821.31	17.05	838.36
Net gain on proprietary trading	12,360.44		12,360.44
Net gain on fair value changes	-	745.64	745.64
Total revenue from operations	**49,297.64**	**832.34**	**50,129.98**
Other income	2,157.58	(190.40)	1,967.18
Total income	**51,455.22**	**641.94**	**52,097.16**
Expenses			
Fees and commission expenses	22,648.79	-	22,648.79
Employee benefits expenses	10,898.10	-	10,898.10
Finance cost	2,800.75	-	2,800.75
Depreciation and amortisation	1,181.53	-	1,181.53
Impairment on financial instruments	259.91	-	259.91
Other expenses	3,784.48	-	3,784.48
Total expenses	**41,573.56**	**-**	**41,573.56**
Profit before tax	**9,881.66**	**641.94**	**10,523.60**
Tax expense:			
Current tax	2,930.31	-	2,030.31
Deferred tax	837.44	161.56	999.00
Total tax expense	**2,867.75**	**161.56**	**3,029.31**
Profit after tax	**7,013.91**	**480.38**	**7,494.29**
Other comprehensive income (OCI)			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit liability / asset	339.00		339.00
Tax effect of items that will not be reclassified subsequently to profit and loss	(85.32)		(85.32)
Items that may be reclassified subsequently to profit or loss			
Fair value changes on investments	641.94	(641.94)	-
Tax effect of items that will be reclassified subsequently to profit and loss	(161.56)	161.56	-
Total other comprehensive income (net of tax)	**734.06**	**(480.38)**	**253.68**
Total comprehensive income for the year (comprising profit and other comprehensive income for the year)	**7,747.97**	**-**	**7,747.97**
Earnings per equity share (Face value ₹ 2)			
Basic & Diluted (in ₹)	6.20	0.42	6.62

The impact of the said retrospective restatement on statement of changes in equity is as under:

(₹ in Lakhs)

Particulars	Year Ended March 31, 2021	As on April 1, 2020
Increase / (Decrease) in Retained earning)	230.87	(249.51)
Increase / (Decrease) in Remeasurement of the net defined benefit liability / asset	(8.13)	77.19
Increase / (Decrease) in Fair value changes in investments	(339.34)	302.60
Increase / (Decrease) in Tax effect of other component of equity	116.60	(130.28)
Increase / (Decrease) in Statement of changes in equity	0.00	-

The impact of the said retrospective restatement on statement of cash flows is as under:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021
Increase / (Decrease) in Net cash generated from / (used in) operating activities	(328.14)
Increase / (Decrease) in Net cash generated from / (used in) investing activities	1,071.34
Increase / (Decrease) in Net cash generated from / (used in) financing activities	(755.87)
Increase / (Decrease) in Net increase / (decrease) in cash and cash equivalents due to reclassification of unclaimed dividend from cash and cash equivalents to other bank balances	(10.67)

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33 Employee Benefits

[a] Gratuity

33.01 Breakup of amount recognised in statement of profit and loss

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Interest on defined benefit obligation	45.86	56.17
Current service cost	215.22	222.51
Total expense recognized in the statement of profit and loss	**261.08**	**278.68**

33.02 Break up of amount recognised in the statement of other comprehensive income

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Remeasurements of the net defined benefit liability/ (asset)		
Opening amount recognised in OCI outside profit and loss account	149.14	(189.86)
Actuarial gains / (losses)	(87.91)	151.88
Return on plan assets (greater) / less than discount rate	58.25	187.12
	119.48	**149.14**

33.03 Breakup of the amount recognised in balance sheet

₹ in Lakhs

Particulars	As at	
	March 31, 2022	March 31, 2021
Present value of the obligation as at the end of the year	1,946.26	1,715.88
Fair value of plan assets as at the end of the year	(1,067.30)	(1,001.26)
Net liability recognised in balance sheet	**878.96**	**714.62**

33.04 Reconciliation of defined benefit obligation and plan asset

₹ in Lakhs

Particulars		As at	
		March 31, 2022	March 31, 2021
Change in benefit obligations			
Present value of the obligation as at the beginning of the year		1,715.88	1,590.02
Current service cost		215.22	222.51
Interest cost		112.90	106.42
Actuarial (gain)/loss on obligations		87.91	(151.88)
Acquisitions (credit)/cost		(26.40)	(1.08)
Benefits paid		(159.25)	(50.11)
Benefit obligations at the end	**(A)**	**1,946.26**	**1,715.88**
Change in plan assets			
Fair value of plan assets at the beginning of the year		1,001.26	714.00
Interest income on plan assets		67.04	50.25
Contributions		100.00	100.00
Benefits paid		(159.25)	(50.11)
Return on plan assets greater (lesser) than discount rate		58.25	187.12
Fair value of plan assets at the end	**(B)**	**1,067.30**	**1,001.26**
Amount recognised in balance sheet [(surplus) / deficit]	**(A-B)**	**878.96**	**714.62**

33.05 Disaggregation of plan assets

Particulars	As at	
	March 31, 2022	March 31, 2021
Managed by insurance company	100.00%	100.00%
	100.00%	**100.00%**

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33.06 Sensitivity of significant assumptions used for DBO valuation

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Effect on DBO due to 0.5% increase in discount rate	(121.14)	(105.48)
Effect on DBO due to 0.5% decrease in discount rate	132.89	115.91
Effect on DBO due to 0.5% increase in salary escalation rate	111.09	100.15
Effect on DBO due to 0.5% decrease in salary escalation rate	(104.99)	(94.21)

33.07 Maturity profile of defined benefit obligation

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Within one year	132.00	148.24
One to five years	329.33	298.94
More than five years	883.34	810.72

33.08 Assumptions to determine the defined benefit obligations

Particulars	As at	
	March 31, 2022	March 31, 2021
Discount rate	7.20%	6.90%
Salary escalation rate (p.a.)	8.25%	7.50%

Assumptions regarding future mortality experience are set in accordance with the published statistics by the Life Insurance Corporation of India.

The company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The discount rate is based on the government securities yield.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by 50bps, keeping all other actuarial assumptions constant.

Gratuity is applicable only to employees drawing salary in Indian rupees.

(b) Compensated absences

33.09 Breakup of the amount recognised in balance sheet

₹ in Lakhs

Particulars	As at	
	March 31, 2022	March 31, 2021
Present value of the obligation as at the end of the year	491.26	446.10
Fair value of plan assets as at the end of the year		
Net liability recognised in balance sheet	**491.26**	**446.10**

33.10 Number of compensated leave absences outstanding

in days

Particulars	As at	
	March 31, 2022	March 31, 2021
Total leave balance (days)	42,873.24	39,724.86

33.11 Assumption used in valuation

Particulars	As at	
	March 31, 2022	March 31, 2021
Discount rate	7.20%	6.90%
Salary escalation rate (p.a.)	8.25%	7.50%
Leave availment rate	5.00%	5.00%

The estimates of future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

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34 Contingent liabilities and commitments

34.01 Contingent liabilities not provided in the financial statements:

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
1 ESI demand (Total amount paid under protest ₹ 12.43 Lakhs (2021: ₹ 12.43 Lakhs))	31.06	31.06
2 Service Tax Demand (Total amount paid under protest ₹ 42.77 Lakhs (2021: Nil))	615.98	615.98
3 (a). Income Tax Demand (A.Y. 2013-14) (Total amount paid under protest ₹ 31.47 Lakhs (2021: ₹ 31.47 Lakhs))	-	31.47
(b). Income Tax Demand (A.Y. 2013-14 to 2019-20) (2021: A.Y. 2013-14 to 2019-20) (Total amount paid under protest ₹ Nil (2021: Nil))	52.89	356.78
4 Provident Fund	-	-
5 Stamp Duty	-	-

Notes:

1 An ESI demand for the period September 2005 to December 2007 is being agitated by the Company at Additional Senior Civil Judge, Tis Hajari court, Delhi.

2 Service Tax demand of ₹ 45.66 Lakhs is being agitated by the Company before Commissioner of Service Tax, Audit 1, Delhi. Another demand of ₹ 570.32 Lakhs was being agitated by the Company before the Customs, Excise and Service Tax Appellate Tribunal (CESTAT).

3 (a) Assessment u/s 143(3) for the A.Y 2013-14 has been completed and disallowance made under section 14A of the Income Tax Act, 1961 for which appeal filed before Income Tax Appealate Tribunal (ITAT), Delhi which has been decided in favour of the company during the year and matter has been restored back to the file of AO.

(b) Block Assessments u/s 153(A) for the A.Y 2013-14 to A.Y 2019-20 have been completed and certain disallowances made by the Income Tax Department against which the rectification was filed by the company which has been accordingly rectified by the assessing officer to the extent of apparent mistakes during the year. The company has filed necessary appeals before the Commissioner of Income Tax (Appeals), Delhi.

4 PF matter for the period October 1995 to November 2003 is pending before High Court and amount is not quantifiable.

5 The Company had received a notice dated 21.11.2014 from the Collector of Stamp (HQ), Delhi on account of verification of records pertaining to Stamp duty chargeable on the basis of broker's Note for the period 2010 to 21.11.2014. Matter is sub-judice and has been stayed by Jurisdictional High Court at Delhi vide its order dated 09/12/2014 until further order.

The Demerged Company M/s SMC Comtrade Limited had received a show cause notice of demand dated 05/01/2015 from the Office of The Collector of Stamps, Delhi, on account of levy of stamp duty on commodity transactions. The matter is sub-judice and has been stayed by Jurisdictional High Court at Delhi vide its order dated 19/01/2015 in the matter of WP/C/516/2015.

34.02 Other litigations

1 Title of the property located at Office no 205, 2nd Floor, Plot no 4A, Community Centre, 21st Century Plaza, Sector 8, Rohini, New Delhi having gross carrying value of ₹ 46.12 Lakhs is under dispute and sealed due to the allegation of acquisition of the said property by the transferor from the funds of Ganga Yamuna Finvest Pvt. Ltd. which is under liquidation.

2 The company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the company's results of operations and financial condition.

Pending completion of the legal process the impact of liability, if any, cannot be ascertained at this stage, however, management believes that, based on legal advice, the outcome of these contingencies will be favorable and that outflow of economic resources is not probable.

34.03 Commitments

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Contracts remaining to be executed on account of capital (net of advances)		
For purchase of software and others	175.37	14.66
For purchase of office building	9.00	34.56

35 The Company has given corporate guarantee towards credit facility availed by two of the wholly owned subsidiaries i.e. M/s Moneywise Financial Services Private Limited for ₹ 16,000 lakhs (PY : ₹ 15,850 lakhs) and M/s Moneywise Finvest Limited for ₹ 500 lakhs (PY : ₹ 500 lakhs).

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36 Financial instruments

36.01 Financial instruments by category

The carrying value and fair value of financial instruments by categories as of March 31, 2022 were as follows:

₹ in Lakhs

Particulars	Amortised cost	Financial assets/ liabilities carried at fair value through profit and loss	Total carrying value	Total fair value
		Mandatorily required		
Assets:				
Cash and cash equivalents	5,697.88	-	5,697.88	5,697.88
Other bank balance	1,13,627.87	-	1,13,627.87	1,13,627.87
Trade receivables	35,637.86	-	35,637.86	35,637.86
Other receivables	473.51	-	473.51	473.51
Loans	2,044.57	-	2,044.57	2,044.57
Investments*	-	17,256.27	17,256.27	17,256.27
Other financial assets	726.96	7,692.53	8,419.49	8,419.49
Total	**1,56,208.65**	**24,948.80**	**1,81,157.45**	**1,81,157.45**
Liabilities:				
Trade payables	63,556.28	-	63,556.28	63,556.28
Borrowings	15,093.56	-	15,093.56	15,093.56
Other financial liabilities	68,379.60	5,621.12	74,000.72	74,000.72
Total	**1,47,029.44**	**5,621.12**	**1,52,650.56**	**1,52,650.56**

* Investments in subsidiaries are at cost amounting to ₹ 38,017.23 lakhs which do not fall within the scope of financial instruments

The carrying value and fair value of financial instruments by categories as of March 31, 2021 were as follows:

₹ in Lakhs

Particulars	Amortised cost	Financial assets/ liabilities carried at fair value through profit and loss	Total carrying value	Total fair value
		Mandatorily required		
Assets:				
Cash and cash equivalents	2,710.69	-	2,710.69	2,710.69
Other bank balance	1,01,417.42	-	1,01,417.42	1,01,417.42
Trade receivables	23,290.09	-	23,290.09	23,290.09
Other receivables	450.00	-	450.00	450.00
Loans	1,282.61	-	1,282.61	1,282.61
Investments*	-	11,192.35	11,192.35	11,192.35
Other financial assets	1,278.36	5,283.14	6,561.50	6,561.50
Total	**1,30,429.17**	**16,475.49**	**1,46,904.66**	**1,46,904.66**
Liabilities:				
Trade payables	39,790.31	-	39,790.31	39,790.31
Borrowings	23,840.61	-	23,840.61	23,840.61
Other financial liabilities	55,225.92	3,497.01	58,722.93	58,722.93
Total	**1,18,856.84**	**3,497.01**	**1,22,353.85**	**1,22,353.85**

* Investments in subsidiaries are at cost amounting to ₹ 37,217.23 lakhs which do not fall within the scope of financial instruments

36.02 Credit quality of debt securities

The table below sets out the credit quality of debt securities

₹ in Lakhs

Particulars	As at	
	March 31, 2022	March 31, 2021
Government bonds:		
Rated sovereign	356.78	28.37
Corporate bonds:		
Rated AAA	31.99	262.32
Rated AA- to AA+	147.58	87.56
Rated A- to A+	321.60	14.51
Fair value and carrying amount	**857.95**	**392.76**

36.03 Collateral

(A) Assets pledged as collateral

The company has pledged its certain assets as collateral for liabilities

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Assets:		
Other bank balances	1,13,586.33	1,00,749.93
Trade receivables	35,637.86	23,290.09
Investments held for trading	2,961.26	-
Other financial assets (net)	1,517.54	1,362.57
Total	1,53,703.99	1,25,402.59

(B) Asset taken as collateral

₹ in Lakhs

Particulars	As at March 31, 2022		As at March 31, 2021	
	Value of asset	Fair value of collateral held	Value of asset	Fair value of collateral held
Assets:				
Trade receivables				
Secured	34,067.55	2,54,756.57	21,367.35	77,541.98
Total	34,067.55	2,54,756.57	21,367.35	77,541.98

36.04 Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at March 31, 202):

₹ in Lakhs

Particulars	As at March 31, 2022	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Assets				
Investments				
Equity instruments	15,413.32	15,412.78	-	0.54
Debt instruments	1,842.95	857.95	985.00	-

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at March 31, 2021:

₹ in Lakhs

Particulars	As at March 31, 2021	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Assets				
Investments				
Equity instruments	10,504.65	10,504.11	-	0.54
Mutual funds	30.94	30.94	-	-
Debt instruments	656.76	392.76	264.00	-

Valuation techniques used to determine fair value

Following valuation technique has been used for fair valuation of the assets:
Level 2 : Debt instruments have been fair valued based on interest yield and actual transaction data with unrelated parties.

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36.05 Financial risk management

Financial risk factors

This note presents the information about the Company's exposure to financial risks, the Company's objectives, policies and processes for measuring and managing risk and the Company's management of capital.

The Company has exposure to the following risks arising from financial instruments:
+ Credit risk;
+ Liquidity risk and
+ Market risk

Financial Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. Financial risk management within the Company is governed by policies and guidelines approved by the management. The Board has established a Risk Management Committee which is responsible for developing and monitoring the Company's risk management policies. Company policies and guidelines cover areas such as cash management, investment of excess funds and raising of debt and are managed by segregated functions within the Company.

The Company's risk management policies and procedures are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees and stakeholders understand their roles and obligations.

Different types of risks arising from financial instruments as identified by the Company above have been explained below:

(i) Credit risk

The credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivable from clients and exchange and trading members, loan and advances, investments other than the quoted securities given. Credit risk in respect of quoted securities is expected to have a direct correlation with the quoted market prices and risk.

The Company is exposed to the risk that third parties that owe money or securities will not perform their obligations. Such third parties include clients, trading members, exchanges, clearing houses, and other financial intermediaries. Those parties may default on their obligations owed to the Company due to insolvency, lack of liquidity, operational failure, government or other regulatory intervention or other reasons. In these circumstances, the Company is exposed to risks arising, for example, from holding securities of third parties; executing securities trades that fail to settle at the required time due to non-delivery by the counterparty trading members, exchanges, clearing houses or other financial intermediaries. Significant failures by third parties to timely perform their obligations owed could materially and adversely affect the Company's financial position, and ability to borrow in the credit markets and ability to operate the business.

For the risk management purposes, the Company considers and consolidates all elements of credit risk exposures such as individual obligator default risk, country and sector risk.

Management / mitigation of credit risk

The Company operates in a highly regulated environment which limits its credit risk against exchanges and clearing houses. The Company collects upfront margins in form of funds and/or securities/commodities from clients and trading members against their trading positions. The Company monitors positions, margins, mark to market losses and risks on real time basis through risk management systems and policies specially designed to mitigate the credit risk.

The Company's Board of Directors has delegated responsibility for the oversight of credit risk to the Risk Management Committee ("the Committee"). The Committee is responsible for management of the Company's credit risk, including the following.

(i) Formulating credit policies in consultation with business units, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements.

(ii) Establishing the organizational structure for the approval of new customers or counter parties. Authorization limits are allocated to business unit credit officers or the Arbitrager as appropriate.

(iii) Providing advice, guidance and specialist skills to business units through periodic reviews to promote best practices throughout the Company in the management of credit risk.

(iv) The Committee assesses the credit worthiness of client or counterparties, prior to taking exposure on them. Accordingly, limits are assigned and the monitoring mechanism ensures that exposure to single client does not cross the laid down threshold limits. Collateral securities are also collected from clients to cover the exposure.

(v) Limiting concentrations of exposure to counterparties, geographies and industries (for loans and advances and similar exposures), and by issuer, credit rating band, market liquidity and country (for investment securities and trading assets).

(vi) Reviewing compliance of business units with agreed exposure limits, including those for selected industries, country risk and product types. Regular reports on the credit quality of local portfolios are provided to the management, which may require appropriate corrective action to be taken.

The Board of Directors has also constituted Audit Committee, which is responsible for evaluation of internal financial controls and risk management systems. The company conducts regular internal audits of various business units to identify scope of improvement/enhancement of the Company's processes, quality control, fraud prevention and legal compliance. The internal audit reports are reviewed by audit committee and also placed with the Board.

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Credit Exposure:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

₹ in Lakhs

Particular	As at March 31, 2022	As at March 31, 2021
Trade receivables	35,637.86	23,290.09
Other receivables	473.51	450.00
Loans	2,044.57	1,282.61
Other financial assets	8,419.49	8,561.30
Total	46,575.43	33,584.20

The Company monitors all the receivables, loans and other financial assets continuously basis the factors considered while dealing. If there are any indicators of impairment on management assessment of these receivables, loans and other financial assets, these are provided for. The Company uses ECL method for impairment.

Following are the reconciliations of the provision for impairment of financial assets

₹ in Lakhs

Particulars	As at March 31, 2022					As at March 31, 2021				
	Trade receivables	Other receivables	Loans*	Other financial assets	Total	Trade receivables	Other receivables	Loans*	Other financial assets	Total
Opening balance at the beginning of the year	1,021.41	18.75	110.83	0.50	1,151.49	1,051.06	15.21	94.83	0.44	1,161.54
Addition/reversal during the year	87.53	1.64	57.11	-	146.28	240.81	2.70	16.00	0.40	259.91
Written off	(340.02)	-	-	-	(340.02)	(270.46)	0.84	-	(0.34)	(269.96)
Closing balance at the end of the year	**768.92**	**20.39**	**167.94**	**0.50**	**957.75**	**1,021.41**	**18.75**	**110.83**	**0.50**	**1,151.49**

* Gross carrying value of credit impaired - ₹ 167.94 lakhs (PY : ₹ 162.84 lakhs), impairment provision - ₹ 167.94 lakhs (PY : ₹ 110.83 lakhs)

(ii) **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company require sufficient liquidity to meet their obligations. Individual companies are generally responsible for their own fund management, including the short-term investment of surpluses and the raising of loans to cover deficits from third parties/companies.

The Company's primary liquidity requirements are to finance the working capital needs, which are typically towards margin maintenance at various exchanges. The principal portion of the working capital requirement is utilized by :

(a) depositing funds with banks to obtain term deposits and guarantees towards margins payable to the exchanges/clearing houses;
(b) payments to stock exchanges/clearing houses towards settlement obligations;
(c) payment towards purchase of various trading assets; and
(d) meeting expenses incurred for operations.

Management of liquidity risk

Working capital requirements fluctuate on a regular basis depending on the business requirements. The Company's approach to managing liquidity is to ensure, as far as possible to have sufficient funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

To fund the working capital requirements, the Company currently relies principally on internal accruals and short term credit facilities from banks and financial institutions against pledge of derivative assets, term deposits, receivables from clients and investments carried at fair value through profit and loss. By maintaining sufficient liquid funds and drawing facilities with banks, the Company comfortably meets the foreseeable liabilities in the present and immediate future, as well as unforeseeable contingencies.

Central treasury receives information from business units regarding the liquidity profile of their financial assets and liabilities and projected cash flows. Central treasury maintains surplus funds in cash and cash equivalents including term deposits with banks and in investment securities for which there is an active and liquid market. These assets can be readily sold to meet liquidity requirements. Hence, the Company believes that the above monetary mechanism adequately addresses the liquidity risk.

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Maturity analysis for financial assets and financial liabilities

March 31, 2022 ₹ in Lakhs

Particulars	Carrying amount	1-90 days	91-180 days	181-365 days	1-2 years	2-5 years	More than 5 years
Assets:							
Cash and cash equivalents	5,697.88	5,697.88	-	-	-	-	-
Other bank balances	1,13,627.87	16,516.10	7,213.01	23,365.86	42,192.00	24,340.90	-
Trade receivables	35,637.86	35,637.86	-	-	-	-	-
Other receivables	473.51	473.51	-	-	-	-	-
Loans	2,044.57	1,741.34	-	-	-	303.23	-
Investments	17,256.27	14,564.09	-	-	2,691.70	-	0.54
Other financial assets	8,419.49	7,139.06	-	-	-	-	1,280.43
Total	1,83,157.45	81,769.78	7,213.01	23,365.86	44,883.70	24,644.13	1,280.97
Liabilities:							
Trade payables	63,556.28	63,556.28	-	-	-	-	-
Borrowings	15,093.56	34.06	14.46	11,377.24	927.98	2,647.27	72.55
Other financial liabilities*	74,000.72	17,408.53	4,203.40	13,616.53	24,587.52	14,184.74	-
Total	1,52,650.56	80,998.87	4,217.86	24,993.77	25,515.50	16,832.01	72.55

* Maturity analysis of margin from clients (under other financial liabilities) ₹ 66,217.01 Lakhs has been bench marked to the corresponding fixed deposits (under other bank balances).

March 31, 2021 ₹ in Lakhs

Particulars	Carrying amount	1-90 days	91-180 days	181-365 days	1-2 years	2-5 years	More than 5 years
Assets:							
Cash and cash equivalents	2,710.69	2,710.69	-	-	-	-	-
Other bank balances	1,01,417.42	12,505.73	27,250.31	33,618.65	25,583.05	2,459.68	-
Trade receivables	23,290.09	23,290.09	-	-	-	-	-
Other receivables	450.00	450.00	-	-	-	-	-
Loans	1,282.61	-	32.01	1,250.60	-	-	-
Investments	11,192.35	8,897.05	-	264.00	2,007.43	13.34	0.54
Other financial assets	6,561.50	4,859.59	-	-	-	-	1,701.91
Total	1,46,904.66	52,713.15	27,302.32	35,133.25	27,590.47	2,483.02	1,702.45
Liabilities:							
Trade payables	39,790.31	39,790.31	-	-	-	-	-
Borrowings	23,840.61	119.34	7.57	23,652.03	32.24	29.43	-
Other financial liabilities*	58,722.93	11,586.95	14,446.58	17,822.72	13,562.69	1,303.98	-
Total	1,22,353.85	51,496.61	14,454.15	41,474.75	13,594.93	1,333.41	-

* Maturity analysis of margin from clients (under other financial liabilities) ₹ 53,765.81 Lakhs has been bench marked to the corresponding fixed deposits (under other bank balances).

(iii) Market risk

The Company participates in trading and investing in various asset classes such as equity, debt securities, commodities, foreign currency and derivatives. These assets classes experience volatility due to economic growth levels, inflation, prices, interest rates, foreign exchange rates and other macro-economic factors. Any changes in market prices of these asset classes will affect the Company's income or the value of its holdings of financial instruments.
The Company segregates its exposure to market risks between price risk, interest rate risk and currency risk.

Management of market risks:

The objective of market risk management is to manage and minimize market risk exposures within acceptable parameters, while optimizing the return on risk. The Company's exposure to market risk is determined by a number of factors, including size, composition and diversification of positions held and market volatility.

(a) Price risk
Trading and investment portfolios include proprietary positions taken in equities, fixed income securities, commodities, foreign currency and their derivatives mainly for availing arbitrage opportunities. All financial assets and liabilities are accounted on fair value basis. Management actively monitors its market risk by reviewing the effectiveness of arbitrage and setting outstanding position limits. The Company manages market risk with central oversight, analysis and formation of risk policy, specific maximum risk levels to which the individual trader must adhere to and real time continuous monitoring by the senior management.
In respect of the proprietary positions, the Company is exposed to volatility in the price of the underlying securities.

(b) Interest rate risk

Interest rate risk arises from movements in interest rates which could have effects on the Company's net income or financial position. Changes in interest rates may cause variations in interest income and expenses resulting from interest-bearing assets and liabilities. Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's exposure to interest rate risk relates to the loans taken from banks, investment in term deposits placed with banks, investment in debt securities and investments of its excess funds in liquid instruments. A majority of the financing of the Company has come from overdraft facility with banks. The business of the Company is exposed to fluctuation in interest rate for the following activities:

(i) Term deposits placed with banks are generally for short term on fixed interest rates;

(ii) Facilities availed from banks and other financial institutions generally include short term working capital loans on floating interest rates;

(iii) Interest paid by Company on clients' funds earmarked as fixed margin are generally for short term on fixed interest rates.

Management of Interest Rate Risk

Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for re-pricing bands. However the Company does not use derivative financial instruments to hedge its interest rate risk.

The Company's investments in majority of term deposits with banks are for both short and long duration, and therefore do not expose the Company to significant interest rate risk. Further significant portion of exposure on term deposits with banks is offset with clients' funds earmarked as margins on fixed rate basis. The interest rates on the overdraft facility availed are marginally higher than the interest rates on term deposits with the banks and generally linked to the term deposit rates with the bank. Accordingly, there is limited interest rate risk exposure on the company.

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short-term and long-term debt obligations with floating / fixed interest rates, which are included in loans and borrowings. The loans and borrowings represent loans and borrowing taken both fixed and floating interest rate.

(c) Currency risk

The Company is not significantly exposed to currency risk as there is no mismatch between the currencies in which sales of services, purchase of goods/services and borrowings are dominated and the respective functional currencies of Company . Further, the functional currency of the Company is primarily the Indian Rupee and do not expose the Company to significant currency risk. The Company considers the valuation changes in foreign currency derivatives it trades in as part of investment/price risk as those derivatives are exchange traded, managed and monitored based on exchange price and are settled in near term in Indian Rupees.

Exposure

The table below sets out the assets and liabilities subject to price risk.

₹ in Lakhs

Particulars		As at March 31, 2022	As at March 31, 2021
Assets subject to price risk			
Equity instrument fair value through profit and loss		15,412.78	10,504.11
Debt instrument fair value through profit and loss		857.55	392.76
Mutual fund fair value through profit and loss		-	30.94
Derivative financial assets		7,139.06	4,859.58
	(A)	23,409.60	15,787.89
Liabilities subject to price risk			
Derivative financial liabilities		5,621.12	3,497.01
	(B)	5,621.12	3,497.01
Total	(A-B)	17,788.68	12,290.88

Sensitivity analysis

Below table shows the sensitivity analysis for different financial instrument

₹ in Lakhs except otherwise stated

Particulars	Risk category	% change increase	% change decrease	For the year ended March 31, 2022: Impact on profit before tax due to increase in parameter	For the year ended March 31, 2022: Impact on profit before tax due to decrease in parameter	For the year ended March 31, 2021: Impact on profit before tax due to increase in parameter	For the year ended March 31, 2021: Impact on profit before tax due to decrease in parameter
Investment in equity instrument fair value through profit and loss and derivatives*	Price risk	5%	5%	244.25	(268.92)	186.58	(186.58)
Inventories	Price risk	5%	5%	118.32	(118.32)	65.87	(65.87)
Debt instruments	Interest rate risk	1%	1%	(8.58)	8.58	(3.93)	3.93
Borrowings	Interest rate risk	1%	1%	(156.74)	150.74	(238.12)	238.12
Currency risk	Currency risk	5%	5%	23.56	(23.56)	8.14	(8.14)

*The Company engages in proprietary transactions of equities, commodities and derivatives of equities, commodities & currencies. These transactions are primarily undertaken using various arbitrage models to capitalize pricing inefficiencies in the markets. Any change in the market prices of their underlying would result in changes in the fair value of these trading assets, trading liabilities and invertories and also result in profit/loss on futures positions.

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37 Related party disclosures

As per Ind AS 24, the disclosures of transactions with related parties are given below :

37.01 List of related parties where control exists and also other related parties with whom transactions have taken place and relationships :

Sr. No.	Name of related parties	Relationship
1	SMC Comtrade Limited	Subsidiary
2	Moneywise Financial Services Private Limited	Subsidiary
3	SMC Capitals Limited	Subsidiary
4	Moneywise Finvest Limited	Subsidiary
5	SMC Investments & Advisors Limited	Subsidiary
6	SMC Global USA Inc (Foreign company)	Subsidiary
7	SMC Global IFSC Private Limited	Subsidiary
8	SMC Insurance Brokers Private Limited	Subsidiary
9	SMC Comex International DMCC (Foreign company)	Subsidiary
10	SMC Real Estate Advisors Private Limited	Subsidiary
11	Quance Research Capital LLP*	Subsidiary
12	Pulin Investments Private Limited	Entity in which key managerial personnel are able to exercise significant influence
13	SMC Global Foundation	Trust where in KMPs have control
14	Mr. Subhash Chand Aggarwal	Key managerial personnel
15	Mr. Mahesh Chand Gupta	Key managerial personnel
16	Mr. Ajay Garg	Key managerial personnel
17	Mr. Anurag Bansal	Key managerial personnel
18	Mr. Vinod Kumar Jamar	Key managerial personnel
19	Mr. Suman Kumar	Key managerial personnel
20	Mr. Himanshu Gupta	Director
21	Ms. Shruti Aggarwal	Director
22	Ms. Madhu Vij	Independent director
23	Mr. Kundan Mal Aggarwal	Independent director
24	Mr. Hari Das Khunteta	Independent director
25	Mr. Naveen ND Gupta	Independent director
26	Mr. Chandra Wadhwa	Independent director
27	Mr. Roop Chand Jindal	Independent director
28	Mr. Aayush Aggarwal	Close member of the family of key managerial personnel
29	Ms. Hemlata Aggarwal	Close member of the family of key managerial personnel
30	Ms. Sushma Gupta	Close member of the family of key managerial personnel
31	Ms. Archana Aggarwal	Close member of the family of key managerial personnel
32	Ms. Reema Garg	Close member of the family of key managerial personnel
33	Ms. Meetu Goel	Close member of the family of key managerial personnel

Note : Related party relationship is as identified by the company and relied upon by the auditors.
* from 01/07/2021 to 30/03/2022

37.02 Disclosure of transactions between the company & related parties:- ₹ in Lakhs

Sr. No.	Particulars of Transactions	Relationship	For the year ended March 31, 2022	For the year ended March 31, 2021
1	**Remuneration**			
	Salaries, wages & other benefits	Key managerial personnel	526.61	427.21
	Contribution to defined benefit plan	Key managerial personnel	33.19	21.50
	Total		559.80	448.71
	Salaries, wages & other benefits	Close member of the family of key managerial personnel	157.06	94.39
	Contribution to defined benefit plan	Close member of the family of key managerial personnel	3.22	5.73
	Total		160.28	100.12
2	**Directors sitting fee**	Independent director	22.50	18.25
3	**Investment (equity and preference shares)**			
	SMC Real Estate Advisors Private Limited	Subsidiary	-	1,000.00
	Moneywise Finvest Limited	Subsidiary	800.00	700.00
4	**Investment (purchase NCD)**			
	SMC Real Estate Advisors Private Limited	Subsidiary	78.28	-
	SMC Insurance Brokers Private Limited	Subsidiary	3,015.77	2,721.60

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SMC GLOBAL SECURITIES LTD., New Delhi

SMC GLOBAL SECURITIES LIMITED
Notes to standalone financial statements

₹ in Lakhs

Sr. No.	Particulars of transactions	Relationship	For the year ended March 31, 2022	For the year ended March 31, 2021
5	**Investment (sale NCD)**			
	SMC Real Estate Advisors Private Limited	Subsidiary	559.65	244.59
	SMC Insurance Brokers Private Limited	Subsidiary	2,822.28	1,664.04
6	**Investment (purchase MLD)**			
	SMC Insurance Brokers Private Limited	Subsidiary	50.00	-
7	**Loans & advances given***			
	Moneywise Financial Services Private Limited	Subsidiary	5,620.95	14,856.52
	SMC Real Estate Advisors Private Limited	Subsidiary	3,841.26	2,778.89
	SMC Investments & Advisors Limited	Subsidiary	1.02	182.83
	SMC Comtrade Limited	Subsidiary	2,321.23	-
	SMC Comex International DMCC	Subsidiary	303.39	-
8	**Loans & advances recovered**			
	SMC Investments & Advisors Limited	Subsidiary	457.17	32.12
	Moneywise Financial Services Private Limited	Subsidiary	5,620.95	15,236.00
	SMC Real Estate Advisors Private Limited	Subsidiary	4,287.15	2,508.06
	SMC Comtrade Limited	Subsidiary	824.38	-
9	**Loans & advances taken**			
	SMC Comtrade Limited	Subsidiary	-	272.20
	SMC Insurance Brokers Private Limited	Subsidiary	5,521.00	-
10	**Loans & advances repaid**			
	SMC Insurance Brokers Private Limited	Subsidiary	5,521.00	-
	SMC Comtrade Limited	Subsidiary	-	264.16
11	**Brokerage received**			
	Moneywise Finvest Limited	Subsidiary	75.66	39.07
	SMC Insurance Brokers Private Limited	Subsidiary	2.59	0.15
	SMC Real Estate Advisors Private Limited	Subsidiary	145.03	536.01
	SMC Comtrade Limited	Subsidiary	2.32	-
	Moneywise Financial Services Private Limited	Subsidiary	4.49	-
	Qnance Research Capital LLP	Subsidiary	149.30	-
	Pulin Investements Private Limited	Entity in which key managerial personnel are able to exercise significant influence	214.28	-
12	**Rent received**			
	SMC Capitals Limited	Subsidiary	4.23	4.23
	SMC Insurance Brokers Private Limited	Subsidiary	160.79	160.79
	Moneywise Finvest Limited	Subsidiary	22.25	-
13	**Demat charges received**			
	Moneywise Finvest Limited	Subsidiary	8.45	9.13
	SMC Insurance Brokers Private Limited	Subsidiary	0.06	0.03
	SMC Real Estate Advisors Private Limited	Subsidiary	0.53	0.48
	Moneywise Financial Services Private Limited	Subsidiary	0.90	-
	Pulin Investments Private Limited	Entity in which key managerial personnel are able to exercise significant influence	0.01	-
14	**Interest income**			
	Moneywise Financial Services Private Limited	Subsidiary	44.15	275.48
	SMC Investments & Advisors Limited	Subsidiary	51.09	65.20
	SMC Real Estate Advisors Private Limited	Subsidiary	28.21	215.75
	SMC Comex International DMCC	Subsidiary	2.33	-
	SMC Comtrade Limited	Subsidiary	42.98	-
15	**Interest income on NCD**			
	Moneywise Financial Services Private Limited	Subsidiary	47.54	4.85
16	**Fair value gain on MLD**			
	Moneywise Financial Services Private Limited	Subsidiary	0.58	-





₹ in Lakhs

Sr. No.	Particulars of Transactions	Relationship	For the year ended March 31, 2022	For the year ended March 31, 2021
17	**Delay payment charges**			
	Moneywise Financial Services Private Limited	Subsidiary	0.01	1.24
	SMC Real Estate Advisors Private Limited	Subsidiary	-	(0.65)
	SMC Insurance Brokers Private Limited	Subsidiary	1.43	-
	Pulin Investments Private Limited	Entity in which key managerial personnel are able to exercise significant influence	0.02	-
18	**Income from distribution of financial products**			
	SMC Capitals Limited	Subsidiary	500.69	279.24
19	**Dividend received**			
	SMC Insurance Brokers Private Limited	Subsidiary	727.20	408.00
20	**Other borrowing cost**			
	SMC Investments & Advisors Limited	Subsidiary	22.50	-
21	**Interest expenses**			
	SMC Comtrade Limited	Subsidiary	1.05	6.02
	SMC Real Estate Advisors Private Limited	Subsidiary	15.30	-
	SMC Insurance Brokers Private Limited	Subsidiary	92.63	-
	Moneywise Finvest Limited	Subsidiary	205.62	133.58
	SMC Capitals Limited	Subsidiary	-	47.61
22	**Rent expenses**			
	SMC Comtrade Limited	Subsidiary	24.48	-
23	**Impairment on financial instruments**			
	SMC Global USA Inc	Subsidiary		
	Loan		57.11	16.00
24	**Contribution to Trust**			
	SMC Global Foundation	Trust where in KMPs have control	0.43	5.22
25	**Reimbursement of expenses received (net)**			
	Moneywise Financial Services Private Limited	Subsidiary	0.10	-
	SMC Global IFSC Private Limited	Subsidiary	-	0.90
	Moneywise Finvest Limited	Subsidiary	23.89	26.73
	SMC Capitals Limited	Subsidiary	1.50	2.21
	SMC Comtrade Limited	Subsidiary	1.64	1.92
	SMC Investments & Advisors Limited	Subsidiary	0.09	5.13
	SMC Insurance Brokers Private Limited	Subsidiary	1.05	22.29
	SMC Real Estate Advisors Private Limited	Subsidiary	29.45	28.08
26	**Reimbursement of expenses paid (net)**			
	Moneywise Financial Services Private Limited	Subsidiary	-	4.76
	Qnance Research Capital LLP	Subsidiary	56.06	-
	SMC Global IFSC Private Limited	Subsidiary	0.29	-

Transactions and balances with KMPs and their relatives, related parties (except subsidiaries) through stock exchanges / depositories / PMS in the normal course of business have not been disclosed as the same have been transacted at prevailing market prices under online trade mechanism and not material in nature.

