

# 47<sup>th</sup> Annual Report 2022

# Contents

	Page No
Directors' Report to the Members	7
Auditors' Report to the Members	33
Balance Sheet	41
Statement of Profit & Loss	42
Cash Flow Statement	44
Notes to Financial Statements	45



**BofA Securities India Limited**  
(Formerly DSP Merrill Lynch Limited)



**Board of Directors**

Mr. Asit Bhatia  
Mr. Arbind Maheswari  
Mr. Kumar Shah  
Ms. Mitali Ghosh  
Mr. Rajnarayan Balakrishnan  
Mr. Sudhir Jain  
Mr. Sundararaman Ramamurthy

Chairman and Whole-time Director  
Whole-time Director  
Independent Director  
Independent Director  
Whole-time Director  
Non-executive Director  
Non-executive Director

---

**Chief Financial Officer**

Mr. Naresh Shah

---

**Compliance Officer**

Mr. Shervin Purohit

---

**Company Secretary**

Mr. Samrat Sanyal

---

**Auditors**

B S R & Co. LLP

---

**Bankers**

Bank of America, N.A.

Citibank, N.A.

HDFC Bank Limited

ICICI Bank Limited

---

**Registered Office**

Ground Floor, A Wing, One BKC, G Block,  
Bandra Kurla Complex, Bandra (East), Mumbai 400 051  
**CIN** U74140MH1975PLC018618, **Tel** +91 22 66328000, **Fax** +91 22 66328580  
**E-mail** dg.secretarial@bofa.com, **Website** www.ml-india.com

---

**Registrar and Share Transfer Agent**

Link Intime India Private Limited  
C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083  
**Tel** +91 22 49186270, **Fax** +91 22 49186060  
**E-mail** rnt.helpdesk@linkintime.co.in, **Website** www.linkintime.co.in

---



## BofA Securities India Limited (Formerly known as DSP Merrill Lynch Limited)

### Directors' Report to the Members

Your Directors have pleasure in presenting the 47<sup>th</sup> Annual Report, together with the Audited Financial Statements of the Company, for the financial year ended March 31, 2022 (FY2021-22).

#### State of the Company's Affairs

#### Financial Highlights:

The Financial Results of the Company for FY2021-22 are summarized as under:

Particulars	For the Year ended FY2021-22 (Rs. in million)		For the Year ended FY2020-21 (Rs. in million)	
Gross Income		8,001		6,684
Profit before Depreciation and Tax		4,769		3,901
Depreciation and Amortization		328		375
Profit before Tax		4,441		3,526
Profit after Tax		3,398		2,693
Retained Earnings:				
Balance at the beginning of the year		16,082		13,381
Profit for the year	3,398		2,693	
Other Comprehensive Income for the year	6		8	
Total Comprehensive Income for the year		3,404		2,701
Less: Appropriations		Nil		Nil
Balance at the end of the year		19,486		16,082
Earnings per share (in Rs.)		147		116

Gross income for the year was Rs. 8,001 million, increased from Rs. 6,684 million in the previous year, primarily on account of increase in fees and commission income. Expenses increased to Rs. 3,560 million from Rs. 3,158 million in the previous year, primarily on account of increase in employee benefit cost. The profit before tax increased to Rs. 4,441 million from Rs. 3,526 million in the previous year. Profit after tax increased to Rs. 3,398 million from Rs. 2,693 million in the previous year.

#### Transfer to Reserves

The Board of Directors of your Company has decided not to transfer any amount to General Reserve from the profits of the Company for FY2021-22.



**Dividend**

The Board of Directors has decided not to recommend any Dividend on the Equity Shares of the Company for FY2021-22.

**Material Changes and Commitments Affecting the Financial Position of the Company**

There have been no material changes and commitments affecting the financial position of the Company, which have occurred between the end of FY2021-22 and the date of this Report.

**Share Capital**

During the year under review, there has been no change in the Share Capital of the Company. At the end of FY2021-22, the Authorized Share Capital stood at Rs. 10,937,500,000, divided into 283,750,000 Equity Shares of the face value of Rs. 10 each and 810,000,000 Cumulative Redeemable Preference Shares of the face value of Rs. 10 each.

The Issued, Subscribed and Paid-up Share Capital of the Company stood at Rs. 231,550,390, divided into 23,155,039 Equity Shares of the face value of Rs. 10 each, as on March 31, 2022.

**Significant Developments During the Year and Change in Nature of Business**

There were no significant changes in the nature of business of your Company during the year.

**Corporate Update, Operations and Future Outlook**

India was hit by a lethal Covid second wave, during April-May 2021. Economic activity started going back to normal after the second Covid wave subsided. Robust agriculture growth and latent demand in select sectors drove real GDP growth to 8.7% yoy in FY2021-22 from -6.6% yoy in FY2020-21. Nascent recovery required continued fiscal and monetary policy support. Centre's fiscal deficit as percentage of GDP moderated to 6.7% in FY2021-22 from 9.3% in FY2020-21. Increased government expenditure was supported by higher revenue growth. At the same time, the Reserve Bank of India Monetary Policy Committee continued to prioritize growth over inflation throughout FY2021-22, with no increase in policy repo rates.

With the revival of economic activity and earnings recovery, both the Investment Banking and the Equities business of the Company experienced strong revenue growth and maintained their top tier industry position.