* The company extends revolving credit facilities to its wholly owned subsidiaries which is within the limit assigned.

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37.03 Balances outstanding

₹ in Lakhs

Sr. No.	Particulars	Relationship	As at March 31, 2022	As at March 31, 2021
1	**Loans**			
	SMC Global USA Inc	Subsidiary	167.94	162.84
	Provision for impairment		(167.94)	(110.83)
	SMC Real Estate Advisors Private Limited	Subsidiary	-	445.89
	SMC Investments & Advisors Limited	Subsidiary	328.57	784.72
	SMC Comex International GMCC	Subsidiary	303.23	-
	SMC Comtrade Limited	Subsidiary	1,412.77	-
2	**Trade receivables**			
	Moneywise Financial Services Private Limited	Subsidiary	0.06	-
	SMC Capitals Limited	Subsidiary	-	50.61
3	**Other receivables**			
	SMC Capitals Limited	Subsidiary	-	0.68
	SMC Real Estate Advisors Private Limited	Subsidiary	7.25	4.63
	SMC Investments & Advisors Limited	Subsidiary	-	2.92
4	**Trade payables**			
	Moneywise Finvest Limited	Subsidiary	2,763.84	498.15
	Moneywise Financial Services Private Limited	Subsidiary	2.36	75.51
	SMC Insurance Brokers Private Limited	Subsidiary	-	0.04
	SMC Comtrade Limited	Subsidiary	39.46	10.10
	SMC Real Estate Advisors Private Limited	Subsidiary	161.23	654.76
5	**Borrowings**			
	SMC Comtrade Limited	Subsidiary	-	84.07
6	**Other financial liabilities**			
	Moneywise Finvest Limited	Subsidiary	120.73	1,651.91
	SMC Insurance Brokers Private Limited	Subsidiary	49.00	49.00
	SMC Comtrade Limited	Subsidiary	68.49	-
	SMC Real Estate Advisors Private Limited	Subsidiary	0.05	114.74

38 Certain assets acquired pursuant to the composite scheme of arrangement (National Company Law Tribunal ("NCLT") vide order dated July 11, 2019 and filing of the same with Registrar of Companies (ROC) on July 20, 2019 with appointed date of April 1, 2018) are included in financial statements of the Company, however some formalities are in process for transfer of name / ownership of such assets.

39 **Disclosure under The Micro, Small and Medium Enterprises Development Act, 2006**

The Company has sent letters to vendors to confirm whether they are covered under micro, small and medium enterprise development act 2006 as well as they have filed required memorandum with prescribed authority. Out of the letter sent to the party, based on the confirmation received till the date of finalisation of balance sheet. Based on and to the extent of the information received by the Company from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors, the relevant particulars as at the year end are furnished below:

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
The Principal amount remaining unpaid at the year end	-	-
The Interest amount remaining unpaid at the year end	-	-
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
The amount of interest due and payable for the year(where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-
The amount of interest accrued and remaining unpaid at the year end	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act, 2006	-	-

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40 **Segment reporting**

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on analysis of various performance indicators by business segments and geographic segments. Accordingly, information has been presented both along industry classes and geographic segmentation of customers, industry being the primary segment. Secondary segmental reporting is performed on the basis of the geographical location of customers. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the note on significant accounting policies.

a. Business Segment

The Company's primary business comprises of dealing in shares, securities, commodities, derivatives and portfolio management services either on its own or on behalf of its constituents and other related ancillary services.
Accordingly the primary business segment has been identified as below:
Broking, Distribution & Trading : Comprises of brokerage income earned on secondary market transactions done on behalf of clients, services rendered as depository participant, proprietary trading in securities, commodities, derivatives and portfolio management services.

b. Geographical Segment

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

41 **Additional regulatory information**

a Additional regulatory information/disclosures as required by general instructions to Division-III of Schedule III to the Companies Act, 2013 are furnished to the extent applicable to the Company.

b **Disclosure for loans and advances in the nature of loans granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013)**

₹ in Lakhs

Type of Borrower	As at March 31, 2022		As at March 31, 2021	
	Amount	% to total	Amount	% to total
Subsidiaries	2,044.57	100%	1,282.61	100%
	2,044.57	**100%**	**1,282.61**	**100%**

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

d **Intangible assets under development ageing schedule as at March 31, 2022**

₹ in Lakhs

Particulars	Outstanding for following periods from due date of payment / transaction				Total
	less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	80.48	-	-	-	80.48
Projects temporarily suspended	-	-	-	-	-

Intangible assets under development ageing schedule as at March 31, 2021

₹ in Lakhs

Particulars	Outstanding for following periods from due date of payment / transaction				Total
	less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

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e Quarterly statements of current assets filed with banks and financial institutions for fund borrowed from those banks and financial institutions on the basis of security of current assets are in accordance with terms and conditions and the company has never reported in excess of books.

f Relationship with struck off company

₹ in Lakhs

Name of struck off Company	Nature of transactions with struck-off Company	Transactions during the year March 31, 2022	Balance Outstanding as at March 31, 2022	Relationship with the Struck off company, if any
F6 Commodities Private Limited	Payables	-	0.38	Client
Ori Finance Limited	Payables	-	0.04	Client
Adventures India Financial Services Limited	Payables	-	0.01	Client

₹ in Lakhs

Name of struck off Company	Nature of transactions with struck-off Company	Transactions during the year March 31, 2021	Balance Outstanding as at March 31, 2021	Relationship with the Struck off company, if any
Growgraph Consultants Private Limited	Payables	0.04	0.06	Client
F6 Commodities Private Limited	Payables	-	0.38	Client
Ori Finance Limited	Payables	-	0.04	Client
Adventures India Financial Services Limited	Payables	-	0.01	Client

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41 **Corporate Social Responsibility (CSR)**

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold , needs to spend atleast 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A CSR committee has been formed by the company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013:

₹ In Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Amount required to be spent by the company during the year	91.44	73.29*
Amount of expenditure incurred	91.44	73.29
Shortfall / (excess) at the end of the year	-	-
Total of previous years shortfall	-	-
Reason for shortfall	NA	NA
Nature of CSR activities	Eradication of hunger and malnutrition, promoting education, art and culture, healthcare, environment sustainability, disaster relief, COVID-19 relief and rural development projects	
Details of related party transactions, e.g.,contribution to a trust controlled by KMPs in relation to CSR expenditure as per relevant Accounting Standard	0.43	5.22
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year	Nil	Nil

* Includes opening provision of ₹ 3.19 Lakhs.

42 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September, 2020. 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 will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

43 Previous year figures have been regrouped/reclassified wherever necessary to confirm to the current year presentation in accordance with amendments in Schedule III to the Companies Act, 2013.

In terms of our report of even date attached
For R. Gopal & Associates
Chartered Accountants
Firm Registration No.: 000846C

Vikash Aggarwal
Partner
Membership No.: 519574

Place: Kathmandu, Nepal
Date: May 07, 2022

For and on behalf of the Board

S.C. Aggarwal
Chairman &
Managing Director
DIN: 00003267

Mahesh C. Gupta
Vice-Chairman &
Managing Director
DIN: 00003082

Ajay Garg
Director & CEO
DIN: 00003166

Vinod Kumar Jansar
President & Group CFO

Suman Kumar
Company Secretary

Independent Auditors' Report

To the Members of SMC Global Securities Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **SMC Global Securities Limited** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its jointly controlled entity, which comprise the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in and in our opinion there is no any such matter to be reported by us.

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

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's

Information, but does not include the consolidated financial statements and our auditor's report thereon. The above-referred information is expected to be made available to us after the date of this audit report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions necessitated by the circumstances and the applicable laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and Joint venture are also responsible for overseeing the financial reporting process of the Group and Joint venture.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore

R. Gopal & Associates Vikash Aggarwal New Delhi M.No. 518574 Chartered Accountants

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

Other Matters

We audited the restatement adjustments, as disclosed in Note No 34 to the financial statements, which have been made to the comparative financial information presented for the Year ended March 2021 in accordance with the requirements of applicable Ind AS. In our opinion, such adjustments are appropriate and have been properly applied. Our opinion is not modified in respect of this matter.

We did not audit the financial statements / financial information of 9 subsidiaries whose financial statements reflect the total assets of Rs 97,892.53 lakhs as at 31.03.2022, and 10 subsidiaries whose financial statements reflect the total revenue of Rs 18,593.37 lakhs, net profit after tax of 2,870.13 lakhs, total comprehensive income Rs 3,027.01 lakhs and net cash inflow Rs 1,909.09 lakhs for the year ended 31.03.2022 as considered in the consolidated financial statements. The Consolidated financial statements include the financial results of 1 jointly controlled entity which reflect groups share of net loss of Rs 0.96 lakhs for the year ended 31.03.2022. These Financial Statements have been audited by other auditors have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entity , and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries , and jointly controlled entity , are based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

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

   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

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

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

   e. On the basis of the written representations received from the directors of the holding Company as on March 31, 2022 taken on record by the Board of Directors of the Company and its subsidiaries incorporated in India and the reports of the statutory auditors of its subsidiary companies incorporated

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in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the holding company and the operating effectiveness of such controls; refer to our separate Report in "Annexure A" which is based on the auditor's reports of the Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control with reference to financial statements of those companies, for reasons stated therein.

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, in its consolidated financial statements – Refer Note 36 to the consolidated financial statements.

ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended 31 March, 2022.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiaries company incorporated in India.

iv.

a) The respective Managements of the holding Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) 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 or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b) The respective Managements of the holding Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have

R. Gopal & Associates Vikash Aggarwal New Delhi M.No. 519574 Chartered Accountants

represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

v.

a) The final dividend proposed in the previous year, declared and paid by the holding Company and its subsidiary company during the year is in accordance with Section 123 of the Act, as applicable.

b) The interim dividend declared and paid by the holding Company during the year and until the date of this report is in compliance with Section 123 of the Act.

c) The Board of Directors of the holding Company and its subsidiary company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed are in accordance with section 123 of the Act, as applicable.

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

For R Gopal & Associates
Chartered Accountants
Firm Registration No.: 000846C

Vikash Aggarwal
Partner
Membership No: 519574
UDIN: 22519574AIPLBF1295
Date: 07th May, 2022
Place: Kathmandu, Nepal

R. Gopal & Associates
Vikash Aggarwal
New Delhi
M No. 519574
Chartered Accountants

Annexure - A to the Independent Auditors' Report
Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2022, we have audited the internal financial controls with reference to financial statements of SMC Global Securities Limited ("the Holding Company") and its subsidiaries company which are companies incorporated in India, as of that date.

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

Auditors' Responsibility
Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

R. Gopal & Associates
Vikash Aggarwal
New Delhi
M.No. 519574
Chartered Accountants

Meaning of Internal Financial Controls with reference to 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. 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 over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matter

Our aforesaid reports u/s 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding company, in so far as it relates to seven subsidiaries which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

For R Gopal & Associates
Chartered Accountants
Firm Registration No.: 000846C

Vikash Aggarwal
Partner
Membership No: 519574
UDIN: 22519574AIPLBF1295
Date: 07th May, 2022
Place: Kathmandu, Nepal



SMC GLOBAL SECURITIES LIMITED

Consolidated Balance Sheet

₹ in Lakhs

Particulars	Note	As at March 31, 2022	As at March 31, 2021
Assets			
Financial assets			
Cash and cash equivalents	2	9,224.56	4,413.75
Other bank balances	3	1,18,970.31	1,05,331.81
Receivables			
Trade receivables	4	42,713.51	32,790.74
Other receivables	5	751.73	596.79
Loans	6	69,114.34	57,583.57
Investments	7	17,058.79	11,714.07
Other financial assets	8	12,428.16	10,560.72
Non-financial assets			
Inventories	9	3,451.86	1,318.06
Current tax assets (net)	32	3,647.28	2,238.03
Deferred tax assets (net)	32	2,234.79	3,170.45
Assets held for sale	10	400.76	240.76
Property, plant and equipment	11	7,899.64	2,681.32
Right of use assets	12	3,303.41	3,504.58
Other intangible assets	13	175.82	168.46
Intangible assets under development	13	117.99	5.80
Other non-financial assets	14	2,756.94	2,417.86
Total assets		**2,94,249.89**	**2,38,736.77**
Liabilities and equity			
Liabilities			
Financial liabilities			
Payables			
Trade payables	15		
- to micro and small enterprises		-	52.02
- to other than micro and small enterprises		71,080.58	48,375.54
Lease Liabilities	12	3,291.47	3,384.40
Debt securities	16	7,020.52	7,826.00
Borrowings	17	39,393.16	38,209.15
Other financial liabilities	18	75,394.45	59,311.90
Non-financial liabilities			
Current tax liabilities (net)	32	-	146.13
Provisions	19	2,681.10	2,338.54
Other non-financial liabilities	20	2,613.94	1,659.85
Equity			
Equity share capital	21	2,262.69	2,262.69
Other equity		90,347.69	75,008.23
Non-controlling interest		164.29	162.33
Total liabilities and equity		**2,94,249.89**	**2,38,736.77**

The accompanying notes form an integral part of the consolidated financial statements. 1-45

In terms of our report of even date attached
For R. Gopal & Associates
Chartered Accountants
Firm Registration No. : 000846C

Vikash Aggarwal
Partner
Membership No. : 519574

Place: Kathmandu, Nepal
Date: May 7, 2022

For and on behalf of the Board

S.C. Aggarwal
Chairman &
Managing Director
DIN: 00603267

Mahesh C. Gupta
Vice-Chairman &
Managing Director
DIN: 00003082

Ajay Garg
Director & CEO
DIN: 08003169

Vinod Kumar Jamar
President & Group CFO

Suman Kumar
Company Secretary

SMC GLOBAL SECURITIES LIMITED

Consolidated Statement of Profit and Loss

₹ in Lakhs

Particulars	Note	For the year ended March 31, 2022	For the year ended March 31, 2021*
Revenue from operations			
Fee and commission income	22	66,818.80	56,185.77
Interest income	23	19,847.71	15,271.06
Dividend income		840.05	838.20
Net gain on proprietory trading		19,102.37	17,085.88
Net gain on fair value changes	24	4,023.95	745.64
Total revenue from operations		**1,10,632.94**	**90,126.74**
Other income	25	1,449.14	693.37
Total income		**1,12,082.08**	**90,820.11**
Expenses			
Fees and commission expenses	26	53,098.78	44,576.64
Employee benefits expenses	27,35	20,572.22	17,649.09
Finance cost	28	5,752.38	4,235.90
Depreciation and amortisation	29	2,011.60	1,797.93
Impairment on financial instruments	30	1,616.57	2,605.30
Other expenses	31	6,890.99	5,774.09
Total expenses		**89,942.54**	**76,638.95**
Profit before share of profit/(loss) of joint venture and tax		**22,139.54**	**14,181.16**
Share in profit/(loss) in joint venture		(0.96)	73.32
Profit before tax		**22,138.58**	**14,254.48**
Tax expense:			
Current tax	32	3,734.90	3,020.75
Deferred tax	32	946.83	732.20
Total tax expense		**4,681.73**	**3,752.95**
Profit after tax		**17,456.85**	**10,501.53**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit liability / asset		13.95	496.04
Tax effect of items that will not be reclassified subsequently to profit and loss		(3.36)	(126.98)
Items that may be reclassified subsequently to profit or loss			
Exchange difference on translation of foreign operations		154.68	(97.72)
Total other comprehensive income (net of tax)		**165.27**	**271.34**
Total comprehensive income for the year (comprising of profit and other comprehensive income for the year)		**17,622.12**	**10,772.87**
Profit attributable to:			
Owners of the equity		17,437.63	10,488.25
Non controlling interest		19.22	13.28
Total comprehensive income attributable to:			
Owners of the equity		17,602.16	10,758.11
Non controlling interest		19.96	14.76
Earnings per equity share (Face value ₹ 2)			
Basic & Diluted (in ₹)	33	15.43	9.28
The accompanying notes form an integral part of the consolidated financial statements.	1-45		

* Restated - Refer Note no. 34

In terms of our report of even date attached
For R. Gopal & Associates
Chartered Accountants
Firm Registration No. : 000846C

Vikash Aggarwal
Partner
Membership No. : 519574

Place: Kathmandu, Nepal
Date: May 7, 2022

For and on behalf of the Board

S.C. Aggarwal
Chairman &
Managing Director
DIN: 00003257

Mahesh C. Gupta
Vice-Chairman &
Managing Director
DIN: 00003082

Ajay Garg
Director & CEO
DIN: 00003166

Vinod Kumar Jamar
President & Group CFO

Suman Kumar
Company Secretary

SMC GLOBAL SECURITIES LIMITED
Consolidated statement of changes in equity

A. Equity share capital (Refer note 21)

₹ in Lakhs

Particulars	Balance as at April 1, 2020	Changes in Equity Share Capital due to prior period errors	Restated balance as on April 1, 2020	Changes in equity share capital during the period	Balance as at March 31, 2021
Equity Share Capital	2,262.65	-	-	-	2,262.65

₹ in Lakhs

Particulars	Balance as at April 1, 2021	Changes in Equity Share Capital due to prior period errors	Restated balance as on April 1, 2021	Changes in equity share capital during the period	Balance as at March 31, 2022
Equity Share Capital	2,262.65	-	-	-	2,262.65

B. Other Equity

₹ in Lakhs

Particulars	Reserves & surplus						Other comprehensive income				Total	Non Controlling Interest
	Securities premium reserve	Retained earnings	General reserve	Capital reserve	Debenture redemption reserve	Reserve fund u/s 45-IC of RBI act 1934	Remeasurement of the net defined benefit liability / asset	Exchange differences on translation of foreign operations	Fair value changes in investments	Tax effect of other component of equity		
Balance as at April 1, 2020	34,448.91	20,627.58	7,914.09	1,035.71	-	2,281.88	(78.97)	152.83	(658.72)	155.90	65,879.21	167.57
Retrospective restatement (Refer note no. 34)	-	(500.99)	-	-	-	-	58.17	-	658.72	(155.90)	-	-
Restated balance as at April 1, 2020	34,448.91	20,066.59	7,914.09	1,035.71	-	2,281.88	(20.80)	152.83	-	-	65,879.21	167.57
Changes in equity for the year ended March 31, 2021												
Profit for the year	-	10,488.25	-	-	-	-	-	-			10,488.25	11.28
Other comprehensive income for the year	-	-	-	-	-	-	367.62	(97.72)			269.90	1.48
Total comprehensive income for the year	-	10,488.25	-	-	-	-	367.62	(97.72)	-	-	10,758.15	14.76
Transactions with owners in their capacity as owners :												
Addition during the year	-	(1,328.31)	-	-	1,000.00	328.31	-	-	-	-	0.00	-
Payment of dividend	-	(1,629.14)	-	-	-	-	-	-	-	-	(1,629.14)	(20.00)
Balance as at March 31, 2021	34,448.91	27,597.39	7,914.09	1,035.71	1,000.00	2,610.19	346.82	55.11	-	-	75,008.22	162.33
Balance as at April 1, 2021	34,448.91	27,597.39	7,914.09	1,035.71	1,000.00	2,610.19	346.82	55.11	-	-	75,008.22	162.33
Changes in equity for the year ended March 31, 2022												
Profit for the year	-	17,437.63	-	-	-	-	-	-	-	-	17,437.63	19.22
Other comprehensive income for the year	-	-	-	-			9.85	154.68	-	-	164.53	0.74
Total comprehensive income for the year	-	17,437.63	-	-	-	-	9.85	154.68	-	-	17,602.16	19.96
Transactions with owners in their capacity as owners :												
Addition during the year	-	(6,973.47)	2,500.00	-	4,000.00	470.47	-	-	-	-	(0.00)	-
Transfer to general reserve	-	-	-	-	(2,500.00)	-	-	-	-	-	(2,500.00)	-
Payment of dividend	-	(2,262.65)	-	-	-	-	-	-	-	-	(2,262.65)	(18.00)
Balance as at March 31, 2022	34,448.91	35,801.89	10,414.09	1,035.71	2,500.00	3,080.66	356.67	209.79	-	-	90,347.69	164.29

R. Gopal & Associates
Vikash Agarwal
M No. 519514
Chartered Accountants

SMC GLOBAL SECURITIES LTD.

SMC GLOBAL SECURITIES LIMITED
Consolidated statement of changes in equity

The accompanying notes form an integral part of the consolidated financial statements.

Nature and purpose of reserves :

(A) Securities premium reserve
Securities premium is used to record the premium received on issue of shares. The reserve can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.

(B) Retained earnings
Retained earnings are the profits that the company has earned till date, less any transfers to generate reserve, dividends or other distributions paid to shareholders.

(C) 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 however, the same is not required to be created under Companies Act, 2013. This reserve can be utilised only in accordance with the specified requirements of Companies Act, 2013.

(D) Capital reserve
Capital reserve is created out of capital profits and cannot be used for the distribution of profits and dividend.

(E) Debenture redemption reserve
The debenture redemption reserve is created to be utilised towards redemption of debentures issued by the company listed at 'c' in note no. 3.05. The reserve will be utilised in accordance with provisions of the Act.

(F) Reserve fund u/s 45-IC of RBI act 1934
As required by section 45-IC of the RB Act 1934, the company listed at 'c' in note no. 3.05 is required to maintain a reserve fund and transfers therein a sum not less than twenty per cent of its net profit every year as disclosed in the statement of profit and loss and before any dividend is declared. The company cannot appropriate any sum from the reserve fund except for the purpose specified by Reserve Bank of India from time to time. Till date, RBI has not specified any purpose for appropriation of Reserve fund maintained under section 45-IC of RBI Act, 1934.

In terms of our report of even date attached
For R. Gopal & Associates
Chartered Accountants
Firm Registration No : 000846C

Vikash Aggarwal
Partner
Membership No. : 519574

Place: Kathmandu, Nepal
Date: May 7, 2022

For and on behalf of the Board

S.C. Aggarwal
Chairman &
Managing Director
DIN: 00003257

Mahesh C. Gupta
Vice-Chairman &
Managing Director
DIN: 00003282

Ajay Garg
Director &
CEO
DIN: 00005156

Vinod Kumar Jumar
President & Group CFO

Suman Kumar
Company Secretary

SMC GLOBAL SECURITIES LIMITED

Consolidated statement of cash flows

₹ in Lakhs

Particulars		For the year ended	
		March 31, 2022	March 31, 2021*
Cash flow from operating activities:			
Profit after tax		17,456.85	10,501.53
Adjustments to reconcile net profit to net cash provided by operating activities:			
Tax expense		4,681.73	3,752.96
Depreciation and amortization		2,011.60	1,797.03
Interest expense		5,752.38	4,235.90
Dividend income		(0.27)	(2.51)
(Gain) / Loss on modification of lease		(31.94)	(140.79)
Interest income other than from financing business		(134.73)	(65.52)
Allowance for impairment of trade receivables		1,616.57	1,605.30
Change in investment in joint venture		20.96	(73.32)
Net loss/profit on derecognition of property, plant and equipment		(2.64)	(29.18)
Exchange difference on conversion of foreign currency monetary items		(4.94)	3.64
Operating profit before working capital changes		**31,365.57**	**22,585.93**
Changes in assets and liabilities			
Other bank balances		(13,638.50)	(62,754.34)
Trade receivables		(10,086.74)	(5,257.64)
Other receivables		(157.18)	6.67
Loans		(12,981.13)	(9,441.50)
Assets acquired against loan portfolio		(160.00)	-
Investments		(5,365.69)	(3,051.94)
Inventories		(2,133.80)	(1,318.05)
Other financial assets		(1,857.43)	7,639.51
Other non-financial assets		(339.15)	(635.22)
Trade payables		12,653.03	2,608.31
Other financial liabilities		16,059.83	11,761.48
Other non-financial liabilities		954.08	537.39
Provisions		350.52	43.56
Cash generated from / (used in) operations		**24,653.41**	**(37,276.31)**
Income taxes paid (net of refund)		(5,299.57)	(2,023.93)
Net cash generated from / (used in) operating activities	**(A)**	**19,353.84**	**(39,300.24)**
Cash flow from investing activities:			
Expenditure on PPE, intangible assets and intangible assets under development		(6,395.45)	(715.74)
Sale proceeds on property, plant and equipment and intangible assets		10.09	128.94
Interest received		134.73	65.52
Dividend received		0.35	2.44
Net cash generated from / (used in) investing activities	**(B)**	**(6,250.08)**	**(518.84)**
Cash flow from financing activities:			
Payment of dividends		(2,257.98)	(1,638.46)
Payment of interest		(5,531.73)	(3,728.31)
Repayment of lease liabilities		(1,143.99)	(934.95)
Proceeds from term loan		14,220.58	7,661.92
Repayment of term loan		(7,838.33)	(4,139.16)
Proceeds / (repayment) from loan repayable on demand (net)		(15,096.36)	16,456.84
Proceeds / (repayment) from debt securities (net)		(805.48)	7,363.82
Net cash generated from / (used in) financing activities	**(C)**	**(8,453.31)**	**21,051.70**
Net increase/(decrease) in cash and cash equivalents	**(A+B+C)**	**4,650.45**	**(18,767.38)**
Effect of change in exchange rate on foreign operations and foreign currency monetary items		159.62	(101.37)
Adjustment on account of change in non controlling interest		0.74	1.48
Cash and cash equivalents at the beginning of the year		4,413.75	23,271.02
Cash and cash equivalents at the end of the year (refer note 2)		**9,224.56**	**4,413.75**

* Restated - Refer Note no. 34

R. Gopal & Associates, Vijesh Aggarwal, New Delhi, M.No. 519674, Chartered Accountants

SMC GLOBAL SECURITIES LTD, New Delhi

Notes :

1. Changes in liabilities arising from financing activities

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Opening balance	46,035.15	18,559.62
Addition during the year	24,220.58	31,502.58
Repayments during the year	(23,740.19)	(4,139.16)
Other Adjustments	(101.86)	112.11
Closing balance	**46,413.68**	**46,035.15**

2. The above statement of cash flows has been prepared under the "Indirect Method" as set out in Ind AS – 7 notified u/s 133 of the Companies Act, 2013.
3. Interest expense includes other borrowing cost.
4. Figures in brackets indicate cash outflow.
5. The accompanying notes form an integral part of the consolidated financial statements (Refer note no. 1 - 45).

In terms of our report of even date attached
For R. Gopal & Associates
Chartered Accountants
Firm Registration No.: 000846C

Vikash Aggarwal
Partner
Membership No.: 519574

Place: Kathmandu, Nepal
Date: May 7, 2022

For and on behalf of the Board

S.C. Aggarwal	**Mahesh C. Gupta**	**Ajay Garg**
Chairman & Managing Director	Vice-Chairman & Managing Director	Director & CEO
DIN: 00003267	DIN: 00003082	DIN: 00003166

Vinod Kumar Jamar
President & Group CFO

Suman Kumar
Company Secretary

SMC GLOBAL SECURITIES LIMITED
Notes to consolidated financial statements

1 Significant accounting policies and measurement basis

1.01 Group overview

SMC Global Securities Limited (the "Holding Company") together with its subsidiaries and joint venture (collectively, "the Group") offers its customers a wide range of services across different business segments. The Company's equity shares are listed and traded on National Stock Exchange ("NSE") and Bombay Stock Exchange ("BSE") in India with effect from Feburary 24, 2021.

The Group provides the following range of services:

Broking, distribution and trading services includes brokerage services (in equity, derivative, commodity and currency segments on various stock exchanges in India and abroad), clearing services, depository participant services, fund management, wealth management, distribution of financial products such as mutual funds and initial public offerings, financing mortgage and loan advisory, real estate brokerage and investment banking services which advises middle class to high net worth individuals.

The Group also engages in proprietary transactions in equity securities, commodities, currencies and derivative. Such trading activities are entered primarily to capitalize on the pricing differences in equity, commodity and currency markets. These trades are executed in identical or similar financial instruments, on different markets or in different but analogous forms, such that the positions are generally hedged.

Financing business services offer a variety of loan products such as capital market loans, finance for onward retail lending, real estate loans (primarily to individuals, affiliated entities, commercial clients), consumer finance and medical equipment finance etc.

Insurance broking services comprises of providing services in life and non-life insurance products.

The Holding Company is a Limited Liability Company incorporated in the year 1994 and domiciled in India. The registered address of the company is 11/6B, Shanti Chamber, Pusa Road, New Delhi-110005.

The Holding Company is a trading member of the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") in the capital market and trading and clearing member of NSE, BSE, Metropolitan Stock Exchange of India Limited ("MSEI"), Multi Commodity Exchange ("MCX") and National Commodity & Derivatives Exchange Limited ("NCDEX") in the futures and options segment, currency derivative segment and commodity segment. The company also have depository participants registration of Central Depository Services (India) Limited and National Securities Depository Limited, participants of NCDEX Comtrack and AMFI registered mutual fund distributor. The company is regulated by Securities and Exchange Board of India ("SEBI").

1.02 Statement of compliance

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

1.03 Basis of preparation

These consolidated financial statements are prepared under the historical cost convention on the accrual basis except for certain assets and liabilities which are measured at fair value / amortised cost / transaction price as stated in respective accounting policies / notes.

The financial statements are presented in Indian Rupees in lakhs and all values are rounded off to the nearest two decimal points except otherwise stated.

1.04 Principles of consolidation

(a) The financial statements of the Company and its subsidiaries are combined on a line by line basis by adding together sums of like nature, comprising assets, liabilities, income and expenses (including taxes) and after fully eliminating intra-group balances/ transactions.

(b) Profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant and equipment are eliminated in full.

(c) In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in other comprehensive income (OCI).

(d) Subsidiaries are consolidated from the date on which effective control is transferred to the Group and are no longer consolidated from the date of disposal.

(e) The Company's cost of its investment in its subsidiaries has been eliminated against the Company's portion of equity of each subsidiary as on the date of investment in that subsidiary. The excess/short is recognized as 'Goodwill' or 'Capital Reserve', as the case may be.

(f) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

(g) Investment in joint venture has been accounted under equity method as per Ind AS 28 - Investments in joint ventures and associates.

(h) Non controlling interest's share of profit/loss of consolidated subsidiaries for the years identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the company.

(i) Non controlling interest's share of net assets of consolidated subsidiaries is identified and presented in consolidated balance sheet.

1.05 The consolidated financial statements comprise the financial statements of the company, its subsidiaries and joint venture consolidated in accordance with Ind AS 110, which have been listed as below :

Name of subsidiaries / joint venture	Country of Incorporation	As at March 31, 2022	As at March 31, 2021
Subsidiaries of SMC Global Securities Limited			
a. SMC Comtrade Limited	India	100%	100%
b. SMC Investments and Advisors Limited	India	100%	100%
c. Moneywise Financial Services Private Limited	India	100%	100%
d. SMC Capitals Limited	India	100%	100%
e. SMC Insurance Brokers Private Limited	India	97.58%	97.58%
f. SMC Comex International DMCC	UAE	100%	100%
g. Moneywise Finvest Limited	India	100%	100%
h. SMC Global USA Inc.	USA	50%	50%
i. SMC Global IFSC Private Limited	India	100%	100%
j. SMC Real Estate Advisors Private Limited	India	100%	100%
Joint venture of SMC Investments and Advisors Limited			
k. SMC & IM Capitals Investment Manager LLP	India	50%	50%

SMC Comtrade Limited is engaged in business of bullion trading.
SMC Investments and Advisors Limited is engaged in the business of mortgage advisory services.
Moneywise Financial Services Private Limited is registered as Systematically Important Non-Deposit taking Non- Banking Financial Company with Reserve Bank of India ("RBI").
SMC Capitals Limited is registered as Category I Merchant Banker with Securities and Exchange Board of India ("SEBI").
SMC Insurance Brokers Private Limited holds direct insurance broking license from Insurance & Regulatory Development Authority of India ("IRDAI") in the life and non-life insurance.
SMC Comex International, DMCC is a trading and clearing member of Dubai Gold Commodity Exchange ("DGCX").
Moneywise Finvest Limited is a trading and self clearing member of the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") in the capital market and trading member of NSE and BSE in future and option segment and currency derivative segment. Also the company is a trading member of Multi Commodity Exchange of India Limited ("MCX") in commodity segment and having AMFI registered mutual fund distributor. The company is regulated by the Securities and Exchange Board of India ("SEBI").
SMC Global IFSC Private Limited is carrying on the business as IFSC (International Financial Service Centre) Unit in accordance with the Securities Exchange Board of India (IFSC) Guidelines, 2015 to provide financial services in International Financial Services Centre, GIFT SEZ, Gandhinagar, Gujarat.
SMC Real Estate Advisors Private Limited is engaged into real estate broking services and governed by Real Estate (Regulation and Development) Act, 2016 ("RERA").

1.06 **Use of estimates**

The preparation of the financial statements in conformity with Ind AS, requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the year in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.07 **Revenue recognition**

The group derives it's revenue primarily from the brokerage services, clearing services, depository services, distribution of financial products such as mutual fund and initial public offerings, proprietary trading, management and consultancy and interest income from financing business. The group follows Ind AS 115 Revenue from Contract with Customer, which prescribed the core principle to recognise revenue. This core principle is delivered in a five-step model framework:

(a) Identify the contract(s) with a customer.
(b) Identify the performance obligations in the contract.
(c) Determine the transaction price.
(d) Allocate the transaction price to the performance obligations in the contract.
(e) Recognise revenue when (or as) the entity satisfies a performance obligation.

Based on the above principle the group recognise the revenue as follows:

(i) **Broking**: In these types of contract performance obligation is to provide the platform to traders for trading in securities, commodities and the performance obligation satisfies point in time i.e. as and when the trade is executed. In real estate broking, the performance obligation is satisfied as and when the property is booked by the customer and a minimum threshold amount specified in the agreement is paid to the developer. The revenue is recorded when the threshold limit is achieved and the same is confirmed by the developer. In insurance broking, the performance obligation satisfies as and when the policy is logged in/placed in case of general insurance and on Weighted Received Premium (WRP) basis in case of life insurance. Unbilled revenue regarding insurance broking is the income that has become due on account of policy issued by the company but pending to be billed. Further it makes provision for cancellation for Life Insurance business on the basis of past trend of business cancellation owing to the very peculiar nature of Life Insurance business. Provision for cancellation is netted off from revenue.

(ii) **Distribution of third party financial products**: In these types of contract performance obligation is to sell the third party financial products to the subscriber and the performance obligation satisfies point in time i.e. as and when subscription is ensured and target based incentives are confirmed by registrar / respective companies. Unbilled revenue is the income that has become due on account of services rendered by the company but pending to be billed.

(iii) **Depository**: In these types of contract performance obligation is periodic maintenance of customer account as depository participant and the performance obligation satisfies over time i.e. over the period and there is reasonable certainty of recovery.

(iv) **Proprietary trading**: Ind AS 115 Revenue from Contract with Customer is not applicable on this business and hence the revenue is recognised as per Ind AS 109 Financial Instruments i.e. as and when trade is executed.

(v) **Fund management services**: In these types of contracts the performance obligation satisfies over time i.e. the services are rendered on continuous basis and the revenue is recognised on periodical basis and also considering performance based criteria of fund (as applicable).

(vi) **Management and consultancy**: Revenue from management & advisory services is accounted for when the rendering of service under a contract is completed or substantially completed.

(vii) **Interest income**: Interest income on a financial asset at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ('EIR'). The EIR is the rate that exactly discounts estimated future cash flows of the financial assets through the expected life of the financial asset or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The internal rate of return on financial assets after netting off the fees received and cost incurred approximates the effective interest rate method of return for the financial asset. The future cash flows are estimated taking into account all the contractual terms of the instrument.
The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For creditimpaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for ECLs).
It also includes Delayed payment charges.

(viii) **Commodity trading**: In these types of contracts the performance obligation satisfies in time i.e. when the sale is executed or ownership is transferred. Accordingly the revenue is recognised on whenever the transaction is executed.

(ix) **Dividend**: Dividend income is recognised when the shareholders right to receive payment is established.

(x) **Research support services**: In these types of contract performance obligation is perodic input to participants on the basis of capital market analysis and the performance obligation satisfies over time i.e. over the period.

(xi) **Incentives from exchange**: Incentives from exchange are recognised on point in time basis.

R. Gopal & Associates Vikash Agarwal New Delhi M.No. 519548 Chartered Accountants

SMC GLOBAL SECURITIES LTD New Delhi

1.08 Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Cost includes taxes, duties, identifiable direct expenses, expense on installation and net of applicable GST credit thereon. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. The group depreciates property, plant and equipment over their estimated useful lives on written down value method. The estimated useful lives of assets are as follows:

Office Building	60	years
Computer equipment	3-6	years
Office equipment	5	years
Furniture and fixtures	10	years
Vehicles	8-10	years
VSAT	13	years

The useful lives for these assets is in compliance with the useful lives as indicated under Part C of Schedule II of the Companies Act, 2013.
Depreciation methods, useful lives and residual values are reviewed at each year end.
Addition to the, property plant and equipment have been accounted for on the date of installation and its use irrespective of date of invoice. Depreciation on asset added/sold/discarded during the year is being provided on prorata basis from / upto the date on which such assets are added/sold/discarded.
Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non financial assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognised in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale and the resultant gains or losses are recognised in net profit in the statement of profit and loss. Assets classified as held for sale are reported at the lower of the carrying value and the fair value less cost to sell.

1.09 Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment, if any. Cost includes taxes, duties, identifiable direct expenses, expense on installation and net of GST credit thereon. Intangible assets are amortized on a written down value basis, from the date that they are available for use. The rates used are as follows :

Computer software	40%
Trade mark logo	40%

1.10 Impairment of property, plant and equipment, intangible assets and right of use assets

At each reporting date, the group reviews the carrying amounts of its property, plant and equipment, intangible assets and right of use assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash flows are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash generating Units ('CGUs'). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recoginesd in the statement of profit and loss.

1.11 Inventories

The group mainly have inventory of commodities (agri and non-agri), which is held for the purpose of trading. The group follows Ind AS - 2 "Inventories" for valuation of inventory held in trade, accordingly, values its inventories at fair value less cost to sell.





1.12 Income tax

The income tax expense comprises of current and deferred tax. Current tax and deferred tax are recognised in statement of profit and loss and the corresponding impact is taken to the current tax asset/ liability and deferred tax asset/liability respectively in balance sheet. The tax impact on the item of OCI are recognised in OCI.

The current tax is calculated on the basis of the tax rates, laws and regulations, which have been enacted or substantively enacted as at the reporting date. The payment made in excess / (shortfall) of the group's income tax obligation for the year are recognised in the balance sheet as current income tax assets / liabilities.

Deferred tax is recognised based on the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax is determined using tax rates that have been enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with asset will be realised.

1.13 Investment in joint venture

Investment in joint venture is under equity method

1.14 Financial instruments

(a) Initial recognition

The group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognised at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Purchase and sale of financial assets are accounted for at trade date.

(b) Subsequent measurement

(i) Financial assets at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Advances, security deposits, rental deposits, cash and cash equivalents etc. are classified for measurement at amortised cost.

(ii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss. All investment held for trading, derivative financial instruments are valued at fair value through profit and loss.

(iii) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognised in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(c) Derecognition of financial instruments

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognised from the group's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

(d) Impairment

The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in statement of profit and loss.

1.15 Foreign currency translations

The functional and presentation currency of the Company is Indian Rupee. However there are certain companies in the group which have USD as their functional currency.

Transactions in foreign currency are accounted for at the exchange rate prevailing on the transaction date. Gains / losses arising on settlement as also on translation of monetary items are recognised in the statement of profit and loss.

Translation difference on conversion of foreign operations is recognised in the other comprehensive income.

1.16 Employee benefits

(a) Defined contribution plans

Obligations for contributions to defined contribution plans (provident fund and employees state insurance) are recognized as a employee benefit expense in statement of profit or loss in the years during which services are rendered by employees.

(b) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's gratuity scheme is a defined benefit plan and in accordance with Payment of Gratuity Act, 1972. As per the plan, employee is entitled to get 15 days of basic salary for each completed year of service with a condition of minimum tenure of 5 years subject to a maximum amount of INR 20.00 lakhs. Gratuity liability is a defined obligation and is non-funded except in case of the holding company where it is partly funded.

The calculation of defined benefit obligations are performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements. Defined benefit obligation (DBO) is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in OCI. The group determines the net interest expense (income) on the net defined benefit liability (asset) for the year by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual year to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the year as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in employee benefits expenses in statement of profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in statement of profit or loss.

(c) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(d) Other long-term employee benefits

Liability for long service leave

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior years. That benefit is discounted to determine its present value. Remeasurements are recognised in statement of profit or loss in the year in which they arise. Un-availed leave liability is a defined obligation and is not funded. The valuation of the long service leave are obtained from actuary.

1.17 Leases

The Group account for the leases in accordance with Ind AS 116 Leases. The Company has adopted Ind AS 116 with effect from 1st April 2019 and followed Appendix C to the Ind AS 116 for the purpose of transition. Accordingly as a practical expedient, group have not reassessed whether a contract is, or contains, a lease at the date of initial application. Instead, the group has

(a) applied this Standard to contracts that were previously identified as leases applying Ind AS 17, Leases.

(b) not applied this Standard to contracts that were not previously identified as containing a lease applying Ind AS 17.

The Group enters into hiring/service arrangements for various assets/services. The group evaluates whether a contract contains a lease or not, in accordance with the principles of Ind AS 116. This requires significant judgements including but not limited to, whether asset is implicitly identified, substantive substitution rights available with the supplier, decision making rights with respect to how the underlying asset will be used, economic substance of the arrangement, etc.

As a lessee, the group has measured lease liability at the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. After the commencement date / transition date. The group measures the right-of-use asset applying a cost model, whereas the group measures the right-of-use asset at cost:

(a) less any accumulated depreciation and any accumulated impairment losses; and

(b) adjusted for any remeasurement of the lease liability

The group recognises the finance charges on lease expense on reducing balance of lease liability. The Lease asset is depreciated over the lease term on straight line basis.

The group applies the above policy to all leases except:

(a) leases for which the lease term (as defined in Ind AS 116) ends within 12 months of the acquisition date;

(b) leases for which the underlying asset is of low value.

As a lessor the Company identifies leases as operating and finance lease. A lease is classified as a finance lease if the Company transfers substantially all the risks and rewards incidental to ownership of an underlying asset.

At the commencement date, the group recognises assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease. After the initial recognition the group recognises finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

For Operating leases as a lessor the group recognises lease payments from operating leases as income on straight-line basis.

1.18 Borrowing costs

Borrowing costs that are attributable to acquisition, construction or production of qualifying assets, are capitalized as part of the cost of such qualifying assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for intended use. All other borrowing costs are charged to the statement of profit and loss.

1.19 Assets held for sale

Assets held for sale are carriad on balance sheet at the lower of carrying amount and fair value less cost to sell and no depreciation is charged on them as per Ind AS 105.

1.20 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, demand deposits which are free from any lien and short-term highly liquid investments that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value.

1.21 Provision, contingent liabilities and contingent assets

Provisions are recognized only when there is a present obligation, as a result of past events and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

(a) Possible obligations which will be confirmed only by future events not wholly within the control of the group or

(b) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are disclosed where an inflow of economic benefit is probable.

1.22 Statement of cash flows

Cash flows are reported using the indirect method where by the profit after tax is adjusted for the effect of the transactions of a non-cash nature, any deferrals or accruals of past and future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the group are segregated.

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1.23 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. The weighted-average number of equity shares outstanding during the year is adjusted for events including a bonus issue. 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.

1.24 Standards issued but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2022 vide notification no. G.S.R 255(E) dated 23rd March 2022. Given below are the amendment made in brief and their possible impact on the financial statements of the company. The company will be apply the amendments from 1 April 2022 being the effective date of the amendments:

Ind AS 101 – First-time adoption of Indian Accounting Standards:
The amendment removes the conflict between the requirements of paragraph D16(a) of Ind AS 101 which provides exemptions where a subsidiary adopts Ind AS later than its parent and the exemptions on cumulative translation differences. The amendment permits the subsidiary to measure cumulative translation differences at the carrying amount included in the parent's consolidated financial statements. Similar exemption is available to associate and joint venture that uses the exemption in paragraph D16(a) of Ind AS 101. Paragraph D16(a) of Ind AS 101 provides that the subsidiary can measure its assets and liabilities at the carrying amounts in parent's consolidated financial statements. The amendment is applicable for entities adopting Ind AS from 1 April 2022. As the company has already adopted Ind AS there is no impact of this amendment on the company.

Ind AS 103 – Business Combinations:
The amendments are made to enable change of reference to Conceptual Framework for Financial Reporting under Indian Accounting Standards issued by The Institute of Chartered Accountants of India and have no impact on the financial statements of the company. The amendments are applicable for business combinations having acquisition date on or after 1 April 2022.

Ind AS 109 – Financial Instruments:
The amendments clarify that only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf will be included in calculating the discounted present value of the cash flow under the new terms on modification of financial liability. The amendment is applicable for modification / exchange of financial liabilities on or after 1 April 2022. The amendment has no impact on the financial statements of the company.

Ind AS 16 – Property, Plant and Equipment:
The amendment creates a carve-out from IAS 16. IAS 16 requires any sale proceeds and cost of samples produced when testing whether the asset is functioning properly to be recognised in profit or loss whereas the amendment clarifies that the same shall be deducted from the cost of the property, plant and equipment. No transition provisions have been specified and therefore, this amendment shall be applicable retrospectively. The company has been following the practice as clarified by the amendment and hence no impact on the financial statements of the company.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets:
The paragraph clarifies what cost needs to be considered in the costs to fulfil a contract while determining whether the contract is onerous. Changes previous practice of considering only incremental costs in the costs to fulfil a contract for determination of onerous contract. Now apart from incremental costs, the costs to fulfil a contact includes an allocation of directly attributable costs. The amendments apply to unfulfilled onerous contracts as on 1 April 2022. As the company does not have any onerous contract, the said amendment has no impact on the financial statements of the company.

Ind AS 41 – Agriculture:
The amendment removes taxation cash flows from paragraph 22 indicating tax cash flows must be included in the fair value less costs to sell. The amendment is applicable to fair value measurements on or after 1 April 2022. Ind AS 41 is not applicable to the company and hence has no impact on the financial statements of the company.

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Notes to consolidated financial statements

2 Cash and cash equivalents

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Cheques in hand	3.18	-
Cash in hand	22.42	30.33
Balances with banks		
In current accounts	9,198.96	4,383.42
Total cash and cash equivalent	**9,224.56**	**4,413.75**

3 Other bank balances

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Deposit pledged with banks*	44,916.57	36,308.91
Deposit pledged with the clearing corporations and stock exchanges as margin*	73,625.55	67,341.88
Deposit placed under lien with consumer court	2.12	2.88
Placed under lien with statutory authority	5.80	5.40
Deposit placed with pension fund regulatory and development authority	20.00	20.00
Deposit placed under arbitration	277.35	160.82
Fixed deposits having maturity more than 3 months	76.52	702.47
Earmarked balances (unpaid dividend account)	85.24	82.52
Interest accrued but not due	883.14	548.93
Total other bank balances	**1,18,970.31**	**1,05,331.81**

* Deposit pledged with bank as margin deposit for the guarantees issued of ₹ 80,380.00 lakhs and ₹ 44,011.75 lakhs as of March 31, 2022 and March 31, 2021, respectively, credit facilities or otherwise.

4 Trade receivables

₹ in Lakhs

Particulars		As at March 31, 2022	As at March 31, 2021
At amortised cost			
Secured considered good		35,015.54	20,838.03
Secured credit impaired		207.67	490.09
Less: Provision for impairment		(178.11)	(375.22)
	(A)	**35,045.10**	**21,952.90**
Unsecured considered good		2,937.76	7,303.17
Unsecured credit impaired		1,801.49	1,380.43
Less: Provision for impairment		(1,521.06)	(1,550.28)
	(B)	**3,218.19**	**7,133.32**
Unbilled revenue	(C)	4,450.22	4,904.32
Total trade receivables	**(A+B+C)**	**42,713.51**	**32,790.74**

Trade receivables ageing schedule as on March 31, 2022

₹ in Lakhs

Particulars	Outstanding for following periods from due date of payment / transaction					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed Trade receivables - considered good	37,801.45	23.81	14.91	100.73	12.48	37,953.38
Undisputed Trade receivables - considered credit impaired	94.82	209.95	138.26	254.03	726.62	1,423.68
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade receivables - considered credit impaired	7.62	20.93	227.59	41.08	388.26	685.48
	37,903.89	**254.69**	**380.76**	**395.84**	**1,027.28**	**39,962.46**
Less: Provision for impairment						(1,699.17)
						38,263.29
Unbilled revenue						4,450.22
						42,713.51





Trade receivables ageing schedule as on March 31, 2021

₹ in Lakhs

Particulars	Outstanding for following periods from due date of payment / transaction					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed Trade receivables - considered good	27,382.19	373.62	408.76	76.45	-	28,241.10
Undisputed Trade receivables - considered credit impaired	116.21	204.87	608.71	123.83	749.58	1,803.20
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade receivables - considered credit impaired	44.54	222.28	42.75	24.42	333.33	667.32
	27,543.14	800.77	1,060.20	224.70	1,082.91	30,711.72
Less: Provision for impairment						(1,925.50)
						28,786.22
Unbilled revenue						4,004.52
						32,790.74

5 Other receivables

₹ in Lakhs

Particulars	As at	
	March 31, 2022	March 31, 2021
At amortised cost		
Unsecured		
Other receivables	772.71	615.54
	772.71	615.54
Less: Provision for impairment	(20.99)	(18.75)
Total other receivables	751.71	596.79

6 Loans

₹ in Lakhs

Particulars		As at	
		March 31, 2022	March 31, 2021
At amortised cost			
Secured			
Loans relating to financing business		32,784.94	31,302.13
Others		1,000.00	1,000.00
		33,784.94	32,302.13
Less: Provision for impairment		(780.49)	(1,279.85)
	(A)	33,004.45	31,022.28
Unsecured			
Loans relating to financing business		36,251.25	26,990.07
Others		261.04	701.17
		36,512.29	27,691.24
Less: Provision for impairment		(402.40)	(1,129.95)
	(B)	36,109.89	26,561.29
Net loans	(A+B)	69,114.34	57,583.57
In India		69,042.82	57,514.23
Outside India		71.52	69.34

7 **Investments**

Particulars		₹ in Lakhs	
		As at March 31, 2022	As at March 31, 2021*
Quoted			
Investments carried at fair value through profit and loss			
Held for trading			
Equity instruments		11,211.75	8,542.73
Debt instruments		799.24	369.42
	(A)	12,010.99	8,912.15
Other than held for trading			
Equity instruments			
Equity instruments under portfolio management service		2,268.27	227.80
Mutual funds		2,626.06	1,976.48
Debt instruments		-	30.94
	(B)	50.13	46.70
		4,944.46	2,281.92
Sub - Total	(A+B=C)	16,955.45	11,193.57
Unquoted			
Investments carried under equity method			
Investment in joint venture (partnership firm)			
	(D)	67.80	88.77
		67.80	88.77
Investments carried at amortised cost			
Security receipts of trust held under securitisation business			
	(E)	-	368.69
		-	368.69
Investments carried at fair value through profit and loss			
Equity instruments			
	(F)	35.54	63.04
		35.54	63.04
Sub - Total	(D+E+F=G)	103.34	520.50
Total investments	(C+G)	17,058.79	11,714.07
In India		17,058.79	11,714.07
Outside India		-	-

* Restated - Refer Note no. 34

8 **Other financial assets**

Particulars	₹ in Lakhs	
	As at March 31, 2022	As at March 31, 2021
Derivative financial instruments		
Security deposits	7,150.95	4,860.55
	5,295.21	5,718.16
	12,446.16	10,578.71
Less: Provision for impairment	(18.00)	(18.00)
Total other financial assets	12,428.16	10,560.72
Financial asset carried at amortised cost	4,112.57	4,578.41
Financial asset carried at fair value through profit and loss	8,315.59	5,982.31

9 **Inventories**

Particulars	₹ in Lakhs	
	As at March 31, 2022	As at March 31, 2021
Commodities		
Total inventories	3,451.86	1,318.06
	3,451.86	1,318.06

10 **Assets held for sale**

Particulars	₹ in Lakhs	
	As at March 31, 2022	As at March 31, 2021
Residential properties		
Total assets held for sale	400.76	240.76
	400.76	240.76
In India		
Outside India	400.76	240.76
	-	-

The Company classifies an asset as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The Company accounts for a non-financial assets classified as held for sale at the lower of its carrying amount and fair value less costs to sell.

One of the subsidiary company namely, Moneywise Financial Services Private Limited, has acquired certain residential properties in the process of recovery from the borrowers, those property are not used in business and held for sale in the future course of action. The management is taking appropriate actions to find the right buyer for the sale of property.

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11 Property, plant and equipment

₹ in Lakhs

Particulars	Office Building	Computer equipment	Office equipment	Furniture and fixtures	Vehicles	Freehold Land	VSAT	Total
Opening gross carrying value as at April 1, 2020	2,451.38	3,572.37	997.95	2,260.49	732.22	-	368.22	10,382.63
Additions during the year	14.55	468.34	71.66	64.30	114.51	-	-	733.36
Deletions during the year	(106.86)	(179.09)	(24.22)	(4.26)	(64.09)	-	(368.22)	(746.70)
Translation difference	(5.65)	(5.38)	(0.54)	(1.70)	-	-	-	(13.27)
Closing gross carrying value as at March 31, 2021	**2,353.42**	**3,856.28**	**1,044.85**	**2,318.83**	**782.64**	**-**	**-**	**10,356.02**
Opening gross carrying value as at April 1, 2021	2,353.42	3,856.28	1,044.85	2,318.83	782.64	-	-	10,356.02
Additions during the year	-	695.13	86.82	45.36	183.47	5,178.26	-	6,189.04
Deletions during the year	-	(187.43)	(100.66)	(86.76)	(17.42)	-	-	(392.27)
Translation difference	6.91	6.99	0.73	2.08	-	-	-	16.71
Closing gross carrying value as at March 31, 2022	**2,360.33**	**4,370.97**	**1,031.74**	**2,279.51**	**948.69**	**5,178.26**	**-**	**16,169.50**
Opening accumulated depreciation as at April 1, 2020	660.91	3,144.80	863.04	1,968.14	494.89	-	353.67	7,485.45
Depreciation for the year	127.25	407.93	95.52	122.29	96.01	-	4.05	853.05
Accumulated depreciation on deletions	(65.65)	(170.22)	(23.76)	(4.15)	(33.54)	-	(357.72)	(655.34)
Translation difference	(1.43)	(5.15)	(0.50)	(1.38)	-	-	-	(8.46)
Closing accumulated depreciation as at March 31, 2021	**720.78**	**3,377.36**	**934.30**	**2,084.90**	**557.36**	**-**	**-**	**7,674.70**
Opening accumulated depreciation as at April 1, 2021	720.78	3,377.36	934.30	2,084.90	557.36	-	-	7,674.70
Depreciation for the year	113.81	564.66	88.15	90.61	106.06	-	-	963.29
Accumulated depreciation on deletions	-	(180.39)	(96.98)	(82.84)	(17.26)	-	-	(379.47)
Translation difference	2.20	6.72	0.66	1.76	-	-	-	11.34
Closing accumulated depreciation as at March 31, 2022	**836.79**	**3,768.35**	**924.13**	**2,094.43**	**646.16**	**-**	**-**	**8,269.86**
Carrying value as at March 31, 2021	**1,632.64**	**478.92**	**110.55**	**233.93**	**225.28**	**-**	**-**	**2,681.32**
Carrying value as at March 31, 2022	**1,523.54**	**602.62**	**107.61**	**185.08**	**302.53**	**5,178.26**	**-**	**7,899.64**

12 Right of use assets

₹ in Lakhs

Particulars	Lease hold assets	Total
Opening gross carrying value as at April 1, 2020	4,687.45	4,687.45
Additions during the year	1,003.51	1,003.51
Termination during the year	(728.02)	(728.02)
Closing gross carrying value as at March 31, 2021	**4,962.94**	**4,962.94**
Opening gross carrying value as at April 1, 2021	4,962.94	4,962.94
Additions during the year	785.00	785.00
Termination during the year	(39.68)	(39.68)
Closing gross carrying value as at March 31, 2022	**5,708.26**	**5,708.26**
Opening accumulated depreciation as at April 1, 2020	799.67	799.67
Depreciation for the year	847.99	847.99
Accumulated depreciation on termination	(189.30)	(189.30)
Closing accumulated depreciation as at March 31, 2021	**1,458.36**	**1,458.36**
Opening accumulated depreciation as at April 1, 2021	1,458.36	1,458.36
Depreciation for the year	961.67	961.67
Accumulated depreciation on termination	(15.18)	(15.18)
Closing accumulated depreciation as at March 31, 2022	**2,404.85**	**2,404.85**
Carrying value as at March 31, 2021	**3,504.58**	**3,504.58**
Carrying value as at March 31, 2022	**3,303.41**	**3,303.41**

12.01 **Detail of lease liabilities**

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	3,384.40	3,599.86
Addition during the year	785.00	1,003.51
Termination during the year	(24.52)	(397.07)
Finance charges on lease	322.51	395.48
Write back during the year	(31.46)	(160.79)
Repayment during the year	(1,143.96)	(1,076.59)
Closing balance	3,291.47	3,384.40
Interest rate used for capitalization	9.66%	9.66%

12.02 **Maturity analysis of lease liabilities**

₹ in Lakhs

Particulars	Carrying amount	1-90 days	91-180 days	181-365 days	1-2 years	2-5 years	More than 5 years
As at March 31, 2022	3,291.47	227.64	218.24	385.75	759.04	1,234.67	466.13
As at March 31, 2021	3,384.40	250.95	228.95	457.06	920.86	1,380.25	160.35

13 **Other intangible assets**

₹ in Lakhs

Particulars	Computer software	Trademark logo	Total
Opening gross carrying value as at April 1, 2020	1,024.22	0.36	1,024.58
Additions during the year	110.76	0.18	110.94
Deletions during the year	(4.38)	-	(4.38)
Translation difference	(0.24)	-	(0.24)
Closing gross carrying value as at March 31, 2021	1,130.36	0.54	1,130.90
Opening gross carrying value as at April 1, 2021	1,130.36	0.54	1,130.90
Additions during the year	93.92	0.09	94.01
Deletions during the year	(2.59)	-	(2.59)
Translation difference	0.29	-	0.29
Closing gross carrying value as at March 31, 2022	1,221.99	0.63	1,222.62
Opening accumulated amortization as at April 1, 2020	866.30	0.26	866.56
Amortization for the year	96.35	0.04	96.39
Accumulated amortization on deletions	(0.82)	-	(0.82)
Translation difference	(0.19)	-	(0.19)
Closing accumulated amortization as at March 31, 2021	961.14	0.30	961.44
Opening accumulated amortization as at April 1, 2021	961.14	0.30	961.44
Amortization for the year	86.51	0.13	86.64
Accumulated amortization on deletions	(2.57)	-	(2.57)
Translation difference	0.29	-	0.29
Closing accumulated amortization as at March 31, 2022	1,046.37	0.43	1,046.80
Carrying value as at March 31, 2021	168.22	0.24	168.46
Carrying value as at March 31, 2022	175.62	0.20	175.82

Intangible assets under development

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Intangible assets under development	117.99	5.80
Total intangible assets under development	117.99	5.80

IND AS 101 gives option to choose from fair value as its deemed cost or carrying value in previous gaap as deemed cost on the date of transition to Ind AS for property, plant & equipment and intangible assets, accordingly the company has taken the carrying value in previous gaap as deemed cost.

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14 Other non-financial assets

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Capital advances	350.97	211.98
Prepaid expenses	1,644.65	687.46
Balances with government authorities and other taxes receivable	521.19	589.13
Advance payment to vendors for supply of goods	234.88	924.56
Salary advances	5.05	4.66
Dividend receivable	-	0.08
Total other non financial assets	2,756.94	2,417.86

15 Trade payables

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Total outstanding dues of micro enterprises and small enterprises	-	52.02
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Trade payables - Clients	64,485.93	41,852.48
Trade payables - Expenses	6,594.65	6,523.06
Total trade payables	71,080.58	48,427.56

Ageing schedule as at March 31, 2022

₹ in Lakhs

Particulars	Outstanding for following periods from due date of payment / transaction				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
MSME	-	-	-	-	-
Others	64,217.26	499.26	30.79	5.00	64,752.31
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
	64,217.26	499.26	30.79	5.00	64,752.31
Accrued expenses					6,328.27
					71,080.58

Ageing schedule as at March 31, 2021

₹ in Lakhs

Particulars	Outstanding for following periods from due date of payment / transaction				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
MSME	52.02	-	-	-	52.02
Others	42,394.33	380.51	71.76	9.15	42,855.75
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
	42,446.35	380.51	71.76	9.15	42,907.77
Accrued expenses					5,519.79
					48,427.56

16 Debt securities

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Secured - at amortised cost		
Non convertible debentures*	7,020.52	7,826.00
Total debt securities	7,020.52	7,826.00
In India	7,020.52	7,826.00
Outside India	-	-

* During the year ended March 31, 2022, one of the subsidiary company namely, Moneywise Financial Services Private Limited, issued market linked debentures secured by way of charge by hypothecation on all present and future eligible of book debts namely, 8.60% secured listed rated redeemable principal protected market linked non convertible debentures, with a maturity date of March 27, 2025. The interest on these market linked debentures is payable on maturity.

* During the year ended March 31, 2022, one of the subsidiary company namely, Moneywise Financial Services Private Limited, issued two series of non convertible debentures secured by way of charge by hypothecation on all present and future eligible of book debts namely, 9.50% secured listed rated redeemable non convertible debentures, with a maturity date of March 11, 2022 and May 10, 2022 respectively. The interest on these debentures is payable quarterly. The Debentures were issued at par with maturity at par. The Company have not defaulted in any repayment due till date and in payment of interest thereon.

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17 **Borrowings**

₹ in Lakhs

Particulars		As at March 31, 2022	As at March 31, 2021
At amortised cost			
Secured			
Term loan			
from banks		15,316.14	7,048.16
from others		7,614.26	-
Loan repayable on demand			
from banks		12,830.23	26,055.36
from others		1,634.00	-
Interest accrued but not due		98.53	200.39
	(A)	37,393.16	33,303.91
Unsecured			
Loan repayable on demand			
from others		2,000.00	4,905.24
	(B)	2,000.00	4,905.24
Total borrowings	(A+B)	39,393.16	38,209.15
In India		39,393.16	33,303.91
Outside India		-	4,905.24

a) Term Loan amounting ₹ 2,700 lakhs and ₹ Nil as of March 31, 2022 and March 31, 2021, respectively, are secured by way of hypothecation of freehold land and personal guarantee of promoter directors and are repayable in 60 installments.
b) Term Loan amounting ₹ 205.73 lakhs and ₹ 168.99 lakhs as of March 31, 2022 and March 31, 2021, respectively, are secured by way of hypothecation of vehicles and are repayable over a period of five years.
c) Term Loan amounting ₹ 18,924.67 lakhs and ₹ 6,879.17 lakhs as of March 31, 2022 and March 31, 2021, respectively, are secured by way of hypothecation of loan book, guarantee given by the holding company and personal guarantee of promoters directors.
d) Loan from banks and others amounting ₹ 14,464.23 lakhs and ₹ 26,055.36 lakhs as of March 31, 2022 and March 31, 2021, respectively, are secured against shares, receivables (including exchange balances), loan book, certain office buildings, guarantee given by the holding company and personal guarantee of promoters directors.