**Capital Markets Business**

FY2021-22 was a landmark year for Indian Equity Capital Markets. As per PRIME Database Group, IPO fundraising was the highest ever in a fiscal year with 52 Indian corporates raising Rs. 1,114.17 Bn in FY2021-22. This was despite the last quarter seeing only 5 IPOs. The amount raised through IPOs in FY2021-22 was over 3.5 times, the amount raised in FY2020-21. The previous best year was FY2017-18 in which Rs. 815.53 Bn was raised. IPOs from new age technology start-ups and strong domestic and retail participation were the other key highlights of FY2021-22.

Despite concerns around increased interest rates and the geopolitical situation in the latter part of the year, the Nifty returned 17.5% gains for FY2021-22. FPIs sold US\$ 17.8 Bn (selling seen from October 2021) which was more than cushioned with investments by domestic institutions (US\$ 29.2 Bn). Net FDI inflows stayed strong at US\$ 39.8 Bn for the year.

Debt Capital Markets (G3) volumes were flattish at US\$ 19.7 Bn in FY2021-22, compared to ~US\$ 19.6 Bn in FY2020-21.

**Investment Banking**

The Industry wide M&A (announced) volumes was marginally higher by 3% at Rs. 8,163 Bn (vs. Rs. 7,820 Bn in the previous year). M&A deals in FY2021-22 were primarily in Technology, Banking & Finance, Healthcare and Utility & Energy sector.

Exchange rate used for US\$ = Rs. 75.8071

### Key Deals during FY2021-22

- Book Running Lead Manager for FSN E-Commerce Ventures Limited's (Nykaa) US\$ 715 Mm Initial Public Offering.
- Book Running Lead Manager for US\$ 2.9 Bn Rights Issue of Bharti Airtel Limited.
- Book Running Lead Manager for Macrotech Developers US\$ 537 Mm Qualified Institutional Placement.
- Joint Book runner for 5.0% stake sell-down (US\$ 913Mm) in HDFC Life by Standard Life Aberdeen through Block Trade.
- Joint Book runner for 3.4% stake sell-down (US\$ 443Mm) in SBI Cards by Carlyle through Block Trade.

### Mergers & Acquisitions

- Advised SoftBank on ~US\$ 3.5 Bn sale of its Renewable Power Portfolio to Adani Green Energy.
- Advised Google on US\$ 1 Bn investment in partnership with Bharti Airtel.
- Advised TPG Rise Climate Fund on US\$ 1 Bn investment in Electric Vehicle (Passenger) business of Tata Motors Limited.

### Debt Capital Markets

- Joint Global Coordinator and Joint Active Bookrunner for Reliance Industries Ltd 144A / Reg S US\$ 4.0 Bn senior notes offering comprising of US\$ 1.5 Bn (10 year), US\$ 1.75 Bn (30 year) and US\$ 750 Mm (40 year) tranches.
- Joint Global Coordinator, Joint Lead Manager and Joint Bookrunner for Axis Bank US\$ 600 Mm 144A / Reg S Perp NC5 Additional Tier 1 (AT1) Subordinated Sustainable Notes Offering.
- Joint Global Coordinator, Joint Lead Manager, Joint Bookrunner and B&D Agent for HDFC Bank US\$ 1.0 Bn 144A / Reg S Perp NC5 Additional Tier 1 (AT1) Subordinated Notes Offering.
- Joint Lead Manager and Joint Bookrunner for Greenko US\$ 1.0 Bn 144A / Reg S Senior Green Notes (7 year) Offering.
- Joint Lead Manager and Joint Bookrunner for Wipro US\$ 750 Mm 144A / Reg S Senior Notes (5 year) Offering.

### Franchise Awards

#### House Award

- Best M&A Advisor for 2021 (India) by The Asset.
- Best International Investment Bank (India) for 2021 by Finance Asia.
- Ranked No. 1 India Research team (2021) by Institutional Investor.
- Ranked No. 1 in revenue market share in the institutional investor space by McLagan.

#### Deal Awards

- Best M&A: ReNew Power de-SPAC merger with RMG II and PIPE placement by The Asset.
- Best IPO: Zomato US\$ 1.3 Bn by The Asset.
- Best QIP: Embassy Office Parks REIT's Rs. 36.8 Bn follow-on by The Asset.
- Best Sustainability Bond – FI: Axis Bank US\$ 600 Mm sustainable perpetual securities by The Asset.
- Best Corp Bond: Bharti Airtel US\$ 1.25 Bn senior notes, perpetual securities by The Asset.
- Best Bank Capital Bond: HDFC Bank US\$ 1 Bn tier-1 subordinate notes by The Asset.
- Best New Bond: Wipro US\$ 750 Mm senior notes by The Asset.
- Best Innovative Deal: Summit Digitel US\$ 500 Mm senior secured notes by The Asset.
- Best Sustainability Loan: UPL Corp US\$ 750 Mm syndicated term loan by The Asset.
- Best Corporate Bond in APAC: Reliance Industries US\$ 4 Bn triple-tranche bond, 2022 by The Banker.
- Best FIG Financing in APAC: Axis Bank US\$ 600 Mm sustainable perpetual bond, 2021 by The Banker.

### Business Outlook

The global geopolitical situation, elevated commodity prices and the rising interest rate environment, impart considerable uncertainty to the domestic growth outlook. We expect real GDP growth rate to moderate from 8.7% yoy in FY2021-22 to 7.4% yoy in FY2022-23. Although yoy growth rate is expected to slow on fading base effects, sequentially, we still see growth in India doing better. We expect a gradual recovery in Equity Broking, Equity Capital Markets and Investment Banking volumes by the second half of FY 2022-23.