Repayment terms of borrowings

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
In the first year	22,222.58	34,821.40
In the second year	10,467.94	1,875.57
In the third to fifth year	5,336.04	1,211.49
Over fifth Year	1,366.60	300.69
Total	39,393.16	38,209.15

Segregation of borrowing on the basis of fixed & floating interest rate

₹ in Lakhs except otherwise stated

Particulars	As at March 31, 2022	As at March 31, 2021
Weighted average rate		
Secured		
Fixed rate borrowings	8.35%	8.81%
Floating rate borrowings	9.35%	9.07%
Unsecured		
Floating rate borrowings	9.50%	7.96%
Amount borrowed		
Secured		
Fixed rate borrowings	7,558.37	2,352.45
Floating rate borrowings	29,834.79	31,151.46
Unsecured		
Floating rate borrowings	2,000.00	4,905.24
Total borrowings	39,393.16	38,209.15

Refer note no. 39.04 for contractual maturities of borrowings

18 **Other financial liabilities**

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Book overdraft from banks	1,783.96	731.80
Security deposits received	1,084.79	1,216.75
Employee benefit payable	451.82	786.71
Derivative financial instruments	5,633.20	3,497.02
Unpaid dividend	65.24	42.52
Margin received from client	66,025.64	53,077.10
Total other financial liabilities	**75,394.45**	**59,331.90**
Financial liability carried at amortized cost	69,761.25	55,834.88
Financial liability carried at fair value through profit and loss	5,633.20	3,497.02

19 **Provisions**

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits		
Gratuity	1,453.72	1,227.61
Leave encashment	788.96	710.40
Provision for insurance cancellation	330.42	279.92
Others	108.02	120.61
Total provisions	**2,681.10**	**2,338.54**

20 **Other non-financial liabilities**

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Unearned income	690.96	423.58
Withholding taxes and other taxes payable	1,634.83	1,200.51
Others	288.15	35.76
Total other non-financial liabilities	**2,613.94**	**1,659.85**

21 **Equity share capital**

21.01 **Authorised issued and subscribed capital**

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised		
47,75,50,000 (March 31, 2021 : 47,75,50,000) equity shares of ₹ 2/- each	9,551.00	9,551.00
	9,551.00	**9,551.00**
Issued, subscribed & fully paid up		
11,31,34,450 (March 31, 2021 : 11,31,34,450) equity shares of ₹ 2/- each	2,262.69	2,262.69
	2,262.69	**2,262.69**

21.02 **Reconciliation of number of equity shares outstanding**

(In numbers)

Particulars	As at March 31, 2022	As at March 31, 2021
At the beginning of the year	11,31,34,450	11,31,34,450
Issued during the year	-	-
Buyback/forfeiture during the year	-	-
At the end of the year	**11,31,34,450**	**11,31,34,450**

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The Board of Directors has proposed an equity dividend @ 60% i.e. ₹ 1.20 (P.Y. ₹ 0.60) per share for the financial year ending March 31, 2022 at there meeting held on dated May 7, 2022 , which is subject to approval by the shareholders in the ensuing Annual General Meeting. The amount of per share dividend recognised as distribution to equity shareholders for Interim dividend is ₹ 1.20 (P.Y. ₹ 1.20).

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.

21.03 **Shares held by shareholders holding more than 5% shares**

(In numbers)

Name of Shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of Shares held	% held	No. of Shares held	% held
ASM Pipes Private Limited	1,86,67,140	16.50	1,86,67,140	16.50
Mahesh C. Gupta	82,48,500	7.29	92,48,500	8.17
Subhash Chand Aggarwal	80,95,500	7.16	1,00,95,500	8.92
Signature Global (India) Private Limited	18,12,329	1.60	79,72,457	7.05
Sushma Gupta	75,66,550	6.69	75,66,550	6.69
Pulin Investments Private Limited	92,77,205	8.20	92,77,205	8.20

21.04 **Shareholding of Promoters**

Shares held by promoters as at March 31, 2022 Promoter Name	No. of Shares	% of total shares	% Change during the year
Subhash Chand Aggarwal	80,95,500	7.16%	(1.77%)
Mahesh Chand Gupta	82,48,500	7.29%	(0.88%)
Sushma Gupta	75,66,550	6.69%	0.00%
Hemlata Aggarwal	50,00,000	4.42%	0.00%
Pranay Aggarwal	47,20,550	4.17%	1.77%
Ginni Devi	22,00,000	1.94%	0.00%
Himanshu Gupta	20,00,000	1.77%	0.88%
Madan Gopal Agarwal	9,84,000	0.87%	0.00%
Ajay Garg	8,41,600	0.74%	0.00%
Damodar Krishan Aggarwal	7,81,970	0.69%	0.00%
Anurag Bansal	2,50,000	0.22%	0.00%
Shruti Aggarwal	20,175	0.02%	0.02%
Aditi Aggarwal	33,050	0.03%	0.03%
Archana Aggarwal	30,000	0.03%	0.00%
ASM Pipes Private Limited	1,86,67,140	16.50%	0.00%
Pulin Investments Private Limited	92,77,205	8.20%	0.00%
Jai Ambey Share Broking Limited	16,16,670	1.43%	0.00%
SMC Share Brokers Limited	2,25,000	0.20%	0.00%

Shares held by promoters as at March 31, 2021 Promoter Name	No. of Shares	% of total shares	% Change during the year
Subhash Chand Aggarwal	1,00,95,500	8.92%	0.00%
Mahesh Chand Gupta	92,48,500	8.17%	0.00%
Sushma Gupta	75,66,550	6.69%	0.00%
Hemlata Aggarwal	50,00,000	4.42%	0.00%
Pranay Aggarwal	27,20,550	2.40%	0.00%
Ginni Devi	22,00,000	1.94%	0.00%
Himanshu Gupta	10,00,000	0.88%	0.00%
Madan Gopal Agarwal	9,84,000	0.87%	0.00%
Ajay Garg	8,41,600	0.74%	0.00%
Damodar Krishan Aggarwal	7,81,970	0.69%	0.00%
Anurag Bansal	2,50,000	0.22%	0.00%
Archana Aggarwal	30,000	0.03%	0.00%
ASM Pipes Private Limited	1,86,67,140	16.50%	0.00%
Pulin Investments Private Limited	92,77,205	8.20%	0.27%
Jai Ambey Share Broking Limited	16,16,670	1.43%	0.00%
SMC Share Brokers Limited	2,25,000	0.20%	0.00%

22 **Fee and commission income**

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Income from:		
Brokerage income	54,393.79	47,032.71
Distribution of financial product	8,960.59	6,398.94
Depository activities	468.35	404.69
Research support services	687.97	498.75
Service & Administration charges	143.77	66.05
Management fess	113.03	30.12
Advisory fees	743.75	552.67
Incentives from exchange	1,307.55	1,201.84
Total fee and commission income	**66,818.80**	**56,185.77**

23 **Interest income**

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
On financial assets measured at amortised cost		
Interest on loans	8,539.92	7,952.60
Interest on deposits with banks	6,625.12	4,933.30
Interest on delayed payment/ margin trade funding	4,648.56	2,191.13
Securitisation receipt	15.13	122.39
Other interest income	-	2.08
On financial assets classified at fair value through profit or loss		
Interest income from investments held for trading	19.04	69.66
Total interest income	**19,847.77**	**15,271.06**

24 **Net gain on fair value changes**

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Net gain on financial instruments at fair value through profit or loss		
Realised	2,896.12	103.70
Unrealised	1,127.83	641.94
Total fair value change of investments	**4,023.95**	**745.64**

25 **Other income**

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Interest income	134.73	65.52
Fair value change of investments		
Realised gain / (loss)	793.16	(8.89)
Unrealised gain	238.52	19.24
Net gain on derecognition of property, plant and equipment	2.64	29.18
Dividend income	0.27	2.51
Liability no longer required written back	140.91	188.49
Net gain on translation of foreign currency monetary items	4.94	-
Miscellaneous income	134.17	397.32
Total other income	**1,449.14**	**693.37**

26 Fees and commission expenses

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Client introduction charges	35,368.25	29,879.33
Exchange & other regulatory charges	5,786.03	5,185.84
Expense for distribution of financial products	6,969.76	4,892.26
VPN, leaseline, internet & VSAT expenses (net)	255.51	274.22
Securities/commodities transaction tax	4,719.23	4,344.99
Total fees and commission expenses	**53,098.78**	**44,576.64**

27 Employee benefits expenses

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Salaries and incentives	19,033.22	16,325.50
Staff welfare	224.50	148.59
Contribution to provident and other funds	852.78	701.50
Gratuity	461.72	473.50
Total employee benefits expenses	**20,572.22**	**17,649.09**

28 Finance cost

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
On financial liabilities measured at amortised cost		
Interest on borrowings from banks and financial institution	2,017.44	1,337.08
Interest on debt securities	804.79	371.35
Interest-others	2,039.25	1,681.45
Other borrowing cost	568.39	450.54
Finance charges on lease	322.51	395.48
Total finance cost	**5,752.38**	**4,235.90**

29 Depreciation and amortisation

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Depreciation on tangible assets	953.29	853.05
Amortisation of intangible assets	86.64	96.89
Depreciation on lease assets	961.67	847.99
Total depreciation and amortisation	**2,011.60**	**1,797.93**

30 Impairment on financial instruments

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
On financial assets measured at amortised cost		
Trade receivables	163.56	476.32
Loans	1,450.37	2,125.88
Other receivables	2.24	2.70
Security deposits	-	0.40
Total impairment on financial instruments	**1,616.57**	**2,605.30**

R. Gopal & Associates Vikash Agarwal New Delhi M.No. 518614 Chartered Accountants

SMC GLOBAL SECURITIES LTD. New Delhi

31 **Other expenses**

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Advertisement	1,095.94	1,245.13
Business promotion	591.74	250.29
Computer repair & maintenance	794.86	613.72
Conveyance & travelling expenses	326.50	245.60
Director sitting fees	30.15	23.96
Donation	76.39	35.10
Insurance	49.75	36.27
Legal & professional charges	933.28	696.98
Bank charges	37.91	44.37
Office repair & maintenance	556.56	467.78
Printing and stationery	174.34	132.82
Rent	651.69	661.11
Electricity and water expenses	592.43	515.82
Membership fees & subscription	32.30	20.74
Communication expenses	433.72	370.47
Vehicle running & maintenance	62.60	37.75
Net loss on foreign currency transaction and translation	-	3.64
Rates & taxes	63.61	38.58
CSR expenses	175.43	178.89
Miscellaneous expenses	155.33	101.93
Auditor's fees and expenses		
as statutory auditor	45.73	44.20
as tax auditor	7.45	6.90
as fees for other services	3.30	3.04
Total other expenses	**6,890.99**	**5,774.09**

32 Income tax

32.01 Income tax expense in the statement of profit and loss

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2022	March 31, 2021*
Current tax expense		
For the year	3,750.53	3,062.98
Change in estimates relating to prior years	(15.63)	(42.23)
	3,734.90	3,020.75
Deferred tax charge/(benefit)		
Origination and reversal of temporary differences	985.07	343.10
Minimum alternate tax	(38.24)	389.10
	946.83	732.20
Total income tax expense	4,681.73	3,752.95

* Restated - Refer Note no. 34

32.02 Tax expense recognised in other comprehensive income

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2022	March 31, 2021*
Remeasurement of the net defined benefit liability / asset	3.36	126.98
Total tax expense recognised in other comprehensive income	3.36	126.98

* Restated - Refer Note no. 34

32.03 Reconciliation of the income tax expense to the amount computed by applying the statutory income tax rate to the income before income taxes

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2022	March 31, 2021*
Profit before tax	22,198.58	14,254.48
Enacted tax rate in India	25.168%	25.168%
Computed expected tax expense	5,571.84	3,587.57
Non deductible permanent difference	47.52	92.05
Non deductible temporary difference	60.33	11.25
Deductible permanent difference	147.65	203.51
Income exempt from tax	(22.21)	(231.55)
Deferred tax asset / MAT reversed	-	478.90
Change in estimates relating to prior years	(15.63)	(42.23)
Deductions under chapter VI A	(620.33)	(642.16)
Effect of change in tax rate due to different class of income	(258.83)	14.89
Effect of differential tax rates / change in tax rates u/s 115BAA	(228.61)	270.71
Income tax expense	4,681.73	3,752.95

The applicable Indian statutory tax rates for fiscal 2022 and fiscal 2021 is 25.168%.

The holding company elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 in the previous year. The Company accordingly has recognized Provision for Income Tax for the year ended March 31, 2021 and re-measured its Deferred Tax Assets on the basis the rate prescribed in the said section. The impact of this change has been recognized in the Statement of Profit & Loss including write off of deferred tax assets relating to earlier years of ₹ 153.04 lakhs and MAT Credit of ₹ 478.90 lakhs. However, the above MAT Credit would be utilised to settle tax liabilities pertaining to past periods, if any.

* Restated - Refer Note no. 34

32.04 Details of current tax assets and current tax liabilities

₹ in Lakhs

Particulars		As at	
		March 31, 2022	March 31, 2021
Current tax assets pertaining to current year		5,187.40	3,315.70
Current tax liabilities pertaining to current year		3,703.75	3,062.98
Net current tax assets/ (liability) pertaining to current year	(A)	1,483.65	252.72
Current tax assets pertaining to previous years		2,163.63	1,839.18
	(B)	2,163.63	1,839.18
Total current tax assets / (liability) - net	(A+B)	3,647.28	2,091.90
Current tax assets (net)		3,647.28	2,238.03
Current tax liabilities (net)		-	146.13
		3,647.28	2,091.90

32.05 **Movement in the temporary differences of deferred tax**

₹ in Lakhs

Particulars	Balance as at April 1, 2020	Recognised in profit or loss during 2020-21*	Recognised in other comprehensive income*	MAT credit adjustment	Balance as at March 31, 2021	Recognised in profit or loss during 2021-22	Recognised in other comprehensive income	MAT credit adjustment	Others	Balance as at March 31, 2022
Employee benefits	504.51	(33.15)	(126.98)	-	344.38	84.58	(3.36)	-	(10.02)	415.58
Investment securities	58.29	(167.10)	-	-	(68.71)	(158.94)	-	-	-	(227.65)
ICDS	(64.36)	(78.66)	-	-	(123.02)	(475.57)	-	-	-	(598.59)
Provisions	375.97	180.62	-	-	556.59	(52.60)	-	-	-	503.99
Property, plant & equipment and intangible assets	407.57	(102.56)	-	-	305.01	6.15	-	-	-	311.16
Provision for impairment on receivable from clients	1,068.64	13.77	-	-	1,082.41	(372.02)	-	-	-	670.39
Other temporary differences	135.75	13.64	-	-	149.39	16.66	-	-	-	166.05
Total	2,486.47	(153.44)	(126.98)	-	2,206.05	(951.14)	(3.36)	-	(10.02)	1,241.33
Minimum alternate tax	871.70	(349.12)	-	39.60	522.18	15.69	-	24.55	-	560.42
Carried forward of tax losses shares	4.26	9.47	-	-	13.73	(13.73)	-	-	-	-
Carried forward of tax losses and unabsorbed depreciation (net of addition on account of tax losses)	627.60	(199.11)	-	-	428.49	4.55	-	-	-	433.04
	3,990.03	(732.20)	(126.98)	39.60	3,170.45	(946.83)	(3.36)	24.55	(10.02)	2,234.79

* Restated - Refer Note no. 34

33 **Earnings per share**

The followings is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share.

₹ in Lakhs except otherwise stated

Particulars	For the year ended	
	March 31, 2022	March 31, 2021*
Profit attributable to equity share holders	17,456.85	10,901.53
Weighted average number of share outstanding during the year	11,31,34,450	11,31,34,450
Nominal value per share (₹)	2.00	2.00
Basic & Diluted (₹)	15.43	9.28

* Restated - Refer Note no. 34

34 **Restatement of financial statements**

In Accordance with Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and Ind AS 1 'Presentation of Financial Statement', the Company has retrospectively restated –

Statement of Profit and Loss for the year ended March 31, 2021;
Statement of Changes in Equity for the year ended March 31, 2021 and as on April 1, 2020;
Statement of Cash Flows for the year ended March 31, 2021; and
Segment for the year ended March 31, 2021

Notes for the year ended March 31, 2021 from classification of equity and debt instruments at fair value through OCI (FVTOCI) to FVTPL in accordance with Ind AS 109, Financial Instruments.

As per Ind AS 109 investments in equity instruments should be classified as fair value through other comprehensive income (FVTOCI) only when the investment is of strategic and long term in nature and the company doesn't intend to sell over a long period. Further, debt instruments are to be classified as at fair value through other comprehensive income if the debt instrument is held within a business model of hold to collect contractual cash flows and sell. The company does not hold the equity investment for strategic purposes and there could be frequent purchases and sales in those instruments. The company holds debt instruments for trading. Accordingly, the classification of equity and debt investments have been restated retrospectively to reflect the business model of the company resulting in more relevant and faithful representation of the financial statements. Such restatement did not have any impact in the balance sheet as the equity and debt instruments were already stated at fair value. Also there is no change in total comprehensive income for the year ended March 31, 2021. The impact of the same have beengiven in the Statement of Profit and Loss and Statement of Cash Flows for the comparative period, and Statement of Changes in Equity at the beginning of the comparative period and for the comparative period. Further the statement of cash flows has been restated for the effects of non cash items. Moreover, the Balance Sheet at the beginning of the comparative period as on 01 April 2020 is not required as per Para 40A of Ind AS 1, as there is no change on the information in the balance sheet at the beginning of the comparative period.

The impact of the said retrospective restatement on the various components of the financial performance is as under:

₹ in Lakhs

Particulars	Year ended March 31, 2021		
	Previously reported March 31, 2021	Restatement / Regrouping	Restated March 31, 2021
Revenue from operations			
Fee and commission income	56,185.77	-	56,185.77
Interest income	15,201.41	69.65	15,271.06
Dividend income	821.34	17.05	838.39
Net gain on proprietory trading	17,085.88	-	17,085.88
Net gain on fair value changes	-	745.64	745.64
Total revenue from operations	**89,294.40**	**832.34**	**90,126.74**
Other income	864.53	(171.16)	693.37
Total income	**90,158.93**	**661.18**	**90,820.11**
Expenses			
Fees and commission expenses	44,576.64	-	44,576.64
Employee benefits expenses	17,649.09	-	17,649.09
Finance cost	4,235.90	-	4,235.90
Depreciation and amortisation	1,797.93	-	1,797.93
Impairment on financial instruments	2,605.30	-	2,605.30
Other expenses	5,774.09	-	5,774.09
Total expenses	**76,638.95**	-	**76,638.95**
Profit before share of profit/(loss) of joint venture and tax	**13,519.98**	**661.18**	**14,181.16**
Share in profit/(loss) in joint venture	73.32	-	73.32
Profit before tax	**13,593.30**	**661.18**	**14,254.48**
Tax expense:			
Current tax	3,020.75	-	3,020.75
Deferred tax	565.10	167.10	732.20
Total tax expense	**3,585.85**	**167.10**	**3,752.95**
Profit after tax	**10,007.45**	**494.08**	**10,501.53**
Other comprehensive income (OCI)			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit liability / asset	496.04	-	496.04
Tax effect of items that will not be reclassified subsequently to profit and loss	(126.98)	-	(126.98)
Items that may be reclassified subsequently to profit or loss			
Exchange difference on translation of foreign operation	(97.72)	-	(97.72)
Fair value changes on investments	661.18	(661.18)	-
Tax effect of items that will be reclassified subsequently to profit and loss	(167.10)	167.10	-
Total other comprehensive income (net of tax)	**765.42**	**(494.08)**	**271.34**
Total comprehensive income for the year (comprising profit and other comprehensive income for the year)	**10,772.87**	-	**10,772.87**
Profit attributable to:			
Owners of the equity	9,993.31	494.94	10,488.25
Non controlling interest	14.14	(0.86)	13.28
Total comprehensive income attributable to:			
Owners of the equity	10,758.11	-	10,758.11
Non controlling interest	14.76	-	14.76
Earnings per equity share (Face value ₹ 2)			
Basic & Diluted (in ₹)	8.85	0.43	9.28





The impact of the said retrospective restatement on statement of changes in equity is as under:

(₹ in Lakhs)

Particulars	Year Ended March 31, 2021	As on April 1, 2020
Increase / (Decrease) in Retained earnings	(66.08)	(560.99)
Increase / (Decrease) in Remeasurement of the net defined benefit liability / asset	(68.16)	98.17
Increase / (Decrease) in Fair value changes in investments	(3.44)	658.72
Increase / (Decrease) in Tax effect of other component of equity	137.68	(155.90)
Increase / (Decrease) in Statement of changes in equity	0.00	(0.00)

The impact of the said retrospective restatement on statement of cash flows is as under:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021
Increase / (Decrease) in Net cash generated from / (used in) operating activities	(328.23)
Increase / (Decrease) in Net cash generated from / (used in) investing activities	640.72
Increase / (Decrease) in Net cash generated from / (used in) financing activities	(344.02)
Increase / (Decrease) in Adjustment on account of change in non controlling interest	30.85
Increase / (Decrease) in Net increase / (decrease) in cash and cash equivalents due to reclassification of unclaimed dividend from cash and cash equivalents to other bank balances	(10.68)

The impact of the said retrospective restatement on segment is as under:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021
Increase / (decrease) in segment revenue	
(1) Broking, distribution and trading	641.94
(2) Insurance broking services	(40.50)
(3) Financing activities	59.74
Total	**661.18**
Less: Inter segment revenue	-
Increase / (decrease) in income from operation and other income	**661.18**
Increase / (decrease) in segment profit/(loss) before tax from each segment	
(1) Broking, distribution and trading	641.94
(2) Insurance broking services	(40.50)
(3) Financing activities	59.74
Increase / (decrease) in total profit/(loss) before tax	**661.18**
Increase / (decrease) in segment profit/(loss) after tax from each segment	
(1) Broking, distribution and trading	480.37
(2) Insurance broking services	(35.78)
(3) Financing activities	49.49
Increase / (decrease) in total profit/(loss) after tax	**494.08**

35 **Employee Benefits**

(a) Gratuity

35.01 Breakup of amount recognised in the statement of profit and loss

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Interest on defined benefit obligation	76.68	87.96
Current service cost	385.04	385.54
Total expense recognized in the statement of profit and loss	**461.72**	**473.50**

35.02 Break up of amount recognised in the statement of other comprehensive income

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Remeasurements of the net defined benefit liability/ (asset)		
Opening amount recognised in OCI outside profit and loss account	(417.76)	78.28
Actuarial gains / losses	44.30	(308.93)
Return on plan assets (greater) / less than discount rate	(58.25)	(187.11)
	(431.71)	**(417.76)**

35.03 Breakup of the amount recognised in the balance sheet

₹ in Lakhs

Particulars	As at	
	March 31, 2022	March 31, 2021
Present value of the obligation as at the end of the year	2,521.01	2,228.86
Fair value of plan assets as at the end of the year	(1,067.29)	(1,001.25)
Net liability recognised in balance sheet	**1,453.72**	**1,227.61**

35.04 Reconciliation of defined benefit obligation and plan asset

₹ in Lakhs

Particulars		As at	
		March 31, 2022	March 31, 2021
Change in benefit obligations			
Present value of the obligation as at the beginning of the year		2,228.86	2,200.41
Current service cost		385.04	385.54
Interest cost		143.72	138.21
Actuarial (gain)/loss on obligations		44.30	(308.93)
Acquisitions (credit) / cost		(28.11)	-
Changes on account of loss of control		(4.59)	-
Benefits paid		(249.38)	(184.17)
Effects of movement in exchange rate		1.17	(2.20)
Benefit obligations at the end	**(A)**	**2,521.01**	**2,228.86**
Change in plan assets			
Fair value of plan assets at the beginning of the year		1,001.25	713.99
Interest income on plan assets		67.04	50.25
Contributions		100.00	100.00
Benefits paid		(159.25)	(50.11)
Return on plan assets greater (lesser) than discount rate		58.25	187.11
Fair value of plan assets at the end	**(B)**	**1,067.29**	**1,001.25**
Amount recognised in balance sheet [(surplus) / deficit]	**(A-B)**	**1,453.72**	**1,227.61**

35.05 Sensitivity of significant assumptions used for DBO valuation

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Effect on DBO due to 0.5% increase in discount rate	(156.05)	(135.64)
Effect on DBO due to 0.5% decrease in discount rate	171.55	149.37
Effect on DBO due to 0.5% increase in salary escalation rate	143.85	130.19
Effect on DBO due to 0.5% decrease in salary escalation rate	(135.34)	(121.95)

35.06 Maturity profile of defined benefit obligation

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Within one year	186.04	175.90
One to five years	426.27	383.83
More than five years	1,246.08	1,082.88

35.07 Assumptions to determine the defined benefit obligations

Particulars	As at	
	March 31, 2022	March 31, 2021
Discount rate	7.20%	6.90%
Salary escalation rate (p.a.)	8.25%	7.50%

Assumptions regarding future mortality experience are set in accordance with the published statistics by the Life Insurance Corporation of India.

The company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The discount rate is based on the government securities yield.

The estimate of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by 50bps, keeping all other actuarial assumptions constant.

(b) Compensated absences

35.08 Breakup of the amount recognised in balance sheet

₹ in Lakhs

Particulars	As at	
	March 31, 2022	March 31, 2021
Present value of the obligation as at the end of the year	788.94	710.40
Fair value of plan assets as at the end of the year	-	-
Net liability recognised in balance sheet	**788.94**	**710.40**

35.09 Number of compensated leave absences outstanding

Particulars	As at	
	March 31, 2022	March 31, 2021
Total leave balance (days)	61,096.59	60,607.34

35.10 Assumption used in valuation

	As at	
	March 31, 2022	March 31, 2021
Discount rate	7.20%	6.90%
Salary escalation rate (p.a.)	8.25%	7.50%
Leave availment rate	5.00%	5.00%

The estimates of future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

R Gopal & Associates Vikash Agarwal New Delhi M.No. 519674 Chartered Accountants

SMC GLOBAL SECURITIES LTD.

36 Contingent liabilities and commitments

36.01 Contingent liabilities not provided in the financial statements

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
1 ESI demand (Total amount paid under protest ₹ 12.43 Lakhs (2021: ₹ 12.43 Lakhs))	31.06	31.06
2 Service tax demand (Total amount paid under protest ₹ 42.77 Lakhs (2021: ₹ 42.77 Lakhs))	615.98	615.98
3 (a). Income Tax Demand (A.Y. 2013-14)	-	31.47
(b). Income Tax Demand (A.Y. 2013-14 to 2019-20) (2021: A.Y. 2013-14 to 2019-20)	52.89	356.78
4 Insurance Regulatory and Development Authority of India (IRDAI)	300.00	300.00
5 Provident fund	-	-
6 Stamp duty	-	-

Notes

1. An ESI demand for the period September 2005 to December 2007 is being agitated by the Company at Additional Senior Civil Judge, Tis Hajari Court, Delhi.
2. Service Tax demand of ₹ 45.66 Lakhs is being agitated by the Company before Commissioner of Service Tax, Audit 1, Delhi. Another demand of ₹ 570.32 Lakhs was being agitated by the Company before the Customs, Excise and Service Tax Appellate Tribunal (CESTAT).
3. Income Tax demand has been agitated by the Company as per details:

Name of company	Amount (₹ in lakhs)	Amount paid under protest	Assessment Year	Forum where agitated
SMC Global Securities Limited	-	31.47	2013-14	Income Tax Appellate Tribunal (ITAT)
SMC Global Securities Limited	52.89	-	2013-14 to 2019-20	Commissioner of Income Tax (Appeals), Delhi

Assessment u/s 143(3) for the A.Y 2013-14 has been completed and disallowance made under section 14A of the Income Tax Act, 1961 for which appeal filed before Income Tax Appellate Tribunal (ITAT), Delhi which has been decided in favour of the company during the year and matter has been restored back to the file of AO.
Block Assessment u/s 153(A) for the A.Y 2013-14 to A.Y 2019-20 have been completed and certain disallowances made by the Income Tax Department against which the rectification was filed by the company which has been accordingly rectified by the assessing officer to the extent of apparent mistakes, during the year. The company has filed necessary appeals before the Commissioner of Income Tax (Appeals), Delhi.

4. One of the subsidiary company, namely SMC Insurance Brokers Private Limited, has received penalty order of ₹ 300 lakhs from Insurance Regulatory Development Authority of India vide order dated (IRDA/INT/MISC/ORD/14.01.2020) for non compliance of MISP (Motor Insurance Service Provider) Guidelines. Appeal has been filed by the company on 6th Feb 2020 before The Securities Appellate Tribunal at Mumbai. Matter is sub-judice and has been stayed till the pendency of the appeal vide its Stay Order dated 12th Feb 2020.
5. PF matter for the period October 1995 to November 2003 is pending before High Court and amount is not quantifiable.
6(a) The holding company had received a notice dated 21.11.2014 from the Collector of Stamp (HQ), Delhi on account of verification of records pertaining to Stamp duty chargeable on the basis of broker's Note for the period 2015 to 21.11.2014. Matter is sub-judice and has been stayed by jurisdictional High Court at Delhi vide its order dated 09/12/2014 until further order.

6(b) The demerged company M/s SMC Comtrade Limited had received a show cause notice of demand dated 05/01/2015 from the Office of The Collector of Stamps, Delhi, on account of levy of stamp duty on commodity transactions. The matter is sub-judice and has been stayed by jurisdictional High Court at Delhi vide its order dated 19/01/2015 in the matter of WP/C/516/2015.

36.02 Other litigations

1. Title of the property located at Office no 205, 2nd Floor, Plot no 4A, Community Centre, 21st Century Plaza, Sector 8, Rohini, New Delhi having book value of ₹ 46.12 lakhs in holding company is under dispute and sealed due to the allegation of acquisition of the said property by the transferor from the funds of Ganga Yamuna Finvest Pvt. Ltd, which is under liquidation.
2. The group is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The group's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the group's results of operations and financial condition.

Pending completion of the legal process the impact of liability, if any, cannot be ascertained at this stage, however, management believes that, based on legal advice, the outcome of these contingencies will be favorable and that outflow of economic resources is not probable.

36.03 Commitments

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Contracts remaining to be executed on account of capital (net of advances)		
For purchase of software and others	178.32	14.66
For purchase of office building	18.00	202.80

37 Disclosure under The Micro, Small and Medium Enterprises Development Act, 2006

The Company has sent letters to vendors to confirm whether they are covered under micro, small and medium enterprise development act 2006 as well as they have filed required memorandum with prescribed authority. Out of the letter sent to the party, based on the confirmation received till the date of finalisation of balance sheet. Based on and to the extent of the information received by the Company from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors, the relevant particulars as at the year end are furnished below:

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
The Principal amount remaining unpaid at the year end	-	52.02
The interest amount remaining unpaid at the year end	-	-
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
The amount of interest due and payable for the year(where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-
The amount of interest accrued and remaining unpaid at the year end	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act, 2006	-	-

38 Disclosure on frauds pursuant to RBI Master direction

The company listed at "c" in note no. 1.05 has detected and reported frauds to RBI for the year amounted to ₹ Nil (Previous year ₹ 458.84 Lakhs)

39 Financial Instruments

39.01 Financial instruments by category

The carrying value and fair value of financial instruments by categories as of March 31, 2022 were as follows:

₹ in Lakhs

Particulars	Amortised cost	Financial assets/liabilities carried at fair value through profit and loss	Total carrying value	Total fair value
		Mandaterily required		
Assets:				
Cash and cash equivalents	9,224.56	-	9,224.56	9,224.56
Other bank balances	1,18,970.31	-	1,18,970.31	1,18,970.31
Trade receivables	42,713.51	-	42,713.51	42,713.51
Other receivables	751.73	-	751.73	751.73
Loans	69,114.34	-	69,114.34	69,114.34
Investments*	-	16,990.99	16,990.99	16,990.99
Other financial assets	4,112.57	8,315.59	12,428.16	12,428.16
Total	**2,44,887.02**	**25,306.58**	**2,70,193.60**	**2,70,193.60**
Liabilities:				
Trade payables	71,080.58	-	71,080.58	71,080.58
Debt securities	7,020.52	-	7,020.52	7,020.52
Borrowings	39,393.16	-	39,393.16	39,393.16
Other financial liabilities	69,761.25	5,633.20	75,394.45	75,394.45
Total	**1,87,255.51**	**5,633.20**	**1,92,888.71**	**1,92,888.71**

* Investments in joint venture carried under equity method amounting to ₹ 67.80 lakhs which do not fall within the scope of financial instruments

The carrying value and fair value of financial instruments by categories as of March 31, 2021 were as follows:

₹ in Lakhs

Particulars	Amortised cost	Financial assets/ liabilities carried at fair value through profit and loss	Total carrying value	Total fair value
		Mandatorily required		
Assets:				
Cash and cash equivalents	4,413.75	-	4,413.75	4,413.75
Other bank balances	1,05,331.81	-	1,05,331.81	1,05,331.81
Trade receivables	32,790.74	-	32,790.74	32,790.74
Other receivables	596.79	-	596.79	596.79
Loans	57,583.57	-	57,583.57	57,583.57
Investments*	-	11,256.61	11,256.61	11,256.61
Other financial assets	4,578.41	5,982.31	10,560.72	10,560.72
Total	**2,05,295.07**	**17,238.92**	**2,22,533.99**	**2,22,533.99**
Liabilities:				
Trade payables	48,427.56	-	48,427.56	48,427.56
Debt securities	7,826.00	-	7,826.00	7,826.00
Borrowings	38,209.15	-	38,209.15	38,209.15
Other financial liabilities	55,814.88	3,497.02	59,311.90	59,311.90
Total	**1,50,277.59**	**3,497.02**	**1,53,774.61**	**1,53,774.61**

* Investments in joint venture carried under equity method amounting to ₹ 88.77 lakhs and at cost amounting to ₹ 368.09 lakhs which do not fall within the scope of financial instruments

39.02 **Collateral**

(A) Assets pledged as collateral

The group has pledged its certain assets as collateral for liabilities for the contingent liabilities. The below table set out the assets held as collateral:

₹ in Lakhs

Particulars	As at	
	March 31, 2022	March 31, 2021
Assets:		
Other bank balances	1,18,345.39	1,04,039.89
Trade receivables	35,637.86	23,290.09
Loans	37,506.13	27,546.21
Investments	2,961.26	-
Other financial assets	1,517.94	1,362.57
Total	**1,95,968.58**	**1,56,238.76**

(B) Asset taken as collateral

The group holds collateral and other credit enhancements against certain of its credit exposures. The table below sets out the principal types of collateral held against different types of financial assets.