**Extract of Annual Return**

In terms of section 92(3) of the Companies Act, 2013 and rule 12 of the Companies (Management and Administration) Rules, 2014, the draft Annual Return of the Company is available on the website of the Company at <https://www.ml-india.com/announcements>.

**Number of Meetings of the Board**

During FY2021-22 all the Board meetings were conducted through audio visual means, as per the circulars/rules issued by the Ministry of Corporate Affairs, from time to time.

The Board of Directors met six times during FY2021-22 on the dates as stated below:

Sr. No.	Date of Board Meetings
1.	May 28, 2021
2.	June 15, 2021
3.	June 15, 2021
4.	August 26, 2021
5.	December 15, 2021
6.	March 24, 2022

**Board of Directors**

The details of Directors as on the date of this Report are as follows:

Sr. No.	Name of the Director	Designation	Director Identification Number (DIN)	Dates of Appointment
1.	Mr. Asit Bhatia	Chairman & Whole-time Director	05112750	Appointed as Director on November 25, 2011 Appointed as Whole-time Director for the period June 16, 2021 to June 15, 2024;
2.	Mr. Arbind Maheswari	Whole-time Director	07415888	1 <sup>st</sup> Term: January 25, 2016 to January 24, 2019; 2 <sup>nd</sup> Term: January 25, 2019 to January 24, 2022; 3 <sup>rd</sup> Term: January 25, 2022 to January 24, 2025;
3.	Mr. Rajnarayan Balakrishnan	Whole-time Director	06694243	1 <sup>st</sup> Term: May 28, 2015 to May 27, 2018; 2 <sup>nd</sup> Term: May 28, 2018 to May 27, 2021; 3 <sup>rd</sup> Term: May 28, 2021 to May 27, 2024;
4.	Mr. Sundararaman Ramamurthy	Non-executive Director	05297538	March 20, 2015;
5.	Mr. Sudhir Jain	Non-executive Director	08765695	July 24, 2020;
6.	Ms. Mitali Ghosh	Independent Director	09184497	1 <sup>st</sup> Term: June 15, 2021 to June 14, 2026.
7.	Mr. Kumar Shah	Additional Independent Director	00033865	1 <sup>st</sup> Term : July 14, 2022 to July 13, 2027

**Changes in Directors till the Date of the Report****Appointment(s) / Re-appointment(s)**

Mr. Sundararaman Ramamurthy (DIN: 05297538), Director of the Company, who retired by rotation in accordance with section 152(6) of the Companies Act, 2013 ('the Act'), at the Annual General Meeting of the Company held on September 30, 2021, was duly re-appointed at the said meeting.

Mr. Arbind Maheswari (DIN: 07415888), Whole-time Director, Key Managerial Personnel of the Company, who retired by rotation in accordance with section 152(6) of the Act, at the Annual General Meeting of the Company held on September 30, 2021, was duly re-appointed at the said meeting.

In accordance with the provisions of sections 2(51), 196, 197 and 203 of the Act and other applicable provisions of the Act, Mr. Rajnarayan Balakrishnan (DIN: 06694243), was re-appointed by the Board of Directors at its meeting held on May 28, 2021 as the Whole-time Director, Key Managerial Personnel of the Company, liable to retire by rotation, for a period of 3 years, with effect from May 28, 2021 till May 27, 2024. The appointment was approved by the Members of the Company at the Annual General Meeting of the Company held on September 30, 2021.

In accordance with the provisions of sections 2(51), 196, 197 and 203 of the Act and other applicable provisions of the Act, approval of the Board of Directors was accorded for change in designation of Mr. Asit Bhatia (DIN: 05112750), from Non - Executive Director to Whole-time Director, liable to retire by rotation. Mr. Asit Bhatia was appointed as Whole-time Director, Key Managerial Personnel of the Company by the Board of Directors, at its meeting held on June 15, 2021, for a period of 3 years, with effect from June 16, 2021 till June 15, 2024. The appointment was approved by the Members of the Company at the Annual General Meeting of the Company held on September 30, 2021.

In accordance with the provisions of section 149, 152 and other applicable provisions of the Act, Ms. Mitali Ghosh (DIN: 09184497) was appointed as the Independent Director of the Company by the Board of Directors at its Meeting held on June 15, 2021, for a period of 5 years, with effect from June 15, 2021 till June 14, 2026. The appointment was approved by the Members of the Company at the Annual General Meeting of the Company held on September 30, 2021. Ms. Mitali Ghosh fulfils the criteria with regard to integrity, expertise and experience (including the proficiency) in compliance of relevant provisions of rule 6 of the Companies (Appointments and Qualifications of Directors) Rules, 2014.

In accordance with the provisions of sections 2(51), 196, 197 and 203 of the Act and other applicable provisions of the Act, Mr. Arbind Maheswari (DIN: 07415888), was re-appointed by the Board of Directors, at its Meeting held on August 26, 2021, as the Whole-time Director, Key Managerial Personnel of the Company, liable to retire by rotation, for a period of 3 years, with effect from January 25, 2022 till January 24, 2025. The appointment was approved by the Members of the Company at the Annual General Meeting of the Company held on September 30, 2021.

In accordance with the provisions of sections 149, 152 and other applicable provisions of the Act and other applicable provisions of the Act, Mr. Kumar Shah (DIN: 00033865) was appointed as the Additional Independent Director of the Company by the Board of Directors, at its meeting held on July 14, 2022, for a period of 5 years, with effect from July 14, 2022 till July 13, 2027 and the same shall be approved by the Members of the Company at the forthcoming Annual General Meeting of the Company. Mr. Kumar Shah fulfils the criteria with regard to integrity, expertise and experience (including the proficiency) in compliance of relevant provisions of rule 6 of the Companies (Appointments and Qualifications of Directors) Rules, 2014.

**Cessation/Resignation**

Pursuant to the provisions of section 149 and other applicable provisions of the Act, the term of Ms. Charulata Sippy, as Independent Director of the Company, ended on June 15, 2022. Therefore, Ms. Charulata Sippy ceased to be the Director of the Company with effect from June 15, 2022. The Directors placed on record their sincere appreciation of the valuable contribution and services rendered by Ms. Charulata Sippy during her tenure as an Independent Director of the Company.

No Directors have resigned from the Board of the Company, since April 1, 2021, till the date of this report.

**Declaration Given by Independent Directors and Statement on Compliance of Code of Conduct**

The Company has received declaration from both its Independent Directors, Ms. Mitali Ghosh (DIN: 09184497) and Mr. Kumar Shah (DIN: 00033865), confirming that they meet the criteria of independence, as prescribed under section 149(6) of the Companies Act, 2013.

Further, the Independent Directors have complied with the Code for Independent Directors, prescribed in schedule IV to the Companies Act, 2013.

**Changes in Key Managerial Personnel's till the Date of the Report****Appointment(s)/Re-appointment(s)**

By virtue of the re-appointment as stated above, Mr. Rajnarayan Balakrishnan was re- appointed as the Key Managerial Personnel of the Company, with effect from May 28, 2021.

By virtue of the appointment as Whole-time Director, as stated above, Mr. Asit Bhatia was appointed as the Key Managerial Personnel of the Company, with effect from June 16, 2021.

By virtue of the re-appointment as stated above, Mr. Arbind Maheswari was re- appointed as the Key Managerial Personnel of the Company, with effect from January 25, 2022.

The other Key Managerial Personnel, namely Mr. Samrat Sanyal, Company Secretary and Mr. Naresh Shah, Chief Financial Officer remain in their respective positions.

**Resignation**

No Key Managerial Personnel of the Company have resigned since April 1, 2021, till the date of this report.

**Directors' Responsibility Statement**

Pursuant to section 134(5) of the Companies Act, 2013 ('the Act'), your Directors confirm that -

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the financial year ended March 31, 2022 and of the profit of the Company for that period;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared the annual accounts on a going concern basis;
- e) the Directors had laid down internal financial controls with reference to the financial statements to be followed by the Company and such internal financial controls are adequate and were operating effectively;
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## Evaluation of Board Performance

In accordance with the provisions of the Companies Act, 2013, the performance of the Board of Directors and of its Committees and individual Directors were evaluated taking into consideration various performance related aspects.

Ms. Mitali Ghosh (DIN: 09184497) and Ms. Charulata Sippy (DIN: 07508021) (term expired as Independent Director with effect from June 15, 2022) Independent Directors of the Company, reviewed the matters pertaining to performance evaluation of the Board, Committees and Directors, as prescribed under schedule IV of the said Act, at a separate meeting of Independent Directors convened on March 24, 2022.

The Independent Directors had the following observations

The Board, the Audit Committee, the Corporate Social Responsibility Committee and the Nomination and Remuneration Committee of the Company are operating in an effective and efficient manner. Critical business issues are deliberated at meetings and complete financial information are reported in a timely manner. The Board members have appropriate and diverse range of Indian and international experience and possesses appropriate regulatory knowledge and are conversant with the evolving regulatory landscape. Board and the Committees are balanced and productive and maintain high standards of corporate governance with appropriate oversight of risk. There is a smooth and timely flow of information between the Board, Committees and the Company management.

The Company is not listed on any stock exchanges and only 0.05% of the Company's shares are held by external shareholders. The Company holds Annual General Meeting of the shareholders every year and maintains a healthy dialogue.

In general, the Independent Directors expressed their satisfaction in respect of the following aspects of governance:

- a) Performance of non-Independent Directors and the Board as a whole;
- b) Performance of the Chairperson of the Company, taking into account the views of the executive and non-executive Directors;
- c) The quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform its duties;
- d) The Company Secretary performed his duties in connection with the Board effectively.

Both the Independent Directors stated that the aforesaid criteria were being met to their satisfaction. Further, the Directors agreed that key open items, if any, would be presented to the Board at regular intervals.

The Board of Directors at its meeting dated March 24, 2022, reviewed the performance of every (i) Director; (ii) Committees; and (iii) Board as a whole in terms of the under mentioned parameters and formed the following opinion:

- The information provided to Directors prior to Board meetings meets desired expectations in terms of the flow of information, adequacy and compliance with the applicable laws;
- The Board of Directors of the Company were effective in decision making;
- The Company's systems of control were effective for identifying material risks and reporting material violations of policies and law;
- The Board of Directors are effective in providing necessary advice and suggestions to the Company's Management;
- The Board Chairman effectively and appropriately leads and facilitates the Board meetings and the policy and governance work of the Board;
- The Board Committees devote adequate time in discharging their duties;
- The Directors encouraged open communication, meaningful participation, and timely resolution of issues, at various meetings;
- The Directors have knowledge of the sector in which the Company operates.
- The Company Secretary performed his duties in connection with the Board effectively.

**Policy on Directors' Appointment and Remuneration**

The Company's Policy on Directors' Appointment and Remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters, as prescribed under section 178(3) of the Companies Act, 2013, has been annexed as **ANNEXURE-I** and forms part of this Report.