₹ in Lakhs

Particulars	As at			
	March 31, 2022		March 31, 2021	
	Value of asset	Fair value of collateral	Value of asset	Fair value of collateral held
Assets:				
Trade receivables				
Secured	35,223.21	2,54,756.57	21,428.12	77,541.98
Loans				
Secured	33,004.45	93,430.12	31,022.28	84,574.63
Total	**68,227.66**	**3,48,186.70**	**52,450.40**	**1,62,116.61**

39.03 **Fair value hierarchy**

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at March 31, 2022:

₹ in Lakhs

Particulars	As at March 31, 2022	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Assets				
Investments				
Equity instruments	16,141.62	16,106.08	-	35.54
Mutual Funds	-	-	-	-
Debt	849.37	849.37	-	-

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at March 31, 2021:

₹ in Lakhs

Particulars	As at March 31, 2021	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Assets				
Investments				
Equity instruments	10,809.55	10,746.51	-	63.04
Mutual Funds	30.94	30.94	-	-
Debt	416.12	416.12	-	-

Valuation techniques used to determine fair value

Following valuation technique has been used for fair valuation of the assets:

Level 2 : Debt instruments have been fair valued based on interest yield and actual transaction data with unrelated parties.

39.04 Financial risk management

Financial risk factors

This note presents the information about the group's exposure to financial risks, the Company's objectives, policies and processes for measuring and managing risk and the Company's management of capital.

The group has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk and
- Market risk

Financial Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. Financial risk management within the Group is governed by policies and guidelines approved by the management. The Board has established a Risk Management Committee which is responsible for developing and monitoring the Group's risk management policies. Group's policies and guidelines cover areas such as cash management, investment of excess funds and raising of debt and are managed by segregated functions within the Group.

The Group's risk management policies and procedures are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees and stakeholders understand their roles and obligations.

Different types of risks arising from financial instruments as identified by the Group above have been explained below:

(i) Credit risk

The credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivable from clients and exchange and trading members, loan and advances, investments other than the quoted securities given. Credit risk in respect of quoted securities is expected to have a direct correlation with the quoted market prices and risk.

The Group is exposed to the risk that third parties that owe money or securities will not perform their obligations. Such third parties include clients/customers, trading members, exchanges, clearing houses, and other financial intermediaries. These parties may default on their obligations owed to the Group due to insolvency, lack of liquidity, operational failure, government or other regulatory intervention or other reasons. In these circumstances, the Group is exposed to risks arising, for example, from holding securities of third parties; executing securities trades that fail to settle at the required time due to non-delivery by the counterparty trading members, exchanges, clearing houses or other financial intermediaries. Significant failures by third parties to timely perform their obligations owed could materially and adversely affect the Group's financial position, and ability to borrow in the credit markets and ability to operate the business.

For the risk management purposes, the Company considers and consolidates all elements of credit risk exposures such as individual obligator default risk, country and sector risk.

Management / mitigation of credit risk

The Group operates in a highly regulated environment which limits its credit risk against exchanges and clearing houses. The Group collects upfront margins in form of funds and/or securities/commodities from clients and trading members against their trading positions. The Group monitors positions, margins, mark to market losses and risks on real time basis through risk management systems and policies specially designed to mitigate the credit risk.

The Company's Board of Directors has delegated responsibility for the oversight of credit risk to the Risk Management Committee ("the Committee"). The Committee is responsible for management of the Group's credit risk, including the following:

(i) Formulating credit policies in consultation with business units, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements.

(ii) Establishing the organizational structure for the approval of new customers or counter parties. Authorization limits are allocated to business unit credit officers or the Arbitrager as appropriate.

(iii) Providing advice, guidance and specialised skills to business units through periodic reviews to promote best practices throughout the Company in the management of credit risk.

(iv) The Committee assesses the credit worthiness of client or counterparties, prior to taking exposure on them. Accordingly, limits are assigned and the monitoring mechanism ensures that exposure to single client does not cross the laid down threshold limits. Collateral securities are also collected from clients to cover the exposure.

(v) Limiting concentrations of exposure to counterparties, geographies and industries (for loans and advances and similar exposures), and by issuer, credit rating band, market liquidity and country (for investment securities and trading assets).

(vi) Reviewing compliance of business units with agreed exposure limits, including those for selected industries, country risk and product types. Regular reports on the credit quality of local portfolios are provided to the management, which may require appropriate corrective action to be taken.

The Board of Directors has also constituted Audit Committee as required under the Companies Act, 2013, which is responsible for evaluation of internal financial controls and risk management systems. The internal auditors of the Group conduct regular internal audits (as required) of various business units to identify scope of improvement/enhancement of the Group's processes, quality control, fraud prevention and legal compliance. The internal audit reports are reviewed by audit committee and also placed with the Board.

The Group also run the financing business through it's subsidiary Moneywise Financial Services Private Limited. The Company is exposed to high credit risk due to the inherent limitation of the business. The Company lends both secured and unsecured loans to its customer. To mitigate the credit risk the Company has implemented a loan policy to identify the broad principles which the Company follows to accept borrowers and loan proposals, to manage loan portfolio, and recover its dues so as to protect business revenues with consumer satisfaction. To reduce the credit risk in financing, the Company performs a detail credit assessment on the prospective borrower or seek security over some assets of the borrower or a guarantee from a third party. The Company takes all reasonable and business precautions through policies and procedures to mitigate and manage the credit risk. The senior management in the Company is responsible for evaluation of internal financial controls and risk management systems. The Company conducts regular internal audits of various business units to identify scope of improvement/enhancement of the Company's processes, quality control, fraud prevention and legal compliance. The internal audit reports are reviewed by audit committee and also placed with the Board. While considering loan proposals, the Company also manages risk through limiting concenration of exposure to individual borrowers, industry, underlying collateral, etc. All Loans to customers are sanctioned based on various factors like financial analysis, credit worthiness of the customer, market references, and historical client relations with Company and future business prospects. The Company collects upfront collateral and pledge securities for the loans and advances granted wherever required. Despite all the measure taken by the Company and its management it is inherent in the financing business that the customer may default in the repayment of the loan granted to them. The Company creates charge with Registrar of Company (ROC) on all secured loans granted to the corporate customers & also with Central Registry of Securitization Asset Reconstruction and Security Interest of India (CERSAI) for all customers. The Company employs all recovery procedures including follow up with customer for payment, legal remedies for recovery, invocation and sale of collateral.

Credit exposure:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

₹ in Lakhs

Particulars	As at	
	March 31, 2022	March 31, 2021
Trade receivables	42,713.51	32,790.74
Other receivables	751.73	596.79
Loans	69,114.34	57,583.57
Other financial assets	12,428.16	10,560.72
Total	**1,25,007.74**	**1,01,531.82**

Loan to Value (LTV) for loan and advances to customer

The general creditworthiness of a customer tends to be the most relevant indicator of credit quality of a loan extended to it. However, collateral provides additional security and the Company generally requests borrowers to provide it. The Company may take collateral in the form of a charge over real estate, floating charges over pledge of securities or other assets and other liens and guarantees.

The table below stratify credit exposures from secured loans and advances to customers which has become non performing assets by ranges of loan-to-value (LTV) ratio. LTV is calculated as the ratio of the gross amount of the loan-to the value of the collateral. The gross amounts exclude any impairment allowance. The valuation of the collateral excludes any adjustments for obtaining and selling the collateral.

₹ in Lakhs

Particulars	As at	
	March 31, 2022	March 31, 2021
Less than equal to 50 %	8,967.53	8,248.31
51 - 70%	7,279.33	2,850.85
71 - 90%	13,534.93	16,291.31
91 - 100%	2,836.86	3,809.71
more than 100%	166.29	101.95
Total	**32,784.94**	**31,302.13**

Credit quality of debt securities

The Group invests/trades in the debt instruments. These debt instrument are posed to the credit risk. The table below sets out the credit quality of debt securities.

₹ in Lakhs

Particulars	As at	
	March 31, 2022	March 31, 2021
Government bonds:		
Rated sovereign	381.84	51.72
Corporate bonds:		
Rated AAA	31.99	262.32
Rated AA- to AA+	154.52	85.17
Rated A- to A+	281.02	16.91
Fair value and carrying amount	**849.37**	**416.12**

Following are the reconciliations of the provision for impairment of financial assets

The Group monitors its financial assets for their quality and repayment. If there are any indicators of impairment on management assessment of these assets, these are provided for. The Group follows ECL method of impairment for the purpose of impairment of financial assets.

₹ in Lakhs

Particulars	As at									
	March 31, 2022					March 31, 2021				
	Trade receivables	Other receivables	Loans	Other financial asset	Total	Trade receivables	Other receivables	Loans	Other financial asset	Total
Opening balance at the beginning of the year	1,925.50	18.75	2,409.80	18.00	4,372.05	1,730.04	15.21	2,083.24	17.94	3,846.43
Addition/reversal during the year	163.96	2.24	1,450.37	-	1,616.57	476.32	2.70	2,125.88	0.40	2,605.30
Exchange difference	-	-	5.76	-	5.76	-	-	(4.71)	-	(4.71)
Written off	(390.29)	-	(2,683.04)	-	(3,073.33)	(280.86)	0.84	(1,794.61)	(0.34)	(2,074.97)
Closing balance at the end of the year	**1,699.17**	**20.99**	**1,182.89**	**18.00**	**2,921.05**	**1,925.50**	**18.75**	**2,409.80**	**18.00**	**4,372.05**

(ii) **Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group require sufficient liquidity to meet their obligations. Individual companies are generally responsible for their own fund management, including the short-term investment of surpluses and the raising of loans to cover deficits from third parties/companies.

The Group's primary liquidity requirements are to finance the working capital needs, which are typically towards margin maintenance at various exchanges and repayment of borrowings and disbursal of Loans to customer. The principal portion of the working capital requirement is utilized by :

(a) depositing funds with banks to obtain term deposits and guarantees towards margins payable to the exchanges/clearing houses;
(b) payments to stock exchanges/clearing houses towards settlement obligations;
(c) payment towards purchase of various trading assets;
(d) disbursement of loans to customers;
(e) repayment of borrowings/credit lines taken; and
(f) meeting expenses incurred for operations.

Management of liquidity risk

Working capital requirements fluctuate on a regular basis depending on the business requirements. The Group's approach to managing liquidity is to ensure, as far as possible to have sufficient funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

To fund the working capital requirements, the Group currently relies principally on internal accruals and short term credit facilities from banks and financial institutions against pledge of term deposits, receivables from clients and investments carried at fair value through profit and loss. By maintaining sufficient liquid funds and drawing facilities with banks, the Group comfortably meets the foreseeable liabilities in the present and immediate future, as well as unforeseeable contingencies.

Central treasury receives information from business units regarding the liquidity profile of their financial assets and liabilities and projected cash flows. Central treasury maintains surplus funds in cash and cash equivalents including term deposits with banks and in investment securities for which there is an active and liquid market. These assets can be readily sold to meet liquidity requirements. Hence, the group believes that the above monetary mechanism adequately addresses the liquidity risk.

Maturity analysis for financial assets and financial liabilities

March 31, 2022 ₹ in Lakhs

Particulars	Carrying amount	1-90 days	91-180 days	181-365 days	1-2 years	2-5 years	More than 5 years
Assets:							
Cash and cash equivalents	9,224.56	9,224.56	-	-	-	-	-
Other bank balances	1,18,970.31	16,526.58	8,423.99	24,682.26	44,983.18	24,344.30	-
Trade receivables	42,713.51	42,662.62	-	50.89	-	-	-
Other receivables	751.73	744.77	-	-	6.96	-	-
Loans	69,114.34	7,584.68	6,832.41	16,530.43	19,782.05	5,264.80	3,119.96
Investments	17,058.79	14,213.46	-	-	2,776.99	67.80	0.54
Other financial assets	12,428.16	7,402.87	0.90	11.68	27.29	12.81	4,972.60
Total	**2,70,261.40**	**98,359.54**	**15,257.31**	**51,285.27**	**67,576.47**	**29,689.71**	**8,093.10**
Liabilities:							
Trade payables	71,080.58	70,271.02	78.56	-	596.60	-	134.40
Debt securities	7,020.52	2,500.00	1,522.00	-	-	2,998.52	-
Borrowings	39,393.16	3,608.60	1,268.16	17,365.82	10,467.94	5,336.04	1,366.60
Other financial liabilities*	75,194.45	18,016.03	4,264.77	13,715.90	25,208.26	14,189.49	-
Total	**1,92,688.71**	**94,395.65**	**7,133.49**	**31,081.72**	**36,272.80**	**22,524.05**	**1,501.00**

* Maturity analysis of margin from clients (under other financial liabilities) ₹ 66,025.64 Lakhs has been bench marked to the corresponding fixed deposits (under other bank balances).

March 31, 2021 ₹ in Lakhs

Particulars	Carrying amount	1-90 days	91-180 days	181-365 days	1-2 years	2-5 years	More than 5 years
Assets:							
Cash and cash equivalents	4,413.75	4,413.75	-	-	-	-	-
Other bank balances	1,05,331.81	12,556.23	27,250.31	34,172.15	28,157.99	2,460.08	735.05
Trade receivables	32,790.74	32,729.15	-	61.59	-	-	-
Other receivables	596.79	596.79	-	-	-	-	-
Loans	57,583.57	8,497.32	6,180.19	23,418.21	12,148.31	5,411.97	1,927.57
Investments	11,714.07	9,388.85	140.18	26.46	2,030.71	23.28	104.59
Other financial assets	10,560.72	5,400.49	1.10	5.30	0.50	81.03	5,072.30
Total	**2,22,991.45**	**73,582.58**	**33,571.78**	**57,683.71**	**42,337.51**	**7,976.36**	**7,839.51**
Liabilities:							
Trade payables	48,427.56	48,427.56	-	-	-	-	-
Debt securities	7,826.00	-	-	2,500.00	4,805.00	521.00	-
Borrowings	38,209.15	1,716.38	809.43	32,095.59	1,875.57	1,211.49	560.69
Other financial liabilities	59,311.90	10,197.24	14,612.86	18,695.30	14,220.21	1,336.03	250.26
Total	**1,53,774.61**	**60,341.18**	**15,422.29**	**53,290.89**	**20,900.78**	**3,068.52**	**750.95**

* Maturity analysis of margin from clients (under other financial liabilities) ₹ 53,077.10 Lakhs has been bench marked to the corresponding fixed deposits (under other bank balances).

(iii) **Market risk**

The certain companies in Group participates in trading and investing in various asset classes such as equity, debt securities, commodities, foreign currency and derivatives. These assets classes experience volatility due to economic growth levels, inflation, prices, interest rates, foreign exchange rates and other macro-economic factors. Any changes in market prices of these asset classes will affect the group's income or the value of its holdings of financial instruments.

The Group segregates its exposure to market risks between price risk, interest rate risk and currency risk.

Management of market risks

The objective of market risk management is to manage and minimize market risk exposures within acceptable parameters, while optimizing the return on risk. The Group's exposure to market risk is determined by a number of factors, including size, composition and diversification of positions held and market volatility.

(a) Price risk

Trading and investment portfolio include proprietary positions taken in equities, fixed income securities, commodities, foreign currency and their derivatives mainly for availing arbitrage opportunities. All financial assets and liabilities are accounted on fair value basis. Management actively monitors its market risk by reviewing the effectiveness of arbitrage and setting outstanding position limits. The Group manages market risk with central oversight, analysis and formation of risk policy, specific maximum risk levels to which the individual trader must adhere to and real time continuous monitoring by the senior management.
In respect of the proprietary positions, the Group is exposed to volatility in the price of the underlying securities, though substantial part of it is safeguarded by matching counter trade.

(b) Interest rate risk

Interest rate risk arises from movements in interest rates which could have effects on the Group's net income or financial position. Changes in interest rates may cause variations in interest income and expense resulting from interest-bearing assets and liabilities. Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk relates to the loans taken from banks, investment in term deposits placed with banks, investment in debt securities and investments of its excess funds in liquid instruments. A majority of the financing of the group has come from overdraft facility with banks. The business of the Group is exposed to fluctuation in interest rate for the following activities:
(i) Term deposits placed with banks are generally for short term on fixed interest rates;
(ii) Facilities availed from banks and other financial institutions generally include short term working capital loans on floating interest rates;
(iii) Interest paid by Company on clients' funds earmarked as fixed margin are generally for short term on fixed interest rates;
(iv) Loans and advances on fixed interest rate basis does not expose the Company to interest rate risk.

Management of Interest Rate Risk

Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for re-pricing bands. However the Group does not use derivative financial instruments to hedge its interest rate risk.
The Group's investments in majority of term deposits with banks are for both short and long duration, and therefore do not expose the group to significant interest rate risk. Further significant portion of exposure on term deposits with banks is offset with clients' funds earmarked as margins on fixed rate basis. The interest rates on the overdraft facility availed are marginally higher than the interest rates on term deposits with the banks and generally linked to the term deposit rates with the bank. Accordingly, there is limited interest rate risk exposure on the group.
The Group's exposure to the risk of changes in market interest rates relates primarily to the group's short-term and long-term debt obligations with floating / fixed interest rates, which are included in loans and borrowings. The loans and borrowings represent loans and borrowing taken both fixed and floating interest rate.

(c) Currency risk

The Group operates internationally and have two foreign subsidiary namely SMC Comex International DMCC and SMC Global USA Inc. Also the Group has one subsidiary whose functional currency is USD based out of Gift city, Gandhinagar, Gujarat, India. The Group does not take any hedge for the investment in the foreign subsidiary accordingly the Group is exposed to the foreign currency risk. However as the size of the companies is not big the foreign currency risk is contained. The Group companies also trade in the foreign currency derivatives. The Group considers the valuation changes in foreign currency derivatives it trades in as part of investment/price risk as those derivatives are exchange traded, managed and monitored based on exchange price and are settled in near term in Indian Rupees.

Exposure

The table below sets out the assets and liabilities subject to price risk.

₹ in Lakhs

Particulars		As at March 31, 2022	As at March 31, 2021
Assets subject to price risk			
Equity instrument fair value through profit and loss		16,105.08	10,746.51
Debt instrument fair value through profit and loss		849.37	416.12
Mutual fund fair value through profit and loss		-	30.94
Derivative financial assets		7,150.95	4,860.56
	(A)	24,105.40	16,054.13
Liabilities subject to price risk			
Derivative financial liabilities		5,633.20	3,497.02
	(B)	5,633.20	3,497.02
Total	(A-B)	18,473.20	12,557.11

Sensitivity analysis

Below table shows the sensitivity analysis for different financial instrument :

₹ in Lakhs except otherwise stated

Particulars	Risk category	% change increase	% change decrease	For the year ended March 31, 2022		For the year ended March 31, 2021	
				Impact on profit before tax due to increase in parameter	Impact on profit before tax due to decrease in parameter	Impact on profit before tax due to increase in parameter	Impact on profit before tax due to decrease in parameter
Investment in equity instrument fair value through profit and loss and derivatives	Price risk	5%	5%	269.42	(294.09)	200.28	(200.28)
Inventories	Price risk	5%	5%	172.59	(172.59)	65.90	(65.90)
Debt instruments	Interest rate risk	1%	1%	(8.49)	8.49	(4.16)	4.16
Borrowings	Interest rate risk	1%	1%	(392.95)	392.95	(380.09)	380.09
Foreign currency (PL)	Foreign currency risk	1%	1%	13.98	(13.98)	(11.84)	11.84
Foreign currency (OCI)	Foreign currency risk	1%	1%	52.22	(52.22)	34.73	(34.73)

*The group engages in proprietary transactions into equities, commodities and derivatives (equities, commodities and currencies). These transactions are primarily undertaken using various arbitrage models to capitalize pricing differences in the markets. Any change in the market prices of their underlying would result in changes in the fair value of these trading assets, trading liabilities and inventories and also result in profit/loss on futures positions.





40 Related party disclosures

As per Ind AS 24, the disclosures of transactions with related parties are given below :

40.01 List of related parties where control exists and also other related parties with whom transactions have taken place and relationships :

Sr. No.	Name of related parties	Relationship
1	Mr. Subhash Chand Aggarwal	Key managerial personnel
2	Mr. Mahesh Chand Gupta	Key managerial personnel
3	Mr. Ajay Garg	Key managerial personnel
4	Mr. Anurag Bansal	Key managerial personnel
5	Mr. Vinod Kumar Jamar	Key managerial personnel
6	Mr. Suman Kumar	Key managerial personnel
7	Mr. Himanshu Gupta	Director
8	Ms. Shruti Aggarwal	Director
9	Ms. Madhu Vij	Independent director
10	Mr. Kundan Mal Aggarwal	Independent director
11	Mr. Hari Das Khunteta	Independent director
12	Mr. Naveen ND Gupta	Independent director
13	Mr. Chandra Wadhwa	Independent director
14	Mr. Roop Chand Jindal	Independent director
15	Ms. Hemlata Aggarwal	Close member of the family of key managerial personnel
16	Ms. Sushma Gupta	Close member of the family of key managerial personnel
17	Ms. Reema Garg	Close member of the family of key managerial personnel
18	Ms. Meetu Goel	Close member of the family of key managerial personnel
19	Ms. Archana Aggarwal	Close member of the family of key managerial personnel
20	Mr. Aayush Aggarwal	Close member of the family of key managerial personnel
21	SMC Global Foundation	Trust where in KMPs have control
22	Pulin Investments Private Limited	Enterprises in which key managerial personnel are able to exercise significant influence
23	MVR Share Trading Private Limited	Enterprises in which key managerial personnel are able to exercise significant influence
24	Aroma Securities Limited	Enterprises in which key managerial personnel are able to exercise significant influence
25	SMC Share Brokers Limited	Enterprises in which key managerial personnel are able to exercise significant influence

Note : Related party relationship is as identified by the company and relied upon by the auditors.

40.02 Disclosure of transactions between the company & related parties :-

₹ In Lakhs

Sr. No.	Particulars of transactions	Relationship	For the year ended March 31, 2022	For the year ended March 31, 2021
1	**Remuneration**			
	Salaries, wages & other benefits	Key managerial personnel	526.61	427.21
	Contribution to defined benefit plan	Key managerial personnel	33.19	21.50
	Total		**559.80**	**448.71**
	Directors sitting fee	Independent director	30.15	23.96
2	**Remuneration**			
	Salaries, wages & other benefits	Close member of the family of key managerial personnel	157.06	94.39
	Contribution to defined benefit plan	Close member of the family of key managerial personnel	3.22	5.73
	Total		**160.28**	**100.12**
3	**Contribution to Trust**			
	SMC Global Foundation	Trust where in KMPs have control	2.04	51.47

₹ in Lakhs

Sr. No.	Particulars of Transactions	Relationship	For the year ended March 31, 2022	For the year ended March 31, 2021
4	**Brokerage received**			
	Pulin Investments Private Limited	Enterprises in which key managerial personnel are able to exercise significant influence	214.28	-
5	**Demat charges received**			
	Pulin Investments Private Limited	Enterprises in which key managerial personnel are able to exercise significant influence	0.01	-
6	**Delay payment charges**			
	Pulin Investments Private Limited	Enterprises in which key managerial personnel are able to exercise significant influence	0.02	-
7	**Finance Cost**			
	Pulin Investments Private Limited	Enterprises in which key managerial personnel are able to exercise significant influence	0.14	2.03
	Aroma Securities Limited	Enterprises in which key managerial personnel are able to exercise significant influence	2.84	-
	SMC Share Brokers Limited	Enterprises in which key managerial personnel are able to exercise significant influence	1.45	-

Transactions and balances with KMPs and their relatives, related parties through stock exchanges / depositories / PMS in the normal course of business have not been disclosed as the same have been transacted at prevailing market prices under online trade mechanism and not material in nature.

41 **Segment reporting**

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the group's performance and allocates resources based on analysis of various performance indicators by business segments and geographic segments. Accordingly, information has been presented both along industry classes and geographic segmentation of customers, industry being the primary segment. Secondary segmental reporting is performed on the basis of the geographical location of customers. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the note on significant accounting policies.

Business Segment:

The Group has three reportable segments, as described below, which are the Group's Lines of Business (LoBs). The LoBs offer different products and services, and are managed separately because the nature of products and method used to distribute the services are different.

The following summary describes the operations in each of the Group's reportable segments:

1. Broking, distribution and trading primarily comprises
   a. Brokerage on dealing in shares, commodities, currency, derivatives and other securities on behalf of customers;
   b. Proprietary trading in shares, commodities, currency, derivatives and other securities;
   c. Clearing services;
   d. Depositary services rendered as depository participant;
   e. Distribution of third party financial products;
   f. Portfolio and wealth management;
   g. Real estate broking and
   h. Mortgage and loan advisory and investment banking services

2. Insurance broking services primarily comprises providing services in life and non-life insurance products.

3. Financing services primarily comprises business of providing loans.

For these LoBs, the Group's Leadership Team comprising of Chairman, Vice-Chairman, Chief Executive Officer and Group Chief Financial Officer, reviews internal management reports. Accordingly, the leadership team is construed to be the Chief Operating Decision Maker (CODM).

Geographical Segment:

The geographical segments have been identified by the location of the customers and business operations of the group and the same have been considered as secondary segments viz within India and Outside India.

41.01 **Business segment**

₹ in Lakhs

Particulars	Broking, Distribution and Trading		Insurance Broking		Financing		Elimination		Total	
	2021-22	2020-21*	2021-22	2020-21*	2021-22	2020-21*	2021-22	2020-21*	2021-22	2020-21*
Segment revenue including other income										
External revenue	75,062.29	58,580.91	27,161.11	23,963.06	9,858.68	8,273.14	-	-	1,12,082.08	90,820.11
Inter segment revenue	2,127.56	2,169.26	437.28	559.54	(4.49)	-	(2,560.35)	(2,728.80)	-	-
Total	**77,189.85**	**60,753.17**	**27,598.39**	**24,522.60**	**9,854.19**	**8,273.14**	**(2,560.35)**	**(2,728.80)**	**1,12,082.08**	**90,820.11**
Expenses										
Fees and commission expenses	30,468.91	25,046.14	22,795.48	19,579.87	415.06	276.56	(580.67)	(325.93)	53,098.78	44,576.64
Employee benefits expenses	18,306.95	13,458.26	2,535.93	3,155.63	1,729.34	1,035.20	-	-	20,572.22	17,649.09
Finance costs	4,359.55	3,551.89	26.68	44.39	2,432.73	1,978.42	(966.56)	(1,338.90)	5,752.38	4,235.80
Depreciation and amortization	1,582.90	1,349.44	178.52	250.35	250.18	198.14	-	-	2,011.60	1,797.93
Impairment on financial instruments	204.78	493.69	18.53	1.73	1,450.37	2,125.88	(57.11)	(16.00)	1,616.57	2,605.30
Other expenses	5,411.10	4,712.76	1,096.61	936.33	604.45	380.97	(221.17)	(255.97)	6,890.99	5,774.09
Segment expense	**58,234.19**	**48,612.28**	**26,651.75**	**23,968.30**	**6,882.13**	**5,995.17**	**(1,825.53)**	**(1,936.80)**	**89,942.54**	**76,638.95**
Profit before share of profit/(loss) of joint venture and tax	**18,955.66**	**12,140.89**	**946.64**	**554.30**	**2,972.06**	**2,277.97**	**(734.82)**	**(792.00)**	**22,139.54**	**14,181.16**
Share in profit/(loss) in joint venture accounted using equity method of accounting	(0.96)	73.32	-	-	-	-	-	-	(0.96)	73.32
Profit before tax	**18,954.70**	**12,214.21**	**946.64**	**554.30**	**2,972.06**	**2,277.97**	**(734.82)**	**(792.00)**	**22,138.58**	**14,254.48**
Tax expense	3,803.39	3,161.41	150.85	4.60	727.49	586.94	-	-	4,681.73	3,752.95
Profit after tax	**15,151.31**	**9,052.80**	**795.79**	**549.70**	**2,244.57**	**1,691.03**	**(734.82)**	**(792.00)**	**17,456.85**	**10,501.53**
Other information										
Segment assets	2,20,631.57	1,80,088.43	9,202.96	9,192.89	75,725.85	58,980.80	(13,545.28)	(13,696.80)	2,91,015.10	2,35,566.32
Segment liabilities	1,70,861.25	1,43,867.83	4,666.56	4,792.95	39,680.64	25,449.38	(13,548.94)	(12,644.30)	2,01,659.51	1,61,465.86

* Restated - Refer Note no. 34

41.02 **Geographical segment**

₹ in Lakhs

Particulars	2021-22	2020-21*
Segment revenue - external		
Within India	1,10,477.85	88,638.56
Outside India	1,604.23	2,181.55
Total	**1,12,082.08**	**90,820.11**
Other information		
Segment assets		
Within India	2,85,467.96	2,25,273.11
Outside India	6,547.14	10,293.21
Segment liabilities		
Within India	1,97,662.30	1,53,153.16
Outside India	3,977.21	8,312.70

* Restated - Refer Note no. 34

42 Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements :

₹ in Lakhs

Name of entity	Net assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	as % of consolidated net assets	Amount	as % of consolidated profit or loss	Amount	as % of consolidated other comprehensive income	Amount	as % of consolidated total comprehensive income	Amount
SMC Global Securities Limited	85.65	79,323.26	82.93	14,461.03	(13.49)	(22.20)	82.03	14,438.83
Indian Subsidiaries								
SMC Comtrade Limited	0.30	278.30	0.15	26.02	-	-	0.15	26.02
SMC Investments and Advisors Limited	0.96	884.43	0.35	61.16	3.02	4.97	0.38	66.13
Moneywise Financial Services Private Limited	39.29	36,389.76	12.87	2,244.57	(5.85)	(9.63)	12.70	2,234.94
SMC Capitals Limited	1.56	1,444.11	(0.26)	(44.77)	0.33	0.55	(0.25)	(44.22)
SMC Insurance Brokers Private Limited	5.50	5,096.02	4.56	795.77	18.60	30.60	4.69	826.37
Moneywise Finvest Limited	1.70	1,575.33	(0.20)	(35.04)	(1.82)	(2.99)	(0.22)	(38.03)
SMC Global IFSC Private Limited	3.23	2,994.84	0.11	18.80	50.80	83.58	0.58	102.38
SMC Real Estate Advisors Private Limited	(1.01)	(932.01)	0.47	82.05	5.65	9.29	0.52	91.34
Foreign Subsidiaries								
SMC Comex International DMCC	2.88	2,666.35	2.97	518.32	44.99	74.03	3.37	592.35
SMC Global USA Inc.	(0.10)	(96.43)	-	-	(1.78)	(2.93)	(0.02)	(2.93)
Joint Venture								
SMC & IM Capitals Investment Manager LLP	-	-	(0.01)	(0.96)	-	-	(0.01)	(0.96)
Adjustment arising out of consolidation	(39.79)	(36,849.29)	(3.84)	(670.10)	-	-	(3.81)	(670.10)
	100.18	**92,774.67**	**100.11**	**17,456.85**	**100.45**	**165.27**	**100.11**	**17,622.12**
Non-controlling interest in subsidiary	(0.18)	(164.29)	(0.11)	(19.22)	(0.45)	(0.74)	(0.11)	(19.96)
Total	**100.00**	**92,610.38**	**100.00**	**17,437.63**	**100.00**	**164.53**	**100.00**	**17,602.16**

43 **Additional regulatory information**

a Additional regulatory information/disclosures as required by general instructions to Division-III of Schedule III to the Companies Act, 2013 are furnished to the extent applicable to the Company.

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

c Intangible assets under development ageing schedule as at March 31, 2022

₹ in Lakhs

Particulars	Outstanding for following periods from due date of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	112.19	5.80	-	-	117.99
Projects temporarily suspended	-	-	-	-	-

Intangible assets under development ageing schedule as at March 31, 2021

₹ in Lakhs

Particulars	Outstanding for following periods from due date of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	5.80	-	-	-	5.80
Projects temporarily suspended	-	-	-	-	-

d Quarterly statements of current assets filed with banks and financial institutions for fund borrowed from those banks and financial institutions on the basis of security of current assets are in accordance with terms and conditions of sanctioned and the respective company has never reported in excess of books.

e Relationship with struck off company

₹ in Lakhs

Name of struck off Company	Nature of transactions with struck-off Company	Transactions during the year March 31, 2022	Balance Outstanding as at March 31, 2022	Relationship with the Struck off company
F6 Commodities Private Limited	Payables	-	0.38	Client
Ori Finance Limited	Payables	-	0.04	Client
Adventures India Financial Services Limited	Payables	-	0.01	Client

₹ in Lakhs

Name of struck off Company	Nature of transactions with struck-off Company	Transactions during the year March 31, 2021	Balance Outstanding as at March 31, 2021	Relationship with the Struck off company
Growgraph Consultants Private Limited	Payables	0.04	0.06	Client
F6 Commodities Private Limited	Payables	-	0.38	Client
Ori Finance Limited	Payables	-	0.04	Client
Adventures India Financial Services Limited	Payables	-	0.01	Client

f Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold , needs to spend atleast 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A CSR committee has been formed by the company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

₹ in Lakhs

Particulars	As at	
	March 31, 2022	March 31, 2021
Amount required to be spent by the company during the year	175.43	271.54*
Amount of expenditure incurred	175.43	271.54
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Reason for shortfall	NA	NA
Nature of CSR activities	Eradication of hunger and malnutrition, promoting education, art and culture, healthcare, environment sustainability, disaster relief, COVID-19 relief and rural development projects	
Details of related party transactions, e.g.,contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	2.04	61.47
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year	NA	NA

* includes opening provision of ₹ 92.65 Lakhs.

44 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September, 2020. 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 group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

45 Previous year figures have been regrouped/reclassified wherever necessary to confirm to the current year presentation in accordance with amendments in Schedule III to the Companies Act, 2013.

In terms of our report of even date attached
For R. Gopal & Associates
Chartered Accountants
Firm Registration No.: 000846C

Vikash Aggarwal
Partner
Membership No. : 519574

Place: Kathmandu, Nepal
Date: May 7, 2022

For and on behalf of the Board

S.C. Aggarwal
Chairman &
Managing Director
DIN: 00003267

Mahesh C. Gupta
Vice-Chairman &
Managing Director
DIN: 00003082

Ajay Garg
Director & CEO
DIN: 00003166

Vinod Kumar Jamar
President & Group CFO

Suman Kumar
Company Secretary

ANNEXURE B-1

CRISIL RATINGS LETTER, RATING RATIONALE AND PRESS RELEASE

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Rating Rationale

November 24, 2023 | Mumbai

SMC Global Securities Limited

'CRISIL A/Stable' assigned to Non Convertible Debentures

Rating Action

Rs.175 Crore Non Convertible Debentures&	**CRISIL A/Stable (Assigned)**

& Proposed public issue for quantum of Rs 150 crore
Note: None of the Directors on CRISIL Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.
1 crore = 10 million
Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL Ratings has assigned its '**CRISIL A/Stable**' rating to the non-convertible debentures (NCD) of SMC Global Securities Limited (SMC).