**Committees of the Board**

During FY2021-22 all the committee meetings were conducted through audio visual means, as per the circulars/rules issued by the Ministry of Corporate Affairs from time to time.

Pursuant to the provisions of section 149 of the Companies Act, 2013, the term of Ms. Charulata Sippy, as Independent Director of the Company, ended on June 15, 2022. Therefore, Ms. Charulata Sippy ceased to be member of Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee, with effect from June 15, 2022.

Mr. Kumar Shah (DIN:00033865) was appointed as the Independent Director of the Company, by the Board, with effect from July 14, 2022.

**(i) Audit Committee:**

The composition of the Audit Committee, as on the date of the Report, is as under:

- 1) Mr. Kumar Shah (DIN:00033865)\*
- 2) Ms. Mitali Ghosh (DIN: 09184497)
- 3) Mr. Sundararaman Ramamurthy (DIN: 05297538)

The Audit Committee met four times, during the year under review, on June 15, 2021, August 26, 2021, December 15, 2021 and March 24, 2022.

Ms. Charulata Sippy was a member of the Committee till June 15, 2022.

\*Mr. Kumar Shah was appointed as a member of the Committee on July 14, 2022.

**(ii) Nomination and Remuneration Committee:**

The composition of the Nomination and Remuneration Committee, as on the date of the Report, is as under:

- 1) Mr. Kumar Shah (DIN:00033865)\*
- 2) Ms. Mitali Ghosh (DIN: 09184497)
- 3) Mr. Sundararaman Ramamurthy (DIN: 05297538)

The Nomination and Remuneration Committee met five times, during the year under review, on May 28, 2021, June 15, 2021, June 15, 2021, August 26, 2021 and March 24, 2022.

Ms. Charulata Sippy was a member of the Committee till June 15, 2022.

Mr. Sudhir Jain was a member of the Committee from June 22, 2022 till July 14, 2022.

\*Mr. Kumar Shah was appointed as a member of the Committee on July 14, 2022.

**(iii) Corporate Social Responsibility Committee:**

The composition of the Corporate Social Responsibility Committee, as on the date of the Report, is as under:

- 1) Mr. Asit Bhatia (DIN: 05112750)
- 2) Ms. Mitali Ghosh (DIN: 09184497)\*
- 3) Mr. Sundararaman Ramamurthy (DIN: 05297538)

The Corporate Social Responsibility Committee met three times, during the year under review, on August 26, 2021, December 15, 2021 and March 24, 2022.

Ms. Charulata Sippy was a member of the Committee till June 15, 2022.

\* Ms. Mitali Ghosh was appointed as a member of the Committee with effect from July 14, 2022.

(iv) Technology Committee:

The composition of the Technology Committee, as on the date of the Report, is as under:

- 1) Mr. Arbind Maheswari (DIN: 07415888)
- 2) Mr. Ajit Nair\*
- 3) Ms. Prittam Desai
- 4) Mr. Sarfraz Ahmed
- 5) Mr. Sethu Thangavelu

The Technology Committee met twice during the year under review, on June 24, 2021 and December 1, 2021.

\*Mr. Ajit Nair was appointed as a member of the Committee with effect from July 29, 2022.

Mr. Praveen Galav ceased to be a member of the Committee with effect from October 31, 2021.

Mr. Satish Pandey ceased to be a member of the Committee with effect from July 29, 2022.

### **Auditors**

#### **Statutory Auditors:**

In accordance with section 139 of the Companies Act, 2013, M/s. B S R & Co. LLP, Chartered Accountants, (ICAI Firm Registration No. 101248W/W-100022), were appointed by the shareholders of the Company at the Annual General Meeting held on September 27, 2019, as Statutory Auditors, for a period of 5 years, to hold office until the conclusion of the 49th Annual General Meeting of the Company in year 2024.

The Auditors' Report, for the year under review, issued by M/s. B S R & Co. LLP, Chartered Accountants, does not contain any qualification, reservation, adverse remark or disclaimer.

#### **Secretarial Auditors:**

Your Directors have appointed M/s. Surendra Kanstiya Associates, Company Secretaries, as the Secretarial Auditor of the Company, in accordance with section 204 of the Companies Act, 2013 ('the Act') and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

In terms of the provisions of section 204(1) of the Act, the Secretarial Audit Report for FY2021-22, in the prescribed Form MR-3, is annexed as **ANNEXURE-II** and forms part of this Report.

The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

#### **Reporting of Frauds by the Auditors**

During the year under review, the Auditors have not reported any instances of frauds committed in the Company by its Officers or Employees, to the Audit Committee, under section 143(12) of the Companies Act, 2013, that warrants mention in this Report.

#### **Risk Management Policy**

The extract of the Risk Management Policy, adopted by the Company, including identification of elements of risk pursuant to section 134(3)(n) of the Companies Act, 2013, is attached as **ANNEXURE-III** and forms part of this Report.

#### **Corporate Social Responsibility**

The extract of the Corporate Social Responsibility Policy implemented by the Company and the initiatives taken during the year under review, pursuant to section 134(3)(o) of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014 is attached as **ANNEXURE-IV** and forms part of this Report.

#### **Changes in Company's Subsidiary, Joint Venture or Associate Company**

There are no companies which have become or ceased to be the Company's subsidiary, joint venture or associate company during the year under review.



**Statement Containing Salient Features of the Financial Statement of Subsidiaries, Joint Ventures and Associate Companies**

Since the Company does not have any subsidiary company, joint ventures and associate companies, accordingly, Form AOC-1 shall not be applicable to the Company, for the year under review.

**Particulars of Loans, Guarantees or Investments**

The Company has not given loans, provided guarantees or made investments under section 186 of the Companies Act, 2013, during the year under review.

**Particulars of Contracts or Arrangements with Related Parties**

All contracts, arrangements and transactions entered by the Company with the related parties, during FY2021-22, were in the ordinary course of business and on arm's length basis. During the year under review, the Company had not entered into any contract or arrangement with related parties, referred to in section 188(1) of the Companies Act, 2013 ('the Act'), which could be considered material. Accordingly, the disclosure of related party transactions to be provided under section 134(3)(h) of the Act, in Form AOC-2 is not applicable to the Company. Contracts or arrangement or transactions are considered as 'material' if they exceed the limit requiring Shareholder's approval, as specified in section 188 of the Act and rules made thereunder.

**Deposits**

The Company has not accepted any deposits during FY2021-22, from the public, within the meaning of section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

**Material and Significant Orders Passed by Regulators or Courts or Tribunals**

During the period under review, there were no material and significant orders passed by any Regulators or Courts or Tribunals against the Company, impacting its status as going concern and its future operations.

**Internal Financial Controls with Reference to Financial Reporting**

The Company has an adequate internal financial controls system with reference to financial reporting in all material respects that is commensurate with the size and nature of its business and such internal financial controls over financial reporting are operating effectively.

**Conservation of Energy and Technology Absorption**

Disclosures pertaining to conservation of energy and technology absorption are not applicable to your Company, during the year under review.

**Foreign Exchange Earnings and Outgo**

Foreign Exchange earnings of the Company during FY2021-22 were Rs. 1,157 million (previous year Rs. 922 million) while outgoings were Rs. 334 million (previous year Rs. 243 million).

**Details of Issue of Sweat Equity Shares**

During the period under review, no Sweat Equity Shares were issued by the Company.

**Compliance with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company has in place an Internal Committee and has also formulated the Policy on Prevention and Redressal of Sexual Harassment of Women at the Workplace, in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

There are nil complaints filed during FY2021-22, under the aforesaid Act.

**Acknowledgement**

The Board places on record its appreciation for the wholehearted and sincere co-operation received by the Company during the year from the employees, clients, bankers, shareholders, regulators and various government authorities at all levels.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF**

**BofA SECURITIES INDIA LIMITED**

**Sd/-**

**ASIT BHATIA**

**CHAIRMAN & WHOLE-TIME DIRECTOR**

**(DIN 05112750)**

**Sd/-**

**RAJNARAYAN BALAKRISHNAN**

**WHOLE-TIME DIRECTOR**

**(DIN 06694243)**

Date: July 29, 2022

Place : Mumbai

**ANNEXURES TO THE DIRECTORS' REPORT****ANNEXURE-I****BofA Securities India Limited's (the "Company") Policy on Director's Appointment by Nomination and Remuneration Committee****1. Background**

The Nomination and Remuneration Committee ("the Committee") is a committee of the Board of Directors ("the Board") of the Company to exercise oversight with respect to the Company's compliance with requirements set forth under section 178 of the Companies Act, 2013 ("the Act"). The Committee reports to the Board as required.

The Committee is authorized to investigate any activity or matter within this Policy and the Charter or as authorized by the Board.

The Committee has full and unrestricted access to information as it may be reasonably required and able to obtain independent professional advice deemed necessary.

**2. Scope of Duties**

The Committee is responsible for exercising oversight with respect to the Company's compliance with the applicable provisions of the Act which include:

**A. Nomination**

- Identification of persons who are qualified to become Directors and recommending to the Board their appointment
- Formulating the criteria for determining the qualifications, positive attributes and independence of the Directors
- Discussing the proposals for new incumbent(s) who are nominated to be Director to the Board of Directors of the Company
- Reviewing the qualification and credentials of every person nominated to the Board
- Assessing the suitability of the person so nominated to be on the Board of Directors
- Discussing and recommending to the Board that the nominated person is fit and proper person to act as Director to the Company
- Specifying the manner for effective evaluation of performance of Board, the committees constituted by the Company as per the requirements of the Companies Act, 2013 and individual Directors
- Reviewing the implementation and compliance of the manner specified for effective evaluation
- Recommending to the Board of Directors of the Company the removal of Directors
- Identification of persons who may be appointed as the Key Managerial Personnel of the Company, as defined under section 2(51) of the Companies Act, 2013 and who may be appointed in the Senior Management and recommending to the Board their appointment
- Recommending to the Board the removal of Senior Management.

**B. Remuneration**

- Recommend to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees
- As required by the Act, while formulating the policy, the Committee shall ensure that:
  - 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.
  - The relationship of remuneration to performance is clear and meets appropriate performance benchmark

- The remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- The review of compensation decisions for Research Analysts shall be as required by the Securities and Exchange Board of India (Research Analysts) Regulations

### **3. Director Remuneration**

- The Company's Independent Director remuneration philosophy is designed to appropriately remunerate its non-management Directors for the time and effort required to serve. Independent Directors receive remuneration for their participation in the Board or Committees of the Board, which is based on a market analysis in order to provide competitive annual payments reflective of market practices.
- All internal Directors are remunerated based on their scope of responsibility, experience, market pressures and accountability as employees of the Company. Internal Directors do not receive additional remuneration for their membership or participation in the Board or Committees of the Board.