The rating factors in established presence and track record of the group in capital market businesses, healthy diversification in revenue across multiple segments, adequate capital position and the extensive experience of the promoters in the business.

These strengths are partially offset by a moderate albeit improving earnings profile and susceptibility to risks associated with capital market-related businesses.

The group has been in the broking business since 1994 with presence in both cash equity and derivatives market segments, including the currency and commodity derivatives division. The group's other key offerings include lending through a non-banking financial company (NBFC), insurance broking, wealth management and real estate advisory services. The group also distributes third-party products such as mutual funds, corporate fixed deposits (FDs), bonds and initial public offerings. The broking business had a large retail client base of over 10.0 lakh customers as on September 30, 2023 (grew at 19.4% on-year in fiscal 2023). Active clients for the broking business stood at 1.86 lakh as on September 30, 2023.

SMC was co-founded by the promoters – Mr. Subhash Chand Aggarwal and Mr. Mahesh C Gupta, who are chartered accountants and have more than four decades of experience in the capital market industry. The promoters along with their family members, collectively own 67.4% of equity shares as on September 30, 2023.

The group has adequate capitalization, with reported networth of Rs 933 crore as on March 31, 2023 (Rs 991 crore as on Sep 2023), compared to Rs 926 crore as on March 31,2022. The networth remained nearly flat in fiscal 2023 on account of Rs 92 crore (including tax and other expenses) share buyback made by the company and 120% dividend paid per share. In terms of earning profile, profit after tax (PAT) stood at Rs 120 crore on total income of Rs 1,221 crore in fiscal 2023 (against Rs 175 crore and Rs 1,121 crore, respectively, for the previous fiscal). Profitability moderated in fiscal 2023 owing to increase in operating expenses to strengthen the information technology (IT) infrastructure and due to absence of one-time income earned on the investment book of Rs ~30 crore in fiscal 2022. For the half year ended September 30, 2023, the company reported PAT of Rs 70 core on total income of Rs 704 crore.

Analytical Approach

For arriving at the ratings, CRISIL Ratings has combined the business and financial risk profiles of SMC Global Securities Limited and its subsidiaries. That is because the entities, collectively referred to as the SMC group, have integrated operations and operate under a common brand name.

Please refer Annexure - List of entities consolidated, which captures the list of entities considered and their analytical treatment of consolidation.

Key Rating Drivers & Detailed Description

Strengths:

- **Track record in capital market business, supported by experienced management and robust risk management systems**

  The group has been in the broking business since 1994 and has an established operational track record. The group's senior management team comprises the promoters -- Mr. Subhash Chand Aggarwal and Mr. Mahesh C Gupta, who have more than four decades of experience in the capital market industry. Further, the group has hired professionals having significant relevant expertise. The CEO and head of the broking division, Mr Ajay Garg, has more than 25 years of experience in the capital market industry. The promoter and top management have witnessed several cycles in the capital markets business. This has led to building sound risk management systems that partially offset risks arising from uncertainties inherent in the trading and broking business.

All the Securities and Exchange Board of India (SEBI) and exchange-prescribed regulations have been adhered to by instilling requisite systems and processes. The group sets client trading limits upfront and monitors client exposure on a real-time basis. It also sets scrip-wise exposure limit to keep a check on illiquid scrips or scrips under any kind of surveillance. Upfront margin along with peak margin is collected necessarily and clients are required to maintain adequate margin as prescribed by exchanges. In case of adverse/volatile price movements real-time risk-based square off could be initiated at any time during the day.

On the trading side the group engages largely in arbitrage strategies, which limits likelihood of losses. A dedicated surveillance team monitors trader limits, outstanding exposures, and mark to market on real-time basis. The sound risk management system has resulted in nil quarterly losses since inception. The group also set up an in-house technology team in fiscal 2023 to strengthen their IT infrastructure.

- **Increasing diversification across financial services businesses, supporting stability in earnings profile**
  SMC is an established player in the retail equity broking segment. The market share of the combined volumes of the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) in both the cash and derivatives segments stood at 0.49% for fiscal 2023, with higher market share in the retail cash segment at 0.83%. It has a modest presence in the commodity and currency segment and earns ~11% of its total broking income from these two segments. Furthermore, amidst high competition from discount brokers, the group started its own discount broking platform in 2019 under the brand name 'Stoxkart' where customers are charged only for profitable transactions. The platform has a client base of over 2.3 lakh customers as on September 30, 2023 (grew at 83.5% on-year in fiscal 2023). With gradual scale up of fund-based business (NBFC) and the presence of fee-based businesses, such as insurance broking, distribution (financial products), wealth management, advisory, revenue streams have become more diverse. Contribution from these businesses to overall revenue has increased in the last few fiscals. The group is focusing on scaling up its insurance broking and distribution businesses by strengthening the technology infrastructure.

  The wealth management business had assets under management (AUM) worth Rs 797 crore as on September 30, 2023 (Rs 610 crore as on March 31, 2023). The AUM of mutual funds under the distribution business was over Rs 3,300 crore as on September 30, 2023. The company has been able to create a niche for itself in distributing FDs and had distributed FDs worth Rs 3,012 crore for the half year period ended September 30, 2023. For their insurance broking business, it has sold over 4.5 lakh policies worth Rs 1,257 crore of insurance premium for the half year period ended September 30, 2023.

  The group provides lending through its wholly owned subsidiary, Moneywise Financial Services Private Limited (Moneywise). The lending business commenced operations in 2008 and offers a wide bouquet of small and medium-sized enterprises (SME)-focused loan products such as working capital term loans, loan against property, asset financing, loan to other NFBCs, capital market funding, consumer durable loans, supply chain financing and gold loan. AUM grew 30% (on-year) in fiscal 2023 and stood at Rs 900 crore as on March 31, 2023, against Rs 690 crore a year ago; AUM further increased to Rs 1,016 crore as on September 30, 2023. The asset quality of the book remains stable as gross non-performing assets stood at 2.3% as on September 30, 2023, against 2.3% as on March 31, 2023. The subsidiary reported PAT of Rs 36 crore and return on assets of 4.0% for fiscal 2023, compared to Rs 22 crore and 3.3%, respectively, in the previous year. The management plans to grow the loan book aggressively and targets an AUM of Rs 5,000 crore in the next five years.

- **Adequate capitalisation**
  The group is adequately capitalised for its current and planned scale of operations. The group reported networth of Rs 991 crore and gearing of 1.1 times as on September 30, 2023, as against Rs 933 crore and 1.0 times, respectively as on March 31, 2023 (Rs 926 crore and 0.5 times respectively as on March 31, 2022). Absolute networth includes investment of Rs 382 crore in subsidiaries (of which Rs 230 crore is deployed in Moneywise). Capital augmentation has largely been driven by internal cash accrual since SMC operates in capital light businesses where borrowing needs are largely to meet working capital requirement and for margin trade funding business. But with plans to scale up the non-capital market related NBFC business, gearing is expected to increase gradually over the near to medium term. However, with gearing of the NBFC business modest at 1.7 times as on September 30, 2023, the need for raising capital is not immediate in the near term. Hence, the capital position is expected to remain adequate over the medium term.

Weaknesses:

- **Moderate-albeit-improving earnings profile**
  The earnings profile of the group is well diversified on a consolidated basis. The income from traditional broking (capital market) comprises ~22% of total income in fiscal 2023 while insurance broking contributes ~28%. The group earns 21% of its total income through interest income (float and delayed interest charges, interest income from margin trade funding and NBFC business). Income from proprietary trading contributes another 14% of total income. Contribution from other fee-based income streams, such as distribution of financial products, research, wealth management, portfolio management is around 13% while other miscellaneous income comprises the rest 2% of total income.

  The group reported total income of Rs 1,221 crore in fiscal 2023, vis-à-vis Rs 1,121 crore in the previous fiscal. In terms of expenses, variable expenses constitute 52-53% of the total expenses due to sub-brokerage model of various

businesses (traditional broking, insurance broking, distribution). The rest 47-48% cost is fixed, of which ~30% comprises employee and finance costs and the rest (~18%) cost includes other operational expenses. The cost to income (net of sub-brokerage expenses) ratio is elevated in comparison to similar or larger-size peers; the ratio increased to 73.4% in fiscal 2023 from 62.9% in fiscal 2022 owing to higher operating expenses incurred in fiscal 2023 to strengthen the IT infrastructure. The operating efficiency is likely to remain in similar range over the next few years as technology infrastructure expenses will continue to remain a drag on earnings. The group reported net profit of Rs 120 crore in fiscal 2023 vis-à-vis Rs 175 crore in the previous fiscal. Going forward, the ability of the group to improve its operating leverage, and in turn profitability, will remain a key monitorable.

- **Highly competitive landscape, exposure to risks associated with capital market-related businesses**
  Most businesses of the group are confined to the capital market industry, which faces intense competition from multiple players offering low-cost products. Additionally, competition from various proprietary trading businesses has increased considerably. Given that trading volumes are the highest for most arbitrage players, trader retention will remain a challenge with the entrance of various players in the futures and options trading business.

  The broking industry has seen a huge transformation in the last three years, with technology-based discount brokers entering and dominating the market. The key broking business remains exposed to economic, political and social factors that drive investor sentiments. Given the volatility in the business, brokerage volume and earnings are highly dependent on the level of trading activity in capital markets. Specifically, since March 2020, the stock markets have seen high retail participation and daily trading volume coinciding with the Covid-19 pandemic-led lockdown and people remaining at home. A significant proportion of client additions in the industry are of the 25-30 year age demographic, without significant savings surplus. The upward movement of the key benchmark indices during this period, too, has further contributed to the lure of stock market trading and potential gains. While this has benefited the group as well as other broking players, sustainability of this market momentum will remain a key monitorable.

- **Susceptibility to regulatory risks**
  Over the past couple of years, the broking industry has witnessed a dynamic regulatory environment. With the objective of enhancing transparency, limiting misuse of funds and safeguarding investor interests, SEBI has introduced several changes. Some of these include margin pledge/re-pledge mechanism, daily client collateral reporting and disclosure, collateral allocation at clearing corporations by brokers, and upfront margin collection for intraday positions. More recently, SEBI has approved blocking of funds facility for trading in secondary markets, and non-usage of client deposits for availing bank guarantees (BG) by brokers, which aim to prevent misuse of client funds, broker defaults and consequent risk to investor capital. This is similar to the Application Supported by Blocked Amount (ASBA) facility already available for the primary market, which ensures movement of money only when an allotment happens.

  With increasing compliance intensity, associated costs are expected to increase. CRISIL Ratings understands that most large brokers and some mid-sized companies including the SMC group have streamlined their systems in accordance with the revised regulations. However, this could impact small and mid-sized brokers with not-so-advanced IT infrastructure and risk management systems.

  Fundamentally, while these revised regulations will benefit the broking industry in the long term by increasing transparency and lowering risks for customers, the changes do increase the compliance costs for brokers and require them to adapt their business models to keep pace.

Liquidity; Adequate

Liquidity of SMC is comfortable for the current scale of operations. The company had cash and cash equivalents of Rs 55 crore as on September 30, 2023. Additionally, the company has deposited margins with exchanges amounting to Rs ~607 crore as on same date. Against this, company has scheduled repayments of Rs 14 crore over the next six months.

Liquidity of Moneywise is also comfortable as the asset liability management profile had positive cumulative mismatches across all buckets as on September 30, 2023. Further, the company had cash and cash equivalents and liquid investments aggregated to Rs 64 crore as on September 30, 2023, sufficient to cover the principal debt obligation of Rs 48 crore for the three months ended December 31, 2023.

Outlook: Stable

CRISIL Ratings believes the SMC group will continue to maintain healthy capitalisation metrics while benefitting from the modest presence across the financial services businesses and its adequate risk management systems. The ability to improve its market position and profitability will have to be monitored.

Rating Sensitivity factors

Upward factors

- Cost-to-income ratio (net of sub-brokerage expense) improving to below 60% on a steady-state basis
- Improvement in income diversity and profitability on a sustained basis
- Significant scale-up in market position of the NBFC businesses while maintaining asset quality and profitability

Downward factors

- Weakening of the earnings profile or sustained increase in cost-to-income ratio (net of sub-brokerage expense) to over 80%
- Impact on business risk profile, indicated by sustained drop in market share impacting revenue from the core broking operations
- Significant deterioration in asset quality of the NBFC business on a sustained basis impacting group's profitability

About the Company

SMC, the holding company of the SMC group, was incorporated in 1994. The group offers diversified financial services across different business segments such as brokerage, investment banking, wealth management, distribution of third-party financial products, research, financing, depository services, insurance broking, clearing services and real estate advisory services. The group had customer base of over 10 lakhs as on September 30, 2023. Apart from online presence, it has a well spread-out distribution network with 180 branches and 2,485 sub-brokers across 455 cities in India as on September 30, 2023.

For fiscal 2023, the group reported PAT of Rs 120 crore on total income of Rs 1,221 crore, against Rs 175 crore and Rs 1,121 crore, respectively, for the previous fiscal. For the half year ended September 30, 2023, it reported a PAT of Rs 70 crore on total income of Rs 704 crore.

On a standalone basis, SMC reported PAT of Rs 93 crore on total income of Rs 693 crore, against Rs 145 crore and Rs 684 crore, respectively, for the previous fiscal. For the half year ended September 30, 2023, it reported a PAT of Rs 67 crore on total income of Rs 411 crore.

Key Financial Indicators : (consolidated)

For the period ended	Unit	Sep 2023	March 2023	March 2022
Total assets	Rs crore	4356	3315	2942
Total income	Rs crore	704	1221	1121
PAT	Rs crore	70	120	175
Cost to income (net of sub-brokerage expenses)	%	71.4	73.4	62.9
Return on networth	%	14.6^	13.0	20.6
Gearing	Times	1.1	1.0	0.5

^ *On an annualised basis*

Key Financial Indicators: (standalone)

For the period ended	Unit	Sep 2023	March 2023	March 2022
Total assets	Rs crore	3387	2507	2372
Total income	Rs crore	411	693	684
PAT	Rs crore	67	93	145
Cost to income (net of sub-brokerage expenses)	%	67.8	72.7	60.1
Return on networth	%	16.9^	12.0	19.7
Gearing	Times	0.6	0.5	0.2

^ *On an annualised basis*

Any other information: Not applicable

Note on complexity levels of the rated instrument:

CRISIL Ratings` complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

CRISIL Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the CRISIL Ratings` complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name of instrument	Date of allotment	Coupon rate (%)	Maturity date	Issue size (Rs crore)	Complexity level	Rating assigned with outlook
NA	Non-convertible debentures#	NA	NA	NA	175	Simple	CRISIL A/Stable

#Yet to be issued (Quantum of Rs 150 crore to be issued by way of public issue)

Annexure – List of entities consolidated

Names of Entities Consolidated	Extent of Consolidation	Rationale for Consolidation
SMC Comtrade Limited	Full	Subsidiary

SMC Insurance Brokers Private Limited	Proportionate	Subsidiary
SMC Comex International DMCC	Full	Subsidiary
SMC Capitals Limited	Full	Subsidiary
Moneywise Financial Services Private Limited	Full	Subsidiary
SMC Investment & Advisors Limited	Full	Subsidiary
SMC Real Estate Advisors Private Limited	Full	Subsidiary
Moneywise Finvest Limited	Full	Subsidiary
SMC Global IFSC Private Limited	Full	Subsidiary
SMC Global USA Inc.	Proportionate	Subsidiary
SMC & IM Capitals Investment Manager LLP	Proportionate	Joint Venture

Annexure - Rating History for last 3 Years

	Current			2023 (History)		2022		2021		2020		Start of 2020
Instrument	**Type**	**Outstanding Amount**	**Rating**	**Date**	**Rating**	**Date**	**Rating**	**Date**	**Rating**	**Date**	**Rating**	**Rating**
Non Convertible Debentures	LT	175.0	CRISIL A/Stable		--		--		--		--	--

All amounts are in Rs.Cr.

Criteria Details

Links to related criteria
Rating Criteria for Securities Companies
CRISILs Criteria for Consolidation

Media Relations	Analytical Contacts	Customer Service Helpdesk
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It has delivered independent opinions, actionable insights, and efficient solutions to over 100,000 customers through businesses that operate from India, the US, the UK, Argentina, Poland, China, Hong Kong and Singapore.

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CONFIDENTIAL

RL/GDS20315/330326/NCD/0524/88427/155990425
May 21, 2024

Mr. Vinod Jamar
President & Group Chief Financial Officer
SMC Global Securities Limited
11/6B, Shanti Chamber,
Pusa Road,
Central Delhi - 110005
9958299614

Dear Mr. Vinod Jamar,

Re: CRISIL Rating on the Rs. 175 Crore Non Convertible Debentures[&] of SMC Global Securities Limited

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.

Please refer to our rating letter dated November 24, 2023 bearing Ref. no: RL/GDS20315/330326/NCD/1123/73658/155990425

Rating outstanding on the captioned debt instruments is “CRISIL A/Stable” (pronounced as “CRISIL A rating" with Stable outlook). Securities with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such securities carry low credit risk..

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating. Please visit www.crisilratings.com and search with the name of the rated entity to access the latest rating/s.

As per the latest SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us for any clarifications you may have at debtissue@crisil.com

Should you require any clarifications, please feel free to contact us.

With warm regards,

Yours sincerely,

Aesha Maru
Associate Director - CRISIL Ratings

Nivedita Shibu
Director - CRISIL Ratings

& Proposed public issue for quantum of Rs 150 crore

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Rating Rationale

November 24, 2023 | Mumbai

SMC Global Securities Limited

'CRISIL A/Stable' assigned to Non Convertible Debentures

Rating Action

Rs.175 Crore Non Convertible Debentures&	**CRISIL A/Stable (Assigned)**

& Proposed public issue for quantum of Rs 150 crore
Note: None of the Directors on CRISIL Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.
1 crore = 10 million
Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL Ratings has assigned its '**CRISIL A/Stable**' rating to the non-convertible debentures (NCD) of SMC Global Securities Limited (SMC).

The rating factors in established presence and track record of the group in capital market businesses, healthy diversification in revenue across multiple segments, adequate capital position and the extensive experience of the promoters in the business.

These strengths are partially offset by a moderate albeit improving earnings profile and susceptibility to risks associated with capital market-related businesses.

The group has been in the broking business since 1994 with presence in both cash equity and derivatives market segments, including the currency and commodity derivatives division. The group's other key offerings include lending through a non-banking financial company (NBFC), insurance broking, wealth management and real estate advisory services. The group also distributes third-party products such as mutual funds, corporate fixed deposits (FDs), bonds and initial public offerings. The broking business had a large retail client base of over 10.0 lakh customers as on September 30, 2023 (grew at 19.4% on-year in fiscal 2023). Active clients for the broking business stood at 1.86 lakh as on September 30, 2023.

SMC was co-founded by the promoters – Mr. Subhash Chand Aggarwal and Mr. Mahesh C Gupta, who are chartered accountants and have more than four decades of experience in the capital market industry. The promoters along with their family members, collectively own 67.4% of equity shares as on September 30, 2023.

The group has adequate capitalization, with reported networth of Rs 933 crore as on March 31, 2023 (Rs 991 crore as on Sep 2023), compared to Rs 926 crore as on March 31,2022. The networth remained nearly flat in fiscal 2023 on account of Rs 92 crore (including tax and other expenses) share buyback made by the company and 120% dividend paid per share. In terms of earning profile, profit after tax (PAT) stood at Rs 120 crore on total income of Rs 1,221 crore in fiscal 2023 (against Rs 175 crore and Rs 1,121 crore, respectively, for the previous fiscal). Profitability moderated in fiscal 2023 owing to increase in operating expenses to strengthen the information technology (IT) infrastructure and due to absence of one-time income earned on the investment book of Rs ~30 crore in fiscal 2022. For the half year ended September 30, 2023, the company reported PAT of Rs 70 core on total income of Rs 704 crore.

Analytical Approach

For arriving at the ratings, CRISIL Ratings has combined the business and financial risk profiles of SMC Global Securities Limited and its subsidiaries. That is because the entities, collectively referred to as the SMC group, have integrated operations and operate under a common brand name.

Please refer Annexure - List of entities consolidated, which captures the list of entities considered and their analytical treatment of consolidation.

Key Rating Drivers & Detailed Description

Strengths:

- **Track record in capital market business, supported by experienced management and robust risk management systems**

  The group has been in the broking business since 1994 and has an established operational track record. The group's senior management team comprises the promoters -- Mr. Subhash Chand Aggarwal and Mr. Mahesh C Gupta, who have more than four decades of experience in the capital market industry. Further, the group has hired professionals having significant relevant expertise. The CEO and head of the broking division, Mr Ajay Garg, has more than 25 years of experience in the capital market industry. The promoter and top management have witnessed several cycles in the capital markets business.

This has led to building sound risk management systems that partially offset risks arising from uncertainties inherent in the trading and broking business.

All the Securities and Exchange Board of India (SEBI) and exchange-prescribed regulations have been adhered to by instilling requisite systems and processes. The group sets client trading limits upfront and monitors client exposure on a real-time basis. It also sets scrip-wise exposure limit to keep a check on illiquid scrips or scrips under any kind of surveillance. Upfront margin along with peak margin is collected necessarily and clients are required to maintain adequate margin as prescribed by exchanges. In case of adverse/volatile price movements real-time risk-based square off could be initiated at any time during the day.

On the trading side the group engages largely in arbitrage strategies, which limits likelihood of losses. A dedicated surveillance team monitors trader limits, outstanding exposures, and mark to market on real-time basis. The sound risk management system has resulted in nil quarterly losses since inception. The group also set up an in-house technology team in fiscal 2023 to strengthen their IT infrastructure.

- **Increasing diversification across financial services businesses, supporting stability in earnings profile**
  SMC is an established player in the retail equity broking segment. The market share of the combined volumes of the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) in both the cash and derivatives segments stood at 0.49% for fiscal 2023, with higher market share in the retail cash segment at 0.83%. It has a modest presence in the commodity and currency segment and earns ~11% of its total broking income from these two segments. Furthermore, amidst high competition from discount brokers, the group started its own discount broking platform in 2019 under the brand name 'Stoxkart' where customers are charged only for profitable transactions. The platform has a client base of over 2.3 lakh customers as on September 30, 2023 (grew at 83.5% on-year in fiscal 2023). With gradual scale up of fund-based business (NBFC) and the presence of fee-based businesses, such as insurance broking, distribution (financial products), wealth management, advisory, revenue streams have become more diverse. Contribution from these businesses to overall revenue has increased in the last few fiscals. The group is focusing on scaling up its insurance broking and distribution businesses by strengthening the technology infrastructure.

  The wealth management business had assets under management (AUM) worth Rs 797 crore as on September 30, 2023 (Rs 610 crore as on March 31, 2023). The AUM of mutual funds under the distribution business was over Rs 3,300 crore as on September 30, 2023. The company has been able to create a niche for itself in distributing FDs and had distributed FDs worth Rs 3,012 crore for the half year period ended September 30, 2023. For their insurance broking business, it has sold over 4.5 lakh policies worth Rs 1,257 crore of insurance premium for the half year period ended September 30, 2023.

  The group provides lending through its wholly owned subsidiary, Moneywise Financial Services Private Limited (Moneywise). The lending business commenced operations in 2008 and offers a wide bouquet of small and medium-sized enterprises (SME)-focused loan products such as working capital term loans, loan against property, asset financing, loan to other NFBCs, capital market funding, consumer durable loans, supply chain financing and gold loan. AUM grew 30% (on-year) in fiscal 2023 and stood at Rs 900 crore as on March 31, 2023, against Rs 690 crore a year ago; AUM further increased to Rs 1,016 crore as on September 30, 2023. The asset quality of the book remains stable as gross non-performing assets stood at 2.3% as on September 30, 2023, against 2.3% as on March 31, 2023. The subsidiary reported PAT of Rs 36 crore and return on assets of 4.0% for fiscal 2023, compared to Rs 22 crore and 3.3%, respectively, in the previous year. The management plans to grow the loan book aggressively and targets an AUM of Rs 5,000 crore in the next five years.

- **Adequate capitalisation**
  The group is adequately capitalised for its current and planned scale of operations. The group reported networth of Rs 991 crore and gearing of 1.1 times as on September 30, 2023, as against Rs 933 crore and 1.0 times, respectively as on March 31, 2023 (Rs 926 crore and 0.5 times respectively as on March 31, 2022). Absolute networth includes investment of Rs 382 crore in subsidiaries (of which Rs 230 crore is deployed in Moneywise). Capital augmentation has largely been driven by internal cash accrual since SMC operates in capital light businesses where borrowing needs are largely to meet working capital requirement and for margin trade funding business. But with plans to scale up the non-capital market related NBFC business, gearing is expected to increase gradually over the near to medium term. However, with gearing of the NBFC business modest at 1.7 times as on September 30, 2023, the need for raising capital is not immediate in the near term. Hence, the capital position is expected to remain adequate over the medium term.

Weaknesses:

- **Moderate-albeit-improving earnings profile**
  The earnings profile of the group is well diversified on a consolidated basis. The income from traditional broking (capital market) comprises ~22% of total income in fiscal 2023 while insurance broking contributes ~28%. The group earns 21% of its total income through interest income (float and delayed interest charges, interest income from margin trade funding and NBFC business). Income from proprietary trading contributes another 14% of total income. Contribution from other fee-based income streams, such as distribution of financial products, research, wealth management, portfolio management is around 13% while other miscellaneous income comprises the rest 2% of total income.

  The group reported total income of Rs 1,221 crore in fiscal 2023, vis-à-vis Rs 1,121 crore in the previous fiscal. In terms of expenses, variable expenses constitute 52-53% of the total expenses due to sub-brokerage model of various businesses (traditional broking, insurance broking, distribution). The rest 47-48% cost is fixed, of which ~30% comprises employee and

finance costs and the rest (~18%) cost includes other operational expenses. The cost to income (net of sub-brokerage expenses) ratio is elevated in comparison to similar or larger-size peers; the ratio increased to 73.4% in fiscal 2023 from 62.9% in fiscal 2022 owing to higher operating expenses incurred in fiscal 2023 to strengthen the IT infrastructure. The operating efficiency is likely to remain in similar range over the next few years as technology infrastructure expenses will continue to remain a drag on earnings. The group reported net profit of Rs 120 crore in fiscal 2023 vis-à-vis Rs 175 crore in the previous fiscal. Going forward, the ability of the group to improve its operating leverage, and in turn profitability, will remain a key monitorable.

- **Highly competitive landscape, exposure to risks associated with capital market-related businesses**
  Most businesses of the group are confined to the capital market industry, which faces intense competition from multiple players offering low-cost products. Additionally, competition from various proprietary trading businesses has increased considerably. Given that trading volumes are the highest for most arbitrage players, trader retention will remain a challenge with the entrance of various players in the futures and options trading business.

  The broking industry has seen a huge transformation in the last three years, with technology-based discount brokers entering and dominating the market. The key broking business remains exposed to economic, political and social factors that drive investor sentiments. Given the volatility in the business, brokerage volume and earnings are highly dependent on the level of trading activity in capital markets. Specifically, since March 2020, the stock markets have seen high retail participation and daily trading volume coinciding with the Covid-19 pandemic-led lockdown and people remaining at home. A significant proportion of client additions in the industry are of the 25-30 year age demographic, without significant savings surplus. The upward movement of the key benchmark indices during this period, too, has further contributed to the lure of stock market trading and potential gains. While this has benefited the group as well as other broking players, sustainability of this market momentum will remain a key monitorable.

- **Susceptibility to regulatory risks**
  Over the past couple of years, the broking industry has witnessed a dynamic regulatory environment. With the objective of enhancing transparency, limiting misuse of funds and safeguarding investor interests, SEBI has introduced several changes. Some of these include margin pledge/re-pledge mechanism, daily client collateral reporting and disclosure, collateral allocation at clearing corporations by brokers, and upfront margin collection for intraday positions. More recently, SEBI has approved blocking of funds facility for trading in secondary markets, and non-usage of client deposits for availing bank guarantees (BG) by brokers, which aim to prevent misuse of client funds, broker defaults and consequent risk to investor capital. This is similar to the Application Supported by Blocked Amount (ASBA) facility already available for the primary market, which ensures movement of money only when an allotment happens.

  With increasing compliance intensity, associated costs are expected to increase. CRISIL Ratings understands that most large brokers and some mid-sized companies including the SMC group have streamlined their systems in accordance with the revised regulations. However, this could impact small and mid-sized brokers with not-so-advanced IT infrastructure and risk management systems.

  Fundamentally, while these revised regulations will benefit the broking industry in the long term by increasing transparency and lowering risks for customers, the changes do increase the compliance costs for brokers and require them to adapt their business models to keep pace.

Liquidity; Adequate

Liquidity of SMC is comfortable for the current scale of operations. The company had cash and cash equivalents of Rs 55 crore as on September 30, 2023. Additionally, the company has deposited margins with exchanges amounting to Rs ~607 crore as on same date. Against this, company has scheduled repayments of Rs 14 crore over the next six months.

Liquidity of Moneywise is also comfortable as the asset liability management profile had positive cumulative mismatches across all buckets as on September 30, 2023. Further, the company had cash and cash equivalents and liquid investments aggregated to Rs 64 crore as on September 30, 2023, sufficient to cover the principal debt obligation of Rs 48 crore for the three months ended December 31, 2023.

Outlook: Stable

CRISIL Ratings believes the SMC group will continue to maintain healthy capitalisation metrics while benefitting from the modest presence across the financial services businesses and its adequate risk management systems. The ability to improve its market position and profitability will have to be monitored.

Rating Sensitivity factors

Upward factors

- Cost-to-income ratio (net of sub-brokerage expense) improving to below 60% on a steady-state basis
- Improvement in income diversity and profitability on a sustained basis
- Significant scale-up in market position of the NBFC businesses while maintaining asset quality and profitability

Downward factors

- Weakening of the earnings profile or sustained increase in cost-to-income ratio (net of sub-brokerage expense) to over 80%
- Impact on business risk profile, indicated by sustained drop in market share impacting revenue from the core broking operations

- Significant deterioration in asset quality of the NBFC business on a sustained basis impacting group's profitability

About the Company

SMC, the holding company of the SMC group, was incorporated in 1994. The group offers diversified financial services across different business segments such as brokerage, investment banking, wealth management, distribution of third-party financial products, research, financing, depository services, insurance broking, clearing services and real estate advisory services. The group had customer base of over 10 lakhs as on September 30, 2023. Apart from online presence, it has a well spread-out distribution network with 180 branches and 2,485 sub-brokers across 455 cities in India as on September 30, 2023.

For fiscal 2023, the group reported PAT of Rs 120 crore on total income of Rs 1,221 crore, against Rs 175 crore and Rs 1,121 crore, respectively, for the previous fiscal. For the half year ended September 30, 2023, it reported a PAT of Rs 70 crore on total income of Rs 704 crore.

On a standalone basis, SMC reported PAT of Rs 93 crore on total income of Rs 693 crore, against Rs 145 crore and Rs 684 crore, respectively, for the previous fiscal. For the half year ended September 30, 2023, it reported a PAT of Rs 67 crore on total income of Rs 411 crore.

Key Financial Indicators : (consolidated)

For the period ended	Unit	Sep 2023	March 2023	March 2022
Total assets	Rs crore	4356	3315	2942
Total income	Rs crore	704	1221	1121
PAT	Rs crore	70	120	175
Cost to income (net of sub-brokerage expenses)	%	71.4	73.4	62.9
Return on networth	%	14.6^	13.0	20.6
Gearing	Times	1.1	1.0	0.5

^ *On an annualised basis*

Key Financial Indicators: (standalone)

For the period ended	Unit	Sep 2023	March 2023	March 2022
Total assets	Rs crore	3387	2507	2372
Total income	Rs crore	411	693	684
PAT	Rs crore	67	93	145
Cost to income (net of sub-brokerage expenses)	%	67.8	72.7	60.1
Return on networth	%	16.9^	12.0	19.7
Gearing	Times	0.6	0.5	0.2

^ *On an annualised basis*

Any other information: Not applicable

Note on complexity levels of the rated instrument:

CRISIL Ratings` complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

CRISIL Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the CRISIL Ratings` complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name of instrument	Date of allotment	Coupon rate (%)	Maturity date	Issue size (Rs crore)	Complexity level	Rating assigned with outlook
NA	Non-convertible debentures#	NA	NA	NA	175	Simple	CRISIL A/Stable

#Yet to be issued (Quantum of Rs 150 crore to be issued by way of public issue)

Annexure – List of entities consolidated

Names of Entities Consolidated	Extent of Consolidation	Rationale for Consolidation
SMC Comtrade Limited	Full	Subsidiary
SMC Insurance Brokers Private Limited	Proportionate	Subsidiary
SMC Comex International DMCC	Full	Subsidiary
SMC Capitals Limited	Full	Subsidiary
Moneywise Financial Services Private Limited	Full	Subsidiary
SMC Investment & Advisors Limited	Full	Subsidiary
SMC Real Estate Advisors Private Limited	Full	Subsidiary
Moneywise Finvest Limited	Full	Subsidiary
SMC Global IFSC Private Limited	Full	Subsidiary

SMC Global USA Inc.	Proportionate	Subsidiary
SMC & IM Capitals Investment Manager LLP	Proportionate	Joint Venture

Annexure - Rating History for last 3 Years

	Current			2023 (History)		2022		2021		2020		Start of 2020
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Non Convertible Debentures	LT	175.0	CRISIL A/Stable		--		--		--		--	--

All amounts are in Rs.Cr.

Criteria Details

Links to related criteria
Rating Criteria for Securities Companies
CRISILs Criteria for Consolidation

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About CRISIL Limited

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It is India's foremost provider of ratings, data, research, analytics and solutions with a strong track record of growth, culture of innovation, and global footprint.

It has delivered independent opinions, actionable insights, and efficient solutions to over 100,000 customers through businesses that operate from India, the US, the UK, Argentina, Poland, China, Hong Kong and Singapore.

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Rating Rationale

November 24, 2023 | Mumbai

SMC Global Securities Limited

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Strengths:

- **Track record in capital market business, supported by experienced management and robust risk management systems**

  The group has been in the broking business since 1994 and has an established operational track record. The group's senior management team comprises the promoters -- Mr. Subhash Chand Aggarwal and Mr. Mahesh C Gupta, who have more than four decades of experience in the capital market industry. Further, the group has hired professionals having significant relevant expertise. The CEO and head of the broking division, Mr Ajay Garg, has more than 25 years of experience in the capital market industry. The promoter and top management have witnessed several cycles in the capital markets business.

This has led to building sound risk management systems that partially offset risks arising from uncertainties inherent in the trading and broking business.

All the Securities and Exchange Board of India (SEBI) and exchange-prescribed regulations have been adhered to by instilling requisite systems and processes. The group sets client trading limits upfront and monitors client exposure on a real-time basis. It also sets scrip-wise exposure limit to keep a check on illiquid scrips or scrips under any kind of surveillance. Upfront margin along with peak margin is collected necessarily and clients are required to maintain adequate margin as prescribed by exchanges. In case of adverse/volatile price movements real-time risk-based square off could be initiated at any time during the day.

On the trading side the group engages largely in arbitrage strategies, which limits likelihood of losses. A dedicated surveillance team monitors trader limits, outstanding exposures, and mark to market on real-time basis. The sound risk management system has resulted in nil quarterly losses since inception. The group also set up an in-house technology team in fiscal 2023 to strengthen their IT infrastructure.

- **Increasing diversification across financial services businesses, supporting stability in earnings profile**
  SMC is an established player in the retail equity broking segment. The market share of the combined volumes of the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) in both the cash and derivatives segments stood at 0.49% for fiscal 2023, with higher market share in the retail cash segment at 0.83%. It has a modest presence in the commodity and currency segment and earns ~11% of its total broking income from these two segments. Furthermore, amidst high competition from discount brokers, the group started its own discount broking platform in 2019 under the brand name 'Stoxkart' where customers are charged only for profitable transactions. The platform has a client base of over 2.3 lakh customers as on September 30, 2023 (grew at 83.5% on-year in fiscal 2023). With gradual scale up of fund-based business (NBFC) and the presence of fee-based businesses, such as insurance broking, distribution (financial products), wealth management, advisory, revenue streams have become more diverse. Contribution from these businesses to overall revenue has increased in the last few fiscals. The group is focusing on scaling up its insurance broking and distribution businesses by strengthening the technology infrastructure.

  The wealth management business had assets under management (AUM) worth Rs 797 crore as on September 30, 2023 (Rs 610 crore as on March 31, 2023). The AUM of mutual funds under the distribution business was over Rs 3,300 crore as on September 30, 2023. The company has been able to create a niche for itself in distributing FDs and had distributed FDs worth Rs 3,012 crore for the half year period ended September 30, 2023. For their insurance broking business, it has sold over 4.5 lakh policies worth Rs 1,257 crore of insurance premium for the half year period ended September 30, 2023.

  The group provides lending through its wholly owned subsidiary, Moneywise Financial Services Private Limited (Moneywise). The lending business commenced operations in 2008 and offers a wide bouquet of small and medium-sized enterprises (SME)-focused loan products such as working capital term loans, loan against property, asset financing, loan to other NFBCs, capital market funding, consumer durable loans, supply chain financing and gold loan. AUM grew 30% (on-year) in fiscal 2023 and stood at Rs 900 crore as on March 31, 2023, against Rs 690 crore a year ago; AUM further increased to Rs 1,016 crore as on September 30, 2023. The asset quality of the book remains stable as gross non-performing assets stood at 2.3% as on September 30, 2023, against 2.3% as on March 31, 2023. The subsidiary reported PAT of Rs 36 crore and return on assets of 4.0% for fiscal 2023, compared to Rs 22 crore and 3.3%, respectively, in the previous year. The management plans to grow the loan book aggressively and targets an AUM of Rs 5,000 crore in the next five years.

- **Adequate capitalisation**
  The group is adequately capitalised for its current and planned scale of operations. The group reported networth of Rs 991 crore and gearing of 1.1 times as on September 30, 2023, as against Rs 933 crore and 1.0 times, respectively as on March 31, 2023 (Rs 926 crore and 0.5 times respectively as on March 31, 2022). Absolute networth includes investment of Rs 382 crore in subsidiaries (of which Rs 230 crore is deployed in Moneywise). Capital augmentation has largely been driven by internal cash accrual since SMC operates in capital light businesses where borrowing needs are largely to meet working capital requirement and for margin trade funding business. But with plans to scale up the non-capital market related NBFC business, gearing is expected to increase gradually over the near to medium term. However, with gearing of the NBFC business modest at 1.7 times as on September 30, 2023, the need for raising capital is not immediate in the near term. Hence, the capital position is expected to remain adequate over the medium term.

Weaknesses:

- **Moderate-albeit-improving earnings profile**
  The earnings profile of the group is well diversified on a consolidated basis. The income from traditional broking (capital market) comprises ~22% of total income in fiscal 2023 while insurance broking contributes ~28%. The group earns 21% of its total income through interest income (float and delayed interest charges, interest income from margin trade funding and NBFC business). Income from proprietary trading contributes another 14% of total income. Contribution from other fee-based income streams, such as distribution of financial products, research, wealth management, portfolio management is around 13% while other miscellaneous income comprises the rest 2% of total income.

  The group reported total income of Rs 1,221 crore in fiscal 2023, vis-à-vis Rs 1,121 crore in the previous fiscal. In terms of expenses, variable expenses constitute 52-53% of the total expenses due to sub-brokerage model of various businesses (traditional broking, insurance broking, distribution). The rest 47-48% cost is fixed, of which ~30% comprises employee and

finance costs and the rest (~18%) cost includes other operational expenses. The cost to income (net of sub-brokerage expenses) ratio is elevated in comparison to similar or larger-size peers; the ratio increased to 73.4% in fiscal 2023 from 62.9% in fiscal 2022 owing to higher operating expenses incurred in fiscal 2023 to strengthen the IT infrastructure. The operating efficiency is likely to remain in similar range over the next few years as technology infrastructure expenses will continue to remain a drag on earnings. The group reported net profit of Rs 120 crore in fiscal 2023 vis-à-vis Rs 175 crore in the previous fiscal. Going forward, the ability of the group to improve its operating leverage, and in turn profitability, will remain a key monitorable.

- **Highly competitive landscape, exposure to risks associated with capital market-related businesses**
  Most businesses of the group are confined to the capital market industry, which faces intense competition from multiple players offering low-cost products. Additionally, competition from various proprietary trading businesses has increased considerably. Given that trading volumes are the highest for most arbitrage players, trader retention will remain a challenge with the entrance of various players in the futures and options trading business.

  The broking industry has seen a huge transformation in the last three years, with technology-based discount brokers entering and dominating the market. The key broking business remains exposed to economic, political and social factors that drive investor sentiments. Given the volatility in the business, brokerage volume and earnings are highly dependent on the level of trading activity in capital markets. Specifically, since March 2020, the stock markets have seen high retail participation and daily trading volume coinciding with the Covid-19 pandemic-led lockdown and people remaining at home. A significant proportion of client additions in the industry are of the 25-30 year age demographic, without significant savings surplus. The upward movement of the key benchmark indices during this period, too, has further contributed to the lure of stock market trading and potential gains. While this has benefited the group as well as other broking players, sustainability of this market momentum will remain a key monitorable.

- **Susceptibility to regulatory risks**
  Over the past couple of years, the broking industry has witnessed a dynamic regulatory environment. With the objective of enhancing transparency, limiting misuse of funds and safeguarding investor interests, SEBI has introduced several changes. Some of these include margin pledge/re-pledge mechanism, daily client collateral reporting and disclosure, collateral allocation at clearing corporations by brokers, and upfront margin collection for intraday positions. More recently, SEBI has approved blocking of funds facility for trading in secondary markets, and non-usage of client deposits for availing bank guarantees (BG) by brokers, which aim to prevent misuse of client funds, broker defaults and consequent risk to investor capital. This is similar to the Application Supported by Blocked Amount (ASBA) facility already available for the primary market, which ensures movement of money only when an allotment happens.

  With increasing compliance intensity, associated costs are expected to increase. CRISIL Ratings understands that most large brokers and some mid-sized companies including the SMC group have streamlined their systems in accordance with the revised regulations. However, this could impact small and mid-sized brokers with not-so-advanced IT infrastructure and risk management systems.

  Fundamentally, while these revised regulations will benefit the broking industry in the long term by increasing transparency and lowering risks for customers, the changes do increase the compliance costs for brokers and require them to adapt their business models to keep pace.

Liquidity; Adequate

Liquidity of SMC is comfortable for the current scale of operations. The company had cash and cash equivalents of Rs 55 crore as on September 30, 2023. Additionally, the company has deposited margins with exchanges amounting to Rs ~607 crore as on same date. Against this, company has scheduled repayments of Rs 14 crore over the next six months.

Liquidity of Moneywise is also comfortable as the asset liability management profile had positive cumulative mismatches across all buckets as on September 30, 2023. Further, the company had cash and cash equivalents and liquid investments aggregated to Rs 64 crore as on September 30, 2023, sufficient to cover the principal debt obligation of Rs 48 crore for the three months ended December 31, 2023.

Outlook: Stable

CRISIL Ratings believes the SMC group will continue to maintain healthy capitalisation metrics while benefitting from the modest presence across the financial services businesses and its adequate risk management systems. The ability to improve its market position and profitability will have to be monitored.

Rating Sensitivity factors

Upward factors

- Cost-to-income ratio (net of sub-brokerage expense) improving to below 60% on a steady-state basis
- Improvement in income diversity and profitability on a sustained basis
- Significant scale-up in market position of the NBFC businesses while maintaining asset quality and profitability

Downward factors

- Weakening of the earnings profile or sustained increase in cost-to-income ratio (net of sub-brokerage expense) to over 80%
- Impact on business risk profile, indicated by sustained drop in market share impacting revenue from the core broking operations

- Significant deterioration in asset quality of the NBFC business on a sustained basis impacting group's profitability

About the Company

SMC, the holding company of the SMC group, was incorporated in 1994. The group offers diversified financial services across different business segments such as brokerage, investment banking, wealth management, distribution of third-party financial products, research, financing, depository services, insurance broking, clearing services and real estate advisory services. The group had customer base of over 10 lakhs as on September 30, 2023. Apart from online presence, it has a well spread-out distribution network with 180 branches and 2,485 sub-brokers across 455 cities in India as on September 30, 2023.

For fiscal 2023, the group reported PAT of Rs 120 crore on total income of Rs 1,221 crore, against Rs 175 crore and Rs 1,121 crore, respectively, for the previous fiscal. For the half year ended September 30, 2023, it reported a PAT of Rs 70 crore on total income of Rs 704 crore.

On a standalone basis, SMC reported PAT of Rs 93 crore on total income of Rs 693 crore, against Rs 145 crore and Rs 684 crore, respectively, for the previous fiscal. For the half year ended September 30, 2023, it reported a PAT of Rs 67 crore on total income of Rs 411 crore.

Key Financial Indicators : (consolidated)

For the period ended	Unit	Sep 2023	March 2023	March 2022
Total assets	Rs crore	4356	3315	2942
Total income	Rs crore	704	1221	1121
PAT	Rs crore	70	120	175
Cost to income (net of sub-brokerage expenses)	%	71.4	73.4	62.9
Return on networth	%	14.6^	13.0	20.6
Gearing	Times	1.1	1.0	0.5

^ *On an annualised basis*

Key Financial Indicators: (standalone)

For the period ended	Unit	Sep 2023	March 2023	March 2022
Total assets	Rs crore	3387	2507	2372
Total income	Rs crore	411	693	684
PAT	Rs crore	67	93	145
Cost to income (net of sub-brokerage expenses)	%	67.8	72.7	60.1
Return on networth	%	16.9^	12.0	19.7
Gearing	Times	0.6	0.5	0.2

^ *On an annualised basis*

Any other information: Not applicable

Note on complexity levels of the rated instrument:

CRISIL Ratings` complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

CRISIL Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the CRISIL Ratings` complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name of instrument	Date of allotment	Coupon rate (%)	Maturity date	Issue size (Rs crore)	Complexity level	Rating assigned with outlook
NA	Non-convertible debentures#	NA	NA	NA	175	Simple	CRISIL A/Stable

#Yet to be issued (Quantum of Rs 150 crore to be issued by way of public issue)

Annexure – List of entities consolidated

Names of Entities Consolidated	Extent of Consolidation	Rationale for Consolidation
SMC Comtrade Limited	Full	Subsidiary
SMC Insurance Brokers Private Limited	Proportionate	Subsidiary
SMC Comex International DMCC	Full	Subsidiary
SMC Capitals Limited	Full	Subsidiary
Moneywise Financial Services Private Limited	Full	Subsidiary
SMC Investment & Advisors Limited	Full	Subsidiary
SMC Real Estate Advisors Private Limited	Full	Subsidiary
Moneywise Finvest Limited	Full	Subsidiary
SMC Global IFSC Private Limited	Full	Subsidiary

SMC Global USA Inc.	Proportionate	Subsidiary
SMC & IM Capitals Investment Manager LLP	Proportionate	Joint Venture

Annexure - Rating History for last 3 Years

	Current			2023 (History)		2022		2021		2020		Start of 2020
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Non Convertible Debentures	LT	175.0	CRISIL A/Stable		--		--		--		--	--

All amounts are in Rs.Cr.

Criteria Details

Links to related criteria
Rating Criteria for Securities Companies
CRISILs Criteria for Consolidation

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ANNEXURE B-2

ICRA RATINGS LETTER, RATING RATIONALE AND PRESS RELEASE

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ICRA Limited

Ref: ICRA/SMC Global Securities Ltd./12062024/1

Date: June 12, 2024

Mr. Vinod Kumar Jamar
Chief Financial Officer
SMC Global Securities Ltd.
11/68, Shanti Chamber.
Pusa Road, New Delhi-110005

Dear Sir,

Re: ICRA credit rating for Rs. 400 crore (yet to be placed: Rs. 400 crore) Non-Convertible Debenture (NCD) Programme of SMC Global Securities Ltd.

Please refer to your e-mail request for revalidating the rating letter issued for the captioned programme.

We confirm that the **[ICRA]A (pronounced as ICRA A)** rating with a "**Stable"** outlook assigned to your captioned programme and last communicated to you vide our letter dated **July 24, 2023,** stands. Instruments with this rating indicate adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.

In any of your publicity material or other document wherever you are using the above assigned rating, it should be stated as **"[ICRA]A (Stable)".**

The other terms and conditions for the rating of the instrument shall remain the same as communicated vide our letters dated July 24, 2023 (Ref no.: ICRA/SMC Global Securities Ltd./24072023/1).

The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the bonds, debentures and/ or other instruments of like nature to be issued by you.

We look forward to further strengthening our existing relationship and assure you of our best services.

With kind regards,

For ICRA Limited

AGAPPA MANI KARTHIK

Digitally signed by AGAPPA MANI KARTHIK
Date: 2024.06.12 18:21:04 +05'30'

A M Karthik
Senior Vice President
Co-Group Head - Financial Sector Ratings
a.karthik@icraindia.com

July 24, 2023

SMC Global Securities Ltd.: [ICRA]A (Stable); rating assigned; earlier ratings reaffirmed, rated amount enhanced

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Commercial paper	25	100	[ICRA]A1+; reaffirmed/assigned
Long-term/short-term fund-based/non-fund based bank lines	1,500	1,500	[ICRA]A (Stable)/[ICRA]A1+; reaffirmed
NCD	-	400	[ICRA]A (Stable); assigned
Total	**1,525**	**2,000**	

**Instrument details are provided in Annexure I*

Rationale

While arriving at the ratings, ICRA has taken a consolidated view of SMC Global Securities Limited (SMC) and its subsidiaries (collectively referred to as the SMC Group/the Group), given the synergies and operational linkages between the entities. The ratings factor in SMC's long track record in the capital market segment and its well-established network of branches and sub-brokers. The ratings also factor in the company's established market position along with the synergistic benefits arising from the Group's integrated presence across broking, clearing, distribution, wealth and lending activities.

The ratings also derive comfort from the Group's comfortable capitalisation profile with a gearing of 1x and a net worth of Rs. 932.7 crore on a consolidated basis as on March 31, 2023. ICRA notes that the leverage could go up from the current level, with the additional requirement of funding for SMC following the change in the regulations regarding segregation of client funds and scale-up in the lending business (housed in the non-banking financial company (NBFC) – Moneywise Financial Services Pvt. Ltd.), though the overall capitalisation levels is expected to remain adequate. The ratings also factor in the adequate liquidity profile of the group, the healthy level of margin utilisation with the exchanges (average utilisation was around 56% as at March 2023), sufficient unencumbered cash and bank balance of Rs. 20.6 crore as on March 31, 2023 and adequate sanctioned and unutilised bank lines. The asset quality indicators remain under control on a consolidated basis with negligible write-offs. ICRA also notes the recovery in the asset quality indicators at the NBFC level in FY2023, following some deterioration witnessed in FY2021 and FY2022 due to the impact of the Covid-19 pandemic. The performance of the lending business, in terms of growth and asset quality, would have a bearing on the overall credit profile of the Group. ICRA has taken note of the moderation in the Group's profitability in FY2023 with a return on average net worth (RoNW) of 13% on a consolidated basis (21% in FY2022 and 14% in FY2021), majorly driven by increase in operating expenses resulting from strengthening of IT infrastructure and one-time fair value impact on the investment book during FY2022.

The strengths for the group are partially offset by the inherent volatility in capital markets and the highly competitive and fragmented nature of the broking industry. The risk is somewhat augmented as a significant portion of SMC group's revenues (approximately 69%* in FY2023) is from capital market related activities (broking and trading activities). However, ICRA has noted some improvement in diversification over the years with the increasing share of lending and other fee-based businesses (such as asset management, insurance broking) in the overall revenue mix. In lending business, the steps taken by the management to strengthen the risk management and underwriting processes & the calibrated growth approach provide comfort. Going forward, the company's ability to diversify its revenue stream, expand its operations while leveraging its wide geographical reach, ability to manage prudent capitalisation with increased working capital requirements, scale up its risk management systems in line with the business growth and improve its profitability remains critical.

**Approximately 69% includes 11% from insurance broking activities which is not dependent on capital markets*

Key rating drivers and their description

Credit strengths

Long track record and established market position – The company has a long track record of over three decades in the capital market segment. The company caters to both the retail and the institutional clients; however, the bulk of the business remains retail focused. The company has well established market position in the capital markets and has seen improvement in the market share over the past two years. In FY2023, Company recorded an increase of 9.72% in the client base of equity broking segment, and the discount broking segment recorded an increase of 83.52% in the number of clients; though the overall market share remains limited.

Comfortable liquidity position and capitalisation profile – SMC's broking business has a comfortable liquidity profile with adequate unutilized margins placed at the exchanges (average margin utilization at around 56% during FY2023), sufficient unencumbered cash and bank balance of Rs. 20.59 crore as on March 31, 2023 and adequate sanctioned and unutilised bank lines. The capitalization profile on consolidated levels stood comfortable with SMC's reported gearing at 1x on a net worth of Rs. 932.7 crore as on March 31, 2023. With the NBFC operating at modest gearing levels, the company may not require capital for growth in the near term.

Good asset quality indicators – SMC's asset quality remains largely under control with negligible write-offs in FY2023. It is further supported by the company's risk management policy with automated margin monitoring systems. ICRA has taken note that the asset quality indicators for the NBFC (Moneywise Financial Services Pvt. Ltd.) also recovered with GNPA improving from 2.8% in FY2022, to 2.3% in FY2023. The ability of the NBFC to grow the business while controlling the slippages going forward would be critical for maintaining the credit profile of the group.

Credit challenges

Moderation in profitability – The profitability for the group declined in FY2023 with the group reporting a net profit of Rs. 120 crore in FY2023 as compared with Rs. 175 crore in FY2022. This decline was largely on account of increase in operating expenses resulting from strengthening of IT infrastructure and one-time fair value impact on the investment book during FY2022. While similar impact from investment book is not expected in FY2024, there could be some moderation in the net interest margins given the higher working capital requirements and lower interest income, thus leading to some moderation in profitability in the broking business. Further, the NBFC business of the group continues to be in an expansion mode and hence operating expenses would remain high.

High dependence on capital markets is likely to keep the earnings profile volatile – The revenue profile of the group continues to be dominated by the capital market (approximately 69%* of the total revenues from brokerage segment and trading segment in FY2023) which are inherently vulnerable to market cycles. Net Brokerage income (35%), Net Interest income (32%) and the fee income received as a commission on selling of insurance and mutual funds to the clients (31%) along with other miscellaneous income (income from advisory services, delayed payment charges/Interest on MTF book of the company and the dividends received) accounted for the remaining 2% of the total operating revenue. While the company has demonstrated the ability to report profitability through cycles, nevertheless, the dependence on capital markets is likely to remain. In this regard, the Group's ability to profitably improve the diversification would be a key monitorable.

**Approximately 69% includes 11% from insurance broking activities which is not dependent on capital markets. Revised revenue composition: Net Brokerage income (25%), Net Interest income(32%), Fee income(41%) along with other miscellaneous income(2%).*

Competitive intensity likely to keep broking yields under pressure – The blended yields of the company in equity broking have been under pressure as a result of the highly competitive intensity along with the substantial share of the low yielding F&O segment in the overall equity trading volumes. Given the industry dynamics, the brokerage yields are expected to remain at similar levels going forward.

Environmental and social risks

SMC Global Securities Ltd. did not face material physical climate risks; however, they are exposed to environmental risks indirectly through their portfolio of assets. If the entities or businesses on whom banks and financial institutions have an exposure face business disruption because of physical climate adversities, or if such businesses face climate transition risks because of technological, regulatory, or customer behaviour changes, it could translate into credit risks for financial institutions. Further, the business activities are typically short-to-medium term in nature, that will allow it to adapt and take incremental exposure on businesses that face relatively lesser downside environmental risks.

With regard to the social risks, data security and customer privacy are among the key sources of vulnerabilities for financial institutions as any material lapses could be detrimental to the reputation and invite regulatory censure. As majority of SMC's services are digitally driven with high utility of information technology, SMC faces the risk of data breaches, cyber-attack and other operational risks affecting the customer data, trading, broking etc. However, SMC had no such instances in the past which indicates the risk management and processes are adequate.

Liquidity position: Adequate

SMC's broking business has adequate liquidity profile with unutilized margins placed at the exchanges (average margin utilisation of around 56% during the period of FY2023, sufficient unencumbered cash and bank balance of Rs. 20.6 crore as on March 31, 2023 along with an adequate amount of sanctioned and unutilised bank lines. The liquidity position of Moneywise Financial Services Pvt. Ltd., SMC's NBFC subsidiary, remains comfortable with positive cumulative mismatches across all its buckets due to its low gearing during FY2023. As on March 31, 2023, MFSPL had debt repayments (excluding interest) of Rs. 243.1 crore^ in next twelve months compared to expected inflows from advances of Rs. 484.2 crore during this period.

^Rs 158 crore (excluding WCDL, OD/CC)

Rating sensitivities

Positive factors – A significant improvement in the Group's revenue diversification along with improvement in profitability on a sustained basis may result in a rating upgrade.

Negative factors – The ratings could be revised downwards if there is a significant deterioration in the Group's profitability indicators, thereby adversely affecting its financial risk profile. The ratings could also face significant pressure if the credit quality of the NBFC deteriorates.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	ICRA's Credit Rating Methodology for Brokerage Houses Rating Approach – Consolidation
Parent/Group support	Not Applicable
Consolidation/Standalone	Consolidation

About the company

SMC Global Securities Limited (SMC) is a Delhi-based stockbroking company, which was incorporated on December 19, 1994 and is the flagship company of the SMC Group. SMC, with its subsidiaries, has a significant presence in almost all the important segments of financial services such as broking, distribution of third-party products and initial public offerings (IPOs), insurance broking, financing (NBFC), real estate advisory and wealth management, investment banking, clearing services, depository participant, non-resident Indian (NRI) and foreign portfolio investment (FPI) services, etc. SMC has a presence in more than 447 cities across India and is also present in the United Arab Emirates (UAE). It has a client base of over 2.0 million.

SMC on consolidated basis reported a profit after tax of Rs. 120 crore on an asset base of Rs. 3,315 crore as on March 31, 2023 when compared with a profit after tax of Rs. 175 crore on an asset base of Rs. 2,954 crore as on March 31, 2022.

On a standalone basis, SMC reported a PAT of Rs. 93.4 crore in FY2023 on an asset base of Rs. 2507.3 crore as on March 31, 2023 compared to a 144.6 crore in FY2022 on an asset base of Rs. 2,371.6 crore as on March 31, 2022.

Key financial indicators (audited)

SMC (consolidated)	FY2020/Mar-20	FY2021/Mar-21	FY2022/Mar-22	FY2023/Mar-23
Gross brokerage income	388.4	470.3	543.9	607.6
Net brokerage income	151.7	171.5	190.3	185.9
Trading income	158.9	170.9	191.0	165.1
Fee income	79.9	90.9	122.8	164.4
Net interest income	90.7	110.4	141.0	166.8
Net operating income (NOI)	325.7	388.7	478.4	525.7
Total operating expenses	429.6	399.2	472.1	541.4
Profit before tax	45.1	142.5	221.4	162.0
Profit after tax (PAT)	23.9	105.0	174.6	120.4
Net worth	681.4	772.7	926.1	932.7
Borrowings	291.5	499.31	513.91	963.6
Gearing (times)	0.32	0.64	0.55	1.0
Gearing (times; excl. lease liabilities)	0.27	0.60	0.52	1.0
Cost-to-income ratio	132%	103%	99%	103%
Cost-to-income ratio (incl. trading income)	89%	71%	71%	78%
Return on net worth	3%	14%	21%	13%
PAT/NOI	7%	27%	36%	23%

*Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; *Limited financials; ^ Includes other fee income*

Key financial indicators (audited)

SMC (standalone)	FY2020/Mar-20	FY2021/Mar-21	FY2022/Mar-22	FY2023/Mar-23
Gross brokerage income	152.5	213.6	251.5	235.9
Net brokerage income	88.5	117.6	134.8	119.0
Trading income	133.8	123.6	151.4	159.0
Fee income	72.4	77.3	108.7	141.6
Net interest income	31.9	48.6	75.3	81.0
Net operating income (NOI)	212.4	265.9	338.5	354.6
Total operating expenses	309.7	289.2	346.5	397.0
Profit before tax	37.6	105.2	182.2	119.9
Profit after tax (PAT)	29.7	74.9	144.6	93.4
Net worth	610.3	671.5	793.2	768.0
Borrowings	86.4	262.78	174.47	409.6
Gearing (times)	0.14	0.39	0.22	0.53
Cost-to-income ratio	146%	109%	102%	112%
Cost-to-income ratio (incl. trading income)	89%	74%	71%	77%
Return on net worth	5%	12%	20%	12%
PAT/NOI	14%	28%	43%	26%

*Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; *Limited financials; ^ Includes other fee income*

Status of non-cooperation with previous CRA: Not applicable

Any other information: ICRA notes the legal proceeding by the investigating authority with regard to the alleged violation of the Securities and Exchange Board of India's (SEBI) framework on system audit between October 2012 and September 2015 in relation to the NSE co-location facility. There has not been any adverse regulatory action on the Group, so far. Further, as per the management's perspective, there is no likely adverse impact of the same on the business or credit profile of the Group.

Rating history for past three years

Instrument	Current Rating (FY2024)				Chronology of Rating History for the Past 3 Years				
	Type	Amount Rated (Rs. crore)	Amount O/S as of Mar 31, 2023 (Rs. crore)	Date & Rating in FY2024 July 24, 2023	Date & Rating in FY2023 Nov 04, 2022	Date & Rating in FY2023 Aug 30, 2022	Date & Rating in FY2022 Aug 30, 2021	Date & Rating in FY2021 Sep 30, 2020	Date & Rating in FY2021 Aug 31, 2020
1 Commercial paper	ST	100	0	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
2 Long-term/short-term fund-based/non-fund based bank lines	LT/ST	1,500	1,500	[ICRA]A (Stable)/[ICRA]A1+	[ICRA]A (Stable)/[ICRA]A1+	[ICRA]A (Stable)/[ICRA]A1+	[ICRA]A (Stable)/[ICRA]A1+	[ICRA]A (Stable)/[ICRA]A1+	[ICRA]A (Stable)/[ICRA]A1+
3 NCD	LT	400	0	[ICRA]A (Stable)	-	-	-	-	-
4 Issuer Rating	LT	-	-	-	-	-	-	[ICRA]A (Stable); Withdrawn^	[ICRA]A (Stable)* Put on notice of withdrawal

*LT – Long term, ST – Short term*Issuer rating was put on notice of withdrawal on August 31, 2020; ^withdrawn as on September 30, 2020*

Complexity level of the rated instruments

Instrument	Complexity Indicator
Commercial paper	Very Simple
NCD	Simple
Long-term/short-term fund-based/non-fund based bank lines	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: Click Here

Annexure I: Instrument details as on March 31, 2023

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Long-term/Short-term fund-based/non-fund based bank lines	NA	NA	NA	100	[ICRA]A (Stable)/[ICRA]A1+
NA	Long-term/Short-term fund-based/non-fund based bank lines	NA	NA	NA	95	[ICRA]A (Stable)/[ICRA]A1+
NA	Long-term/Short-term fund-based/non-fund based bank lines	NA	NA	NA	5	[ICRA]A (Stable)/[ICRA]A1+
NA	Long-term/Short-term fund-based/non-fund based bank lines	NA	NA	NA	75	[ICRA]A (Stable)/[ICRA]A1+
NA	Long-term/Short-term fund-based/non-fund based bank lines	NA	NA	NA	15	[ICRA]A (Stable)/[ICRA]A1+
NA	Long-term/Short-term fund-based/non-fund based bank lines	NA	NA	NA	150	[ICRA]A (Stable)/[ICRA]A1+
NA	Long-term/Short-term fund-based/non-fund based bank lines	NA	NA	NA	225	[ICRA]A (Stable)/[ICRA]A1+
NA	Long-term/Short-term fund-based/non-fund based bank lines	NA	NA	NA	125	[ICRA]A (Stable)/[ICRA]A1+
NA	Long-term/Short-term fund-based/non-fund based bank lines	NA	NA	NA	125	[ICRA]A (Stable)/[ICRA]A1+
NA	Long-term/Short-term fund-based/non-fund based bank lines	NA	NA	NA	100	[ICRA]A (Stable)/[ICRA]A1+
NA	Long-term/Short-term fund-based/non-fund based bank lines	NA	NA	NA	90	[ICRA]A (Stable)/[ICRA]A1+
NA	Long-term/Short-term fund-based/non-fund based bank lines	NA	NA	NA	61	[ICRA]A (Stable)/[ICRA]A1+
NA	Long-term/Short-term fund-based/non-fund based bank lines	NA	NA	NA	54	[ICRA]A (Stable)/[ICRA]A1+
NA	Long-term/Short-term fund-based/non-fund based bank lines	NA	NA	NA	40	[ICRA]A (Stable)/[ICRA]A1+

NA	Long-term/Short-term fund-based/non-fund based bank lines	NA	NA	NA	100	[ICRA]A (Stable)/[ICRA]A1+
Unallocated	Long-term/Short-term fund-based/non-fund based bank lines	NA	NA	NA	140	[ICRA]A (Stable)/[ICRA]A1+
Yet to be placed	Commercial Paper	NA	NA	7-365 days	100.00	[ICRA]A1+
Yet to be placed	NCD	NA	NA	NA	400.00	[ICRA]A (Stable)

Source: Company, ICRA Research

Please click here to view details of lender-wise facilities rated by ICRA

Annexure II: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
SMC Global Securities Ltd.	Parent (Rated entity)	Full Consolidation
SMC Comtrade Limited	100.00%	Full Consolidation
SMC Investments & Advisors Limited	100.00%	Full Consolidation
Moneywise Financial Services Pvt. Ltd.	100.00%	Full Consolidation
SMC Capital Limited	100.00%	Full Consolidation
SMC Insurance Brokers Pvt. Ltd	90.00%	Full Consolidation
SMC Comex International DMCC	100.00%	Full Consolidation
Moneywise Finvest Limited	100.00%	Full Consolidation
SMC Global USA Inc	50.00%	Full Consolidation
SMC Global IFSC Private Limited	100.00%	Full Consolidation
SMC Real Estate Advisors Pvt. Ltd	100.00%	Full Consolidation
SMC & IM Capitals Investment Manager LLP	50.00%	Equity Method

Source: Company; Note: ICRA has taken a consolidated view of the parent (SMC), its subsidiaries and associates while assigning the ratings

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

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July 24, 2023(Revised)

SMC Global Securities Ltd.: [ICRA]A (Stable); rating assigned; earlier ratings reaffirmed, rated amount enhanced

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Commercial paper	25	100	[ICRA]A1+; reaffirmed/assigned
Long-term/short-term fund-based/non-fund based bank lines	1,500	1,500	[ICRA]A (Stable)/[ICRA]A1+; reaffirmed
NCD	-	400	[ICRA]A (Stable); assigned
Total	**1,525**	**2,000**	

**Instrument details are provided in Annexure I*

Rationale

While arriving at the ratings, ICRA has consolidated SMC Global Securities Limited (SMC) and its subsidiaries (collectively referred to as the SMC Group/the Group). The ratings factor in SMC's long track record in the capital market segment and its well-established network of branches and sub-brokers. The ratings also factor in the company's established market position along with the synergistic benefits arising from the Group's integrated presence across broking, clearing, distribution, wealth and lending activities.