#### **Criteria for Independent Directors as per Section 149(6) of the Companies Act, 2013 Read with Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014**

An Independent Director in relation to a company, means a Director other than a Managing Director or a Whole-time Director or a Nominee Director:

- a) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise, experience, appropriate skills and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the company's business;
- b) (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;  
(ii) who is not related to promoters or Directors in the company, its holding, subsidiary or associate company;
- c) who has or had no pecuniary relationship, other than remuneration as such Director or having transaction not exceeding ten percent of his total income or such amount as may be prescribed, with the company, its holding, subsidiary or associate company, or their promoters, or Directors, during the two immediately preceding financial years or during the current financial year;
- d) none of whose relatives -
  - i. is holding any security of or interest in the company, its holding, subsidiary or associate company during the two immediately preceding financial years or during the current financial year:  
  
Provided that the relative may hold security or interest in the company of face value not exceeding fifty lakh rupees or two percent of the paid-up capital of the company, its holding, subsidiary or associate company or such higher sum as may be prescribed;
  - ii. is indebted to the company, its holding, subsidiary or associate company or their promoters, or Directors, for an amount of fifty lakh rupees, at any time during the two immediately preceding financial years or during the current financial year;
  - iii. has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its holding, subsidiary or associate company or their promoters, or Directors of such holding company, for an amount of fifty lakh rupees, at any time during the two immediately preceding financial years or during the current financial year; or

- iv. has any other pecuniary transaction or relationship with the company, or its subsidiary, or its holding or associate company amounting to two per cent. or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (i),(ii) or (iii);
- e) who, neither himself nor any of his relatives -
- i. holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
- Provided that in case of a relative who is an employee, the restriction under this clause shall not apply for his employment during preceding three financial years.
- ii. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of -
- a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
  - any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent. or more of the gross turnover of such firm;
- iii. holds together with his relatives two per cent or more of the total voting power of the company; or
- iv. is a Chief Executive or Director, by whatever name called, of any nonprofit organization that receives twenty-five per cent or more of its receipts from the company, any of its promoters, Directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company.

**Expectations of the Board regarding Directors' Qualifications:**

The Board seeks members from diverse professional and personal backgrounds who combine a broad spectrum of experience and expertise with a reputation for business acumen and integrity.

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

**Independent Directors are expected to demonstrate the following personal and professional characteristics:**

- uphold ethical standards of integrity and probity;
- act objectively and constructively while exercising their duties;
- exercise their responsibilities in a bona fide manner in the interest of the company;
- devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- not allow any extraneous considerations that will vitiate their exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- not abuse their position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- refrain from any action that would lead to loss of their independence;
- where circumstances arise which make an Independent Director lose their independence, the Independent Director must immediately inform the Board accordingly;
- assist the company in implementing the best corporate governance practices.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF  
BofA SECURITIES INDIA LIMITED**

**Sd/-  
ASIT BHATIA  
CHAIRMAN & WHOLE-TIME DIRECTOR  
(DIN: 05112750)**

**Sd/-  
RAJNARAYAN BALAKRISHNAN  
WHOLE-TIME DIRECTOR  
(DIN: 06694243)**

Date: July 29, 2022

Place: Mumbai

**ANNEXURE – II****Form No. MR-3  
For the Financial Year ended 31<sup>st</sup> March, 2022****Secretarial Audit Report**

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

To,  
The Members,  
BofA Securities India Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by BofA Securities India Limited [CIN U74140MH1975PLC018618] (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliance and expressing our opinion thereon.

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

- 1) We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2022, according to the provisions of:
  - (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
  - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder – Not applicable to the Company;
  - (iii) The Depositories Act, 1996 and the Regulations and By-laws framed thereunder;
  - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment – Not applicable to the Company.
- (2) Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company during the year under report:
  - (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover Regulations), 2011;
  - (ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (iv) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (v) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (vi) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
  - (vii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (viii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

3) The Company is registered with the Securities and Exchange Board of India as a Stock Broker, Merchant Banker, Underwriter, and Research Analyst and has complied with the applicable Regulations /Guidelines issued by the Securities and Exchange Board of India and Stock Exchange.

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

Secretarial Standard 1 and 2 issued by the Institute of Company Secretaries of India.

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

We further report that -

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

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

All majority decisions are carried through and there have not been any instances where any member has offered dissenting views on any business.

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

For Surendra Kanstiya Associates  
Company Secretaries  
UIN S1990MH007900

Date: July 29, 2022  
UDIN: F002777D000705041

Surendra U. Kanstiya  
FCS 2777. CP 1744

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.



**Annexure A**

To,  
The Members,  
BofA Securities India Limited

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

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

For Surendra Kanstiya Associates  
Company Secretaries  
UIN S1990MH007900

Date: July 29, 2022  
UDIN: F002777D000705041

Surendra U. Kanstiya  
FCS 2777. CP 1744

### ANNEXURE – III

#### Relevant Extract of Risk Management Policy

**BofASI** is an operating company engaged in activities as Stock Broker, Merchant Banker and Research Analyst. It is an indirect subsidiary of Bank of America Corporation.

#### Parent Company Risk Management Statement:

Bank of America Corporation's (BAC, "Company") Risk Appetite Statement serves as the foundation for consistent and effective management of risks facing BAC and its subsidiaries. BAC Risk Appetite Statement defines and communicates the amount of capital, earnings or liquidity we are willing to put at risk to achieve our strategic objectives and business plans, consistent with applicable regulatory requirements. The Risk Appetite Statement reinforces that the Company maintains an acceptable risk profile in alignment with our strategic and capital plans. The Risk Appetite Statement provides a common framework and a comparable set of measures for senior management and the board of directors to clearly indicate the aggregate level of risk the Company is willing to accept. The Risk Appetite Statement includes both qualitative components and quantitative limits that are reviewed and approved by the BAC Board of Directors at least annually.