The ratings also derive comfort from the Group's comfortable capitalisation profile with a gearing of 1x and a net worth of Rs. 932.7 crore on a consolidated basis as on March 31, 2023. ICRA notes that the leverage could go up from the current level, with the additional requirement of funding for SMC following the change in the regulations regarding segregation of client funds and scale-up in the lending business (housed in the non-banking financial company (NBFC) – Moneywise Financial Services Pvt. Ltd.), though the overall capitalisation levels is expected to remain commensurate with the rating level. The ratings also factor in the adequate liquidity profile of the group, with sufficient buffers in terms of margin utilisation with the exchanges (average utilisation was around 56% as at March 2023), sufficient unencumbered cash and bank balance of Rs. 20.6 crore as on March 31, 2023 and adequate sanctioned and unutilised bank lines. The asset quality indicators remain under control on a consolidated basis with negligible write-offs. ICRA also notes the recovery in the asset quality indicators at the NBFC level in FY2023, following some deterioration witnessed in FY2021 and FY2022 due to the impact of the Covid-19 pandemic. The performance of the lending business, in terms of growth and asset quality, would have a bearing on the overall credit profile of the Group. ICRA has taken note of the moderation in the Group's profitability in FY2023 with a return on average net worth (RoNW) of 13% on a consolidated basis (21% in FY2022 and 14% in FY2021), majorly driven by increase in operating expenses resulting from strengthening of IT infrastructure and adverse fair value changes in the investment book during FY2023.

The strengths for the group are partially offset by the inherent volatility in capital markets and the highly competitive and fragmented nature of the broking industry. The risk is somewhat augmented as a significant portion of SMC group's revenues (approximately 69%[1] in FY2023) is from capital market related activities (broking and trading activities). However, ICRA has noted some improvement in diversification over the years with the increasing share of lending and other fee-based businesses (such as asset management, insurance broking) in the overall revenue mix. In lending business, the steps taken by the

[1] Approximately 69% includes 11% from insurance broking activities which is not dependent on capital markets

management to strengthen the risk management and underwriting processes & the calibrated growth approach provide comfort. Going forward, the company's ability to diversify its revenue stream, expand its operations while leveraging its wide geographical reach, ability to manage prudent capitalisation with increased working capital requirements, scale up its risk management systems in line with the business growth and improve its profitability remains critical.

Key rating drivers and their description

Credit strengths

Long track record and established market position – The company has a long track record of over three decades in the capital market segment. The company caters to both the retail and the institutional clients; however, the bulk of the business remains retail focused. The company has well established market position in the capital markets and has seen improvement in the market share over the past two years. In FY2023, Company recorded an increase of 9.72% in the client base of equity broking segment, and the discount broking segment recorded an increase of 83.52% in the number of clients; though the overall market share remains limited.

Comfortable liquidity position and capitalisation profile – SMC's broking business has a comfortable liquidity profile with sufficient buffers in terms of margin utilisation with the exchanges (average margin utilization at around 56% during FY2023), sufficient unencumbered cash and bank balance of Rs. 20.59 crore as on March 31, 2023 and adequate sanctioned and unutilised bank lines. The capitalization profile on consolidated levels stood comfortable with SMC's reported gearing at 1x on a net worth of Rs. 932.7 crore as on March 31, 2023. With the NBFC operating at modest gearing levels, the company may not require capital for growth in the near term.

Good asset quality indicators – SMC's asset quality remains largely under control with negligible write-offs in FY2023. It is further supported by the company's risk management policy with automated margin monitoring systems. ICRA has taken note that the asset quality indicators for the NBFC (Moneywise Financial Services Pvt. Ltd.) also recovered with GNPA improving from 2.8% in FY2022, to 2.3% in FY2023. The ability of the NBFC to grow the business while controlling the slippages going forward would be critical for maintaining the credit profile of the group.

Credit challenges

Moderation in profitability – The profitability for the group declined in FY2023 with the group reporting a net profit of Rs. 120 crore in FY2023 as compared with Rs. 175 crore in FY2022. This decline was largely on account of increase in operating expenses resulting from strengthening of IT infrastructure and adverse fair value changes in the investment book during FY2023. While similar impact from investment book is not expected in FY2024, there could be some moderation in the net interest margins given the higher working capital requirements and lower interest income, thus leading to some moderation in profitability in the broking business. Further, the NBFC business of the group continues to be in an expansion mode and hence operating expenses would remain high.

High dependence on capital markets is likely to keep the earnings profile volatile – The revenue profile of the group continues to be dominated by the capital market (approximately 69%[2] of the total revenues from brokerage segment and trading segment in FY2023) which are inherently vulnerable to market cycles. Net Brokerage income (35%), Net Interest income (32%) and the fee income received as a commission on selling of insurance and mutual funds to the clients (31%) along with other miscellaneous income (income from advisory services, delayed payment charges/Interest on MTF book of the company and the dividends received) accounted for the remaining 2% of the total operating revenue. While the company has demonstrated the ability to report profitability through cycles, nevertheless, the dependence on capital markets is likely to remain. In this regard, the Group's ability to profitably improve the diversification would be a key monitorable.

[2] Approximately 69% includes 11% from insurance broking activities which is not dependent on capital markets. Revised revenue composition: Net Brokerage income (25%), Net Interest income(32%), Fee income(41%) along with other miscellaneous income(2%).

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^Rs 158 crore (excluding WCDL, OD/CC)

Rating sensitivities

Positive factors – A significant improvement in the Group's revenue diversification along with improvement in profitability on a sustained basis may result in a rating upgrade.

Negative factors – The ratings could be revised downwards if there is a significant deterioration in the Group's profitability indicators, thereby adversely affecting its financial risk profile. The ratings could also face significant pressure if the credit quality of the NBFC deteriorates.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	ICRA's Credit Rating Methodology for Brokerage Houses ICRA's Credit Rating Methodology for Non-Banking Finance Companies Rating Approach – Consolidation
Parent/Group support	Not Applicable
Consolidation/Standalone	Consolidation

About the company

SMC Global Securities Limited (SMC) is a Delhi-based stockbroking company, which was incorporated on December 19, 1994 and is the flagship company of the SMC Group. SMC, with its subsidiaries, has a significant presence in almost all the important segments of financial services such as broking, distribution of third-party products and initial public offerings (IPOs), insurance broking, financing (NBFC), real estate advisory and wealth management, investment banking, clearing services, depository participant, non-resident Indian (NRI) and foreign portfolio investment (FPI) services, etc. SMC has a presence in more than 447 cities across India and is also present in the United Arab Emirates (UAE). It has a client base of over 2.0 million.

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Profit before tax	45.1	142.5	221.4	162.0
Profit after tax (PAT)	23.9	105.0	174.6	120.4
Net worth	681.4	772.7	926.1	932.7
Borrowings	291.5	499.31	513.91	963.6
Gearing (times)	0.32	0.64	0.55	1.0
Gearing (times; excl. lease liabilities)	0.27	0.60	0.52	1.0
Cost-to-income ratio	132%	103%	99%	103%
Cost-to-income ratio (incl. trading income)	89%	71%	71%	78%
Return on net worth	3%	14%	21%	13%
PAT/NOI	7%	27%	36%	23%

*Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; *Limited financials; ^ Includes other fee income*

Key financial indicators (audited)

SMC (standalone)	FY2020/Mar-20	FY2021/Mar-21	FY2022/Mar-22	FY2023/Mar-23
Gross brokerage income	152.5	213.6	251.5	235.9
Net brokerage income	88.5	117.6	134.8	119.0
Trading income	133.8	123.6	151.4	159.0
Fee income	72.4	77.3	108.7	141.6
Net interest income	31.9	48.6	75.3	81.0
Net operating income (NOI)	212.4	265.9	338.5	354.6
Total operating expenses	309.7	289.2	346.5	397.0
Profit before tax	37.6	105.2	182.2	119.9
Profit after tax (PAT)	29.7	74.9	144.6	93.4
Net worth	610.3	671.5	793.2	768.0
Borrowings	86.4	262.78	174.47	409.6
Gearing (times)	0.14	0.39	0.22	0.53
Cost-to-income ratio	146%	109%	102%	112%
Cost-to-income ratio (incl. trading income)	89%	74%	71%	77%
Return on net worth	5%	12%	20%	12%
PAT/NOI	14%	28%	43%	26%

*Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; *Limited financials; ^ Includes other fee income*

Status of non-cooperation with previous CRA: Not applicable

Any other information: ICRA notes the legal proceeding by the investigating authority with regard to the alleged violation of the Securities and Exchange Board of India's (SEBI) framework on system audit between October 2012 and September 2015 in relation to the NSE co-location facility. There has not been any adverse regulatory action on the Group, so far. Further, as per the management's perspective, there is no likely adverse impact of the same on the business or credit profile of the Group.

Rating history for past three years

Instrument	Current Rating (FY2024)				Chronology of Rating History for the Past 3 Years				
	Type	Amount Rated (Rs. crore)	Amount O/S as of Mar 31, 2023 (Rs. crore)	Date & Rating in FY2024 July 24, 2023	Date & Rating in FY2023 Nov 04, 2022	Date & Rating in FY2023 Aug 30, 2022	Date & Rating in FY2022 Aug 30, 2021	Date & Rating in FY2021 Sep 30, 2020	Date & Rating in FY2021 Aug 31, 2020
1 Commercial paper	ST	100	0	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
2 Long-term/short-term fund-based/non-fund based bank lines	LT/ST	1,500	1,500	[ICRA]A (Stable)/[ICRA]A1+	[ICRA]A (Stable)/[ICRA]A1+	[ICRA]A (Stable)/[ICRA]A1+	[ICRA]A (Stable)/[ICRA]A1+	[ICRA]A (Stable)/[ICRA]A1+	[ICRA]A (Stable)/[ICRA]A1+
3 NCD	LT	400	0	[ICRA]A (Stable)	-	-	-	-	-
4 Issuer Rating	LT	-	-	-	-	-	-	[ICRA]A (Stable); Withdrawn^	[ICRA]A (Stable)* Put on notice of withdrawal

*LT – Long term, ST – Short term*Issuer rating was put on notice of withdrawal on August 31, 2020; ^withdrawn as on September 30, 2020*

Complexity level of the rated instruments

Instrument	Complexity Indicator
Commercial paper	Very Simple
NCD	Simple
Long-term/short-term fund-based/non-fund based bank lines	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: Click Here

Annexure I: Instrument details as on March 31, 2023

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Long-term/Short-term fund-based/non-fund based bank lines	NA	NA	NA	100	[ICRA]A (Stable)/[ICRA]A1+
NA	Long-term/Short-term fund-based/non-fund based bank lines	NA	NA	NA	95	[ICRA]A (Stable)/[ICRA]A1+
NA	Long-term/Short-term fund-based/non-fund based bank lines	NA	NA	NA	5	[ICRA]A (Stable)/[ICRA]A1+
NA	Long-term/Short-term fund-based/non-fund based bank lines	NA	NA	NA	75	[ICRA]A (Stable)/[ICRA]A1+
NA	Long-term/Short-term fund-based/non-fund based bank lines	NA	NA	NA	15	[ICRA]A (Stable)/[ICRA]A1+
NA	Long-term/Short-term fund-based/non-fund based bank lines	NA	NA	NA	150	[ICRA]A (Stable)/[ICRA]A1+
NA	Long-term/Short-term fund-based/non-fund based bank lines	NA	NA	NA	225	[ICRA]A (Stable)/[ICRA]A1+
NA	Long-term/Short-term fund-based/non-fund based bank lines	NA	NA	NA	125	[ICRA]A (Stable)/[ICRA]A1+
NA	Long-term/Short-term fund-based/non-fund based bank lines	NA	NA	NA	125	[ICRA]A (Stable)/[ICRA]A1+
NA	Long-term/Short-term fund-based/non-fund based bank lines	NA	NA	NA	100	[ICRA]A (Stable)/[ICRA]A1+
NA	Long-term/Short-term fund-based/non-fund based bank lines	NA	NA	NA	90	[ICRA]A (Stable)/[ICRA]A1+
NA	Long-term/Short-term fund-based/non-fund based bank lines	NA	NA	NA	61	[ICRA]A (Stable)/[ICRA]A1+
NA	Long-term/Short-term fund-based/non-fund based bank lines	NA	NA	NA	54	[ICRA]A (Stable)/[ICRA]A1+
NA	Long-term/Short-term fund-based/non-fund based bank lines	NA	NA	NA	40	[ICRA]A (Stable)/[ICRA]A1+

NA	Long-term/Short-term fund-based/non-fund based bank lines	NA	NA	NA	100	[ICRA]A (Stable)/[ICRA]A1+
Unallocated	Long-term/Short-term fund-based/non-fund based bank lines	NA	NA	NA	140	[ICRA]A (Stable)/[ICRA]A1+
Yet to be placed	Commercial Paper	NA	NA	7-365 days	100.00	[ICRA]A1+
Yet to be placed	NCD	NA	NA	NA	400.00	[ICRA]A (Stable)

Source: Company, ICRA Research

Please click here to view details of lender-wise facilities rated by ICRA

Annexure II: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
SMC Global Securities Ltd.	Parent (Rated entity)	Full Consolidation
SMC Comtrade Limited	100.00%	Full Consolidation
SMC Investments & Advisors Limited	100.00%	Full Consolidation
Moneywise Financial Services Pvt. Ltd.	100.00%	Full Consolidation
SMC Capital Limited	100.00%	Full Consolidation
SMC Insurance Brokers Pvt. Ltd	90.00%	Full Consolidation
SMC Comex International DMCC	100.00%	Full Consolidation
Moneywise Finvest Limited	100.00%	Full Consolidation
SMC Global USA Inc	50.00%	Full Consolidation
SMC Global IFSC Private Limited	100.00%	Full Consolidation
SMC Real Estate Advisors Pvt. Ltd	100.00%	Full Consolidation
SMC & IM Capitals Investment Manager LLP	50.00%	Equity Method

Source: Company; Note: ICRA has taken a consolidated view of the parent (SMC), its subsidiaries and associates while assigning the ratings

Corrigendum:

- Changes have been made in the language of the rationale to provide greater clarity on the analytical approach.
- Analytical Approach (pg-3): NBFC methodology has been cited since the credit profile of NBFC arm viz., Moneywise Financial Services Private Limited has also been considered while arriving at the rating for SMC.

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ABOUT ICRA LIMITED

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For more information, visit www.icra.in

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ANNEXURE C

CONSENT OF THE DEBENTURE TRUSTEE

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IDBI Trusteeship Services Ltd.
CIN : U65991MH2001GOI131154

Ref. No. 2544/ITSL/OPR/CL/24-25/DEB/238
Date: 14 June, 2024

To,
SMC Global Securities Limited
11/6B, Shanti Chambers Pusa Road,
New Delhi-110005,

Kind Attn: Mr. Chandresh Jain

Dear Sir,

Subject: Consent to act as Debenture Trustee for the proposed public issue of Secured, Redeemable, Rated, Listed Non-Convertible Debentures (NCDs) by SMC Global Securities Limited aggregating upto ₹ 150 Crores.

This is with reference to your e-mail dated October 26, 2024 regarding appointment of IDBI Trusteeship Services Limited ("ITSL") as Debenture Trustee for the proposed public issue of Secured, Redeemable, Rated, Listed Non-Convertible Debentures (NCDs) aggregating up to Rs. 150 crores (Rupees One Hundred and Fifty Crores only). In this connection, we confirm our acceptance of the assignment.

We are agreeable for inclusion of our name as Debenture Trustee in the disclosure document/ listing application/ any other document to be filed with the Stock Exchange(s) subject to the following conditions.

1) The Company hereby agree and undertakes to execute, the Debenture Trust Deed / Debenture Trustee Agreement, security documents and other necessary documents including necessary charge filing with Registrar of Companies etc. as applicable on such terms and conditions as agreed by the Debenture holders and disclose in the Information Memorandum or Disclosure Document as approved by the Debenture Trustee, within a period as per applicable law.

2) The Company hereby agree & undertakes to pay to the Debenture Trustee so long as they hold the office of the Debenture Trustee, remuneration as mutually agreed for their services as Debenture Trustee in addition to all legal, traveling and other costs, charges and expenses which the Debenture Trustee or their officers, employees or agents may incur in relation to execution of the Debenture Trust Deed and all other Documents affecting the Security till the monies in respect of the Debentures have been fully paid-off and the requisite formalities for satisfaction of charge in all respects, have been complied with.

3) The Company hereby agrees and undertakes to comply with the SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015, SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, SEBI Circular on Uniform Listing Agreement dated October 13th, 2015, SEBI (Debenture Trustees) Regulations, 1993, SEBI Circular bearing ref. no. SEBI/HO/DDHS-PoD3/P/CIR/2024/46 dated May 16, 2024 and Companies Act, 2013, as may be amended from time to time and such other applicable provisions as may be applicable from time to time and the Company agree to furnish to Debenture Trustee such information as may be required by Trustee on regular basis.

Looking forward to a fruitful association with you and assuring you of our best services at all times.

Yours faithfully,

For IDBI Trusteeship Services Limited

Authorised Signatory

डिबेंचर न्यासी

फार्म बी
FORM-B

DEBENTURE TRUSTEE

भारतीय प्रतिभूति और विनिमय बोर्ड
SECURITIES AND EXCHANGE BOARD OF INDIA

(डिबेंचर न्यासी) विनियम, 1993
(DEBENTURE TRUSTEE) REGULATIONS, 1993

000263

(विनियम 8)
(Regulation 8)

रजिस्ट्रीकरण प्रमाणपत्र
CERTIFICATE OF REGISTRATION

1) बोर्ड, भारतीय प्रतिभूति और विनिमय बोर्ड अधिनियम, 1992 के अधीन डिबेंचर न्यासी के लिए बनाए गए नियमों और विनियमों के साथ पठित इस अधिनियम की धारा 12 की उपधारा (1) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए

1) In exercise of the powers conferred by sub-section (1) of section 12 of the Securities and Exchange Board of India Act, 1992, read with the rules and regulations made thereunder for the debenture trustee the Board hereby grants a certificate of registration to

IDBI TRUSTEESHIP SERVICES LIMITED
ASIAN BUILDING, GROUND FLOOR
17, R. KAMANI MARG
BALLARD ESTATE
MUMBAI-400 001

को नियमों में, शर्तों के अधीन रहते हुए और विनियमों के अनुसार डिबेंचर न्यासी के रूप में रजिस्ट्रीकरण का प्रमाणपत्र इसमें इसके पश्चात प्रदान करता है

as a debenture trustee subject to the conditions in the rules and in accordance with the regulations.

2) डिबेंचर न्यासी के लिए रजिस्ट्रीकरण कूट है

2) Registration Code for the debenture trustee is

IND000000460

3) जब तक नवीकृत न किया जाए, रजिस्ट्रीकरण का प्रमाणपत्र से तक विधिमान्य रहेगा

3) Unless renewed, the certificate of registration is valid from

This certificate of registration shall be valid unless it is suspended or cancelled by the board

आदेश से
भारतीय प्रतिभूति और विनिमय बोर्ड
के लिए और उसकी ओर से
By order
For and on behalf of
Securities and Exchange Board of India

स्थान Place : **MUMBAI**

दिनांक Date : **FEBRUARY14, 2017**

MEDHASONPAROTE

प्राधिकृत हस्ताक्षरकर्ता Authorised Signatory

IDBI Trusteeship Services Ltd.
CIN : U65991MH2001GOI131154

Ref. No. 59521/ITSL/OPR//23-24
Date: November 03, 2023

To,
SMC Global Securities Limited
11/68, Shanti Chambers Pusa Road,
New Delhi-110005.

Kind Attn: Mr. Chandresh Jain

Dear Sir,

Subject: Offer to act as Debenture Trustee for the public issue of Secured, Redeemable, Rated, Listed Non-Convertible Debentures (NCDs) aggregating upto ₹ 150 Crores

This has reference to our discussion and your email dated 02nd November, 2023 regarding our offer to act as Debenture Trustee for the public issue of NCDs aggregating up to ₹ 150 crores.

At the request of the Issuer Company, we indicate our trusteeship remuneration for the said assignment as follows:

Charge Heads	Terms
Acceptance Fees	₹ 1,25,000/- plus applicable GST (One time payment, payable upfront and non-refundable)
Service Charges	₹ 1,00,000/- p.a. plus applicable GST. First such payment would become payable on the Date of Execution (DOE) till March, 2024; there after the Service Charges are payable on an annual basis in advance on April 1 every year till the redemption and satisfaction of charges in full.
Delay Payment Charges	In case the payment of service charges are not received within a period of 30 days from the date of the bill, ITSL reserves the right to charge "delayed payment charges" @ 12% p.a. on the outstanding amount.
Out of pocket expenses & statutory dues	Out of Pocket Expenses, Statutory Dues- Would be reimbursable on actual basis within 30 days of the claim. External Agencies Fees- Expenses relating to valuation, title & ROC search, asset cover certificate, etc. (as applicable) arranged through external agencies shall be payable on actual basis over and above the aforementioned fees.
Validity	This Offer letter is valid for a period of three (3) months from the date of this letter and shall stand automatically cancelled/ revoked/ withdrawn without any further communication/ reference to the Issuer Company unless otherwise revalidated by us. This Offer Letter shall not be construed as giving rise to any obligation on the part of ITSL to act as Debenture Trustees unless the Company communicates acceptance to ITSL within 3 days from the date of issuance of this letter and the Issuer Company also executes Trusteeship documents.
Reset Clause	Debenture Trustee shall have the right to reset the above referred service charges on expiry of 3 years from the date of this consent letter.
Any enforcement consequent to the event of default ("EOD") would attract separate charges	

Assuring you of our best services at all times.

Yours faithfully,
For IDBI Trusteeship Services Limited

Authorised Signatory

We accept the above terms
For SMC Global Securities Limited

Authorised Signatory

NOTE: *As per recent GST guidelines, ITSL would be required to pay the applicable GST on the amounts / charges payable to us as indicated above. Please note that the Company would be liable to pay all such charges even in the event of cancellation of the aforesaid transaction. Therefore, no refund of any statutory dues already paid would be made.*

ANNEXURE D

ILLUSTRATIVE CASHFLOWS

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SERIES I

24 Months – Annual	
Company	SMC Global Securities Limited
Face Value per NCD (in Rs.)	1000
Number of NCDs held (Assumed)	1
Deemed Date of allotment (Assumed)	Wednesday, August 07, 2024
Tenor	24 months
Coupon rate (in % per annum) for NCD Holders in all categories of Investors	10.00%
Redemption Date/ Maturity Date	Friday, August 07, 2026
Frequency of interest payment with specified dates	Annually on August 07, 2025 and August 07, 2026
Effective Yield (in % per annum) for NCD Holders in all categories of Investors	10.00%
Day Count Convention	Actual/Actual

Cash Flows	**Due Date**	**Date of Payment**	**No. of days in coupon period**	**Amount (in Rs.)**
Deemed date of allotment	Wednesday, August 07, 2024	Wednesday, August 07, 2024		(1,000.00)
1st coupon payment	Thursday, August 07, 2025	Thursday, August 07, 2025	365	100.00
2nd coupon payment	Friday, August 07, 2026	Friday, August 07, 2026	365	100.00
Principal/ Maturity value	Friday, August 07, 2026	Friday, August 07, 2026		1,000.00

SERIES II

24 Months – Cumulative	
Company	SMC Global Securities Limited
Face Value per NCD (in Rs.)	1000
Number of NCDs held (Assumed)	1
Deemed Date of allotment (Assumed)	Wednesday, August 07, 2024
Tenor	24 months
Coupon rate (in % per annum) for NCD Holders in all categories of Investors	NA
Redemption Date/ Maturity Date	Friday, August 07, 2026
Frequency of interest payment with specified dates	On Maturity
Effective Yield (in % per annum) for NCD Holders in all categories of Investors	10.00%
Day Count Convention	Actual/Actual

Cash Flows	**Due Date**	**Date of Payment**	**No. of days in coupon period**	**Amount (in Rs.)**
Deemed date of allotment	Wednesday, August 07, 2024	Wednesday, August 07, 2024		(1,000.00)
Coupon payment	Friday, August 07, 2026	August 07, 2026	730	1000.00
Principal/ Maturity value	Friday, August 07, 2026	August 07, 2026		1,000.00

SERIES III

36 Months – Annual	
Company	SMC Global Securities Limited
Face Value per NCD (in Rs.)	1000
Number of NCDs held (Assumed)	1
Deemed Date of allotment (Assumed)	Wednesday, August 07, 2024
Tenor	36 months
Coupon rate (in % per annum) for NCD Holders in all categories of Investors	10.20%
Redemption Date/ Maturity Date	Saturday, August 07, 2027
Frequency of interest payment with specified dates	Annually on August 07, 2025, August 07, 2026 and August 07, 2027
Effective Yield (in % per annum) for NCD Holders in all categories of Investors	10.20%
Day Count Convention	Actual/Actual

Cash Flows	**Due Date**	**Date of Payment**	**No. of days in coupon period**	**Amount (in Rs.)**
Deemed date of allotment	Wednesday, August 07, 2024	Wednesday, August 07, 2024		(1,000.00)
1st Coupon payment	Thursday, August 07, 2025	Thursday, August 07, 2025	365	102.00
2nd Coupon payment	Friday, August 07, 2026	Friday, August 07, 2026	365	102.00
3rd Coupon payment	Saturday, August 07, 2027	Saturday, August 07, 2027	365	102.00
Principal/ Maturity value	Saturday, August 07, 2027	Saturday, August 07, 2027		1,000.00

SERIES IV

36 Months – Cumulative	
Company	SMC Global Securities Limited
Face Value per NCD (in Rs.)	1000
Number of NCDs held (Assumed)	1
Deemed Date of allotment (Assumed)	Wednesday, August 07, 2024
Tenor	36 months
Coupon rate (in % per annum) for NCD Holders in all categories of Investors	NA
Redemption Date/ Maturity Date	Saturday, August 07, 2027
Frequency of interest payment with specified dates	On Maturity
Effective Yield (in % per annum) for NCD Holders in all categories of Investors	10.20%
Day Count Convention	Actual/Actual

Cash Flows	**Due Date**	**Date of Payment**	**No. of days in coupon period**	**Amount (in Rs.)**
Deemed date of allotment	Wednesday, August 07, 2024			(1,000.00)
Coupon payment	Saturday, August 07, 2027	Saturday, August 07, 2027	1095	1,000.00
Principal/ Maturity value	Saturday, August 07, 2027	Saturday, August 07, 2027		1,000.00

SERIES V

60 Months – Monthly	
Company	SMC Global Securities Limited
Face Value per NCD (in Rs.)	1000
Number of NCDs held (Assumed)	1
Deemed Date of allotment (Assumed)	Wednesday, August 07, 2024
Tenor	60 months
Coupon rate (in % per annum) for NCD Holders in all categories of Investors	9.94%
Redemption Date/ Maturity Date	Tuesday, August 07, 2029
Frequency of interest payment with specified dates	Monthly, first coupon payment on Sunday, September 01, 2024 and subsequently on first day of every month and the last coupon payment will be made at the time of redemption of the NCDs.
Effective Yield (in % per annum) for NCD Holders in all categories of Investors	10.40%
Day Count Convention	Actual/Actual

Cash Flows	**Due Date**	**Date of Payment**	**No. of days in coupon period**	**Amount (in Rs.)**
Deemed date of allotment	Wednesday, August 07, 2024	Wednesday, August 07, 2024		(1000)
1st Coupon payment	Sunday, September 01, 2024	Monday, September 02, 2024	25	6.81
2nd Coupon payment	Tuesday, October 01, 2024	Tuesday, October 01, 2024	30	8.17
3rd Coupon payment	Friday, November 01, 2024	Friday, November 01, 2024	31	8.44
4th Coupon payment	Sunday, December 01, 2024	Monday, December 02, 2024	30	8.17
5th Coupon payment	Wednesday, January 01, 2025	Wednesday, January 01, 2025	31	8.44
6th Coupon payment	Saturday, February 01, 2025	Saturday, February 01, 2025	31	8.44
7th Coupon payment	Saturday, March 01, 2025	Saturday, March 01, 2025	28	7.63
8th Coupon payment	Tuesday, April 01, 2025	Tuesday, April 01, 2025	31	8.44
9th Coupon payment	Thursday, May 01, 2025	Thursday, May 01, 2025	30	8.17
10th Coupon payment	Sunday, June 01, 2025	Monday, June 02, 2025	31	8.44
11th Coupon payment	Tuesday, July 01, 2025	Tuesday, July 01, 2025	30	8.17
12th Coupon payment	Friday, August 01, 2025	Friday, August 01, 2025	31	8.44
13th Coupon payment	Monday, September 01, 2025	Monday, September 01, 2025	31	8.44
14th Coupon payment	Wednesday, October 01, 2025	Wednesday, October 01, 2025	30	8.17

Cash Flows	Due Date	Date of Payment	No. of days in coupon period	Amount (in Rs.)
15th Coupon payment	Saturday, November 01, 2025	Saturday, November 01, 2025	31	8.44
16th Coupon payment	Monday, December 01, 2025	Monday, December 01, 2025	30	8.17
17th Coupon payment	Thursday, January 01, 2026	Thursday, January 01, 2026	31	8.44
18th Coupon payment	Sunday, February 01, 2026	Monday, February 02, 2026	31	8.44
19th Coupon payment	Sunday, March 01, 2026	Monday, March 02, 2026	28	7.63
20th Coupon payment	Wednesday, April 01, 2026	Wednesday, April 01, 2026	31	8.44
21st Coupon payment	Friday, May 01, 2026	Friday, May 01, 2026	30	8.17
22nd Coupon payment	Monday, June 01, 2026	Monday, June 01, 2026	31	8.44
23rd Coupon payment	Wednesday, July 01, 2026	Wednesday, July 01, 2026	30	8.17
24th Coupon payment	Saturday, August 01, 2026	Saturday, August 01, 2026	31	8.44
25th Coupon payment	Tuesday, September 01, 2026	Tuesday, September 01, 2026	31	8.44
26th Coupon payment	Thursday, October 01, 2026	Thursday, October 01, 2026	30	8.17
27th Coupon payment	Sunday, November 01, 2026	Monday, November 02, 2026	31	8.44
28th Coupon payment	Tuesday, December 01, 2026	Tuesday, December 01, 2026	30	8.17
29th Coupon payment	Friday, January 01, 2027	Friday, January 01, 2027	31	8.44
30th Coupon payment	Monday, February 01, 2027	Monday, February 01, 2027	31	8.44
31st Coupon payment	Monday, March 01, 2027	Monday, March 01, 2027	28	7.63
32nd Coupon payment	Thursday, April 01, 2027	Thursday, April 01, 2027	31	8.44
33rd Coupon payment	Saturday, May 01, 2027	Saturday, May 01, 2027	30	8.17
34th Coupon payment	Tuesday, June 01, 2027	Tuesday, June 01, 2027	31	8.44
35th Coupon payment	Thursday, July 01, 2027	Thursday, July 01, 2027	30	8.17
36th Coupon payment	Sunday, August 01, 2027	Monday, August 02, 2027	31	8.44
37th Coupon payment	Wednesday, September 01, 2027	Wednesday, September 01, 2027	31	8.44
38th Coupon payment	Friday, October 01, 2027	Friday, October 01, 2027	30	8.17
39th Coupon payment	Monday, November 01, 2027	Monday, November 01, 2027	31	8.44
40th Coupon payment	Wednesday, December 01, 2027	Wednesday, December 01, 2027	30	8.17
41st Coupon payment	Saturday, January 01, 2028	Saturday, January 01, 2028	31	8.44

Cash Flows	Due Date	Date of Payment	No. of days in coupon period	Amount (in Rs.)
42nd Coupon payment	Tuesday, February 01, 2028	Tuesday, February 01, 2028	31	8.44
43rd Coupon payment	Wednesday, March 01, 2028	Wednesday, March 01, 2028	29	7.90
44th Coupon payment	Saturday, April 01, 2028	Saturday, April 01, 2028	31	8.44
45th Coupon payment	Monday, May 01, 2028	Monday, May 01, 2028	30	8.15
46th Coupon payment	Thursday, June 01, 2028	Thursday, June 01, 2028	31	8.42
47th Coupon payment	Saturday, July 01, 2028	Saturday, July 01, 2028	30	8.15
48th Coupon payment	Tuesday, August 01, 2028	Tuesday, August 01, 2028	31	8.42
49th Coupon payment	Friday, September 01, 2028	Friday, September 01, 2028	31	8.42
50th Coupon payment	Sunday, October 01, 2028	Monday, October 02, 2028	30	8.15
51st Coupon payment	Wednesday, November 01, 2028	Wednesday, November 01, 2028	31	8.42
52nd Coupon payment	Friday, December 01, 2028	Friday, December 01, 2028	30	8.15
53rd Coupon payment	Monday, January 01, 2029	Monday, January 01, 2029	31	8.42
54th Coupon payment	Thursday, February 01, 2029	Thursday, February 01, 2029	31	8.42
55th Coupon payment	Thursday, March 01, 2029	Thursday, March 01, 2029	28	7.60
56th Coupon payment	Sunday, April 01, 2029	Monday, April 02, 2029	31	8.42
57th Coupon payment	Tuesday, May 01, 2029	Tuesday, May 01, 2029	30	8.17
58th Coupon payment	Friday, June 01, 2029	Friday, June 01, 2029	31	8.44
59th Coupon payment	Sunday, July 01, 2029	Monday, July 02, 2029	30	8.17
60th Coupon payment	Tuesday, August 07, 2029	Tuesday, August 07, 2029	37	10.08
Principal/ Maturity value	Tuesday, August 07, 2029			1000

SERIES VI

60 Months – Annual	
Company	SMC Global Securities Limited
Face Value per NCD (in Rs.)	1000
Number of NCDs held (Assumed)	1
Deemed Date of allotment (Assumed)	Wednesday, August 07, 2024
Tenor	60 months
Coupon rate (in % per annum) for NCD Holders in all categories of Investors	10.40%
Redemption Date/ Maturity Date	Tuesday, August 07, 2029
Frequency of interest payment with specified dates	Annually on August 07, 2025, August 07, 2026, August 07, 2027, August 07, 2028, and August 07, 2029
Effective Yield (in % per annum) for NCD Holders in all categories of Investors	10.40%
Day Count Convention	Actual/Actual

Cash Flows	**Due Date**	**Date of Payment**	**No. of days in coupon period**	**Amount (in Rs.)**
Deemed date of allotment	Wednesday, August 07, 2024	Wednesday, August 07, 2024		(1000)
1st Coupon payment	Thursday, August 07, 2025	Thursday, August 07, 2025	365	104.00
2nd Coupon payment	Friday, August 07, 2026	Friday, August 07, 2026	365	104.00
3rd Coupon payment	Saturday, August 07, 2027	Saturday, August 07, 2027	365	104.00
4th Coupon payment	Monday, August 07, 2028	Monday, August 07, 2028	366	104.00
5th Coupon payment	Tuesday, August 07, 2029	Tuesday, August 07, 2029	365	104.00
Principal/ Maturity value	Tuesday, August 07, 2029			1000