The Risk Appetite Statement is rooted in several principles:

- Overall risk capacity – BAC's overall capacity to take risk is limited, therefore the Company prioritizes the risks it takes. BAC's risk capacity informs the Company's risk appetite, which is the level and types of risk BAC is willing to take to achieve business objectives.
- Financial strength to absorb adverse outcomes – BAC must maintain a strong and flexible financial position so we can weather challenging economic times and take advantage of organic growth opportunities. Therefore, BAC sets objectives and targets for capital and liquidity that permit the Company to continue to operate in a safe and sound manner at all times, including during periods of stress.
- Risk-reward evaluation – Risks taken must fit BAC's risk appetite and offer acceptable risk-adjusted returns for shareholders.
- Acceptable risks – BAC considers all types of risk including those that are difficult to quantify. Qualitative guidance within the risk appetite statement describes the company's approach to managing such risks in a manner consistent with the culture. For example, actions considered in a line of business that unduly threaten the Company's reputation should be escalated and restricted appropriately.
- Skills and capabilities – BAC seeks to assume only those risks we have the skills and capabilities to identify, measure, monitor and control.

#### BofASI Risk Management:

BofASI's Risk Policy operates alongside BAC's global framework and encompasses the seven risk types described as below. It is noted that due to limited scope of business activities (primarily being fee based business), some of the below mentioned risks are currently not applicable to BofASI:

- **Credit risk** is defined as the the risk of loss arising from the inability or failure of a borrower or counterparty to meet its obligations. No lending activity is carried out under BofASI. Issuer risk arises out of investments. Risk process in place to manage Mutual Fund investments with daily monitoring of limits. Debt & Equity Capital market underwriting activity is approved through regional committees including local risk manager representation.
- **Market risk** is the risk that changes in market conditions and may adversely impact the value of assets or liabilities, or otherwise negatively impact earnings. Market risk is inherent in the operations and arises from investments (No trading activity currently undertaken). Organization uses Value at Risk ("VAR") modeling to evaluate the risks in its trading activities. The calculated VaR represents the worst loss the portfolio is expected to experience with a given level of confidence. It reflects the volatility of the positions in the portfolio and how strongly the risks are correlated. All limit excesses are communicated to senior management for review.
- **Operational risk** is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational Risk Events: inadequate or failed internal processes, people, systems and external events may result in unexpected or undesired consequences including a financial loss, an unexpected gain, a near miss and/or an opportunity cost (lost future revenue). The events associated with these unintended and/or undesired consequences are termed as operational risk events.

- **Strategic risk** is the risk resulting from incorrect assumptions about external or internal factors; inappropriate business plans; ineffective business strategy execution; or failure to respond in a timely manner to changes in the regulatory, macroeconomic or competitive environments in the geographic locations in which we operate. BOFASI manages strategic risk through assessing earnings and risk profile throughout the year. These are periodically discussed in appropriate governance committee.
- **Liquidity risk** is the inability to meet expected or unexpected cash flow and collateral needs while continuing to support the businesses and customers under a range of economic conditions. Sources of liquidity risk include unavailability of funding at the price or amount anticipated or credit rating downgrades
- **Reputational risk** is the risk that negative perceptions of the Company's conduct or business practices may adversely impact its profitability or operations through an inability to establish or maintain existing, customer/client relationships or otherwise impact relationships with key stakeholders, such as investors, regulators, employees and the community. Reputational risk is mitigated by good governance controls.
- **Compliance risk** Compliance risk is the risk of legal or regulatory sanctions, material financial loss or damage to the reputation of the Company arising from the failure of the Company to comply with the requirements of applicable laws, rules, regulations and related self-regulatory organizations' standards and codes of conduct (collectively, "applicable laws, rules and regulations"). The Company is committed to complying with applicable laws, rules and regulations governing the processes and activities of our front line units and control functions.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF  
BofA SECURITIES INDIA LIMITED**

Sd/-

**ASIT BHATIA  
CHAIRMAN & WHOLE-TIME DIRECTOR  
(DIN 05112750)**

Sd/-

**RAJNARAYAN BALAKRISHNAN  
WHOLE-TIME DIRECTOR  
(DIN 06694243)**

Date: July 29, 2022  
Place : Mumbai

**ANNEXURE-IV****Corporate Social Responsibility (CSR)  
ANNUAL REPORT ON CSR ACTIVITIES**

[Pursuant to clause (o) of sub-section 3 of section 134 of the Companies Act, 2013 and Companies (Corporate Social Responsibility) Rules, 2014 as amended]

1. Brief outline on CSR Policy of the Company.

**Introduction**

Being a responsible business is integral to our success and that of the customers, shareholders and communities we serve around the world. Corporate Social Responsibility (CSR) is embedded in our values and informs how we conduct business, develop products and services and deliver on our goals and commitments. As a responsible Company we follow responsible business practices in the communities in which we operate. We rigorously review our business practices and policies and are continuing to simplify information for customers, maintain a strong risk culture and manage our businesses to be accountable to shareholders and stakeholders.

Our CSR approach, aligned to our global strategy, will continue to focus on building strong economies, helping communities thrive, with a specific focus on women and children (especially adolescent girls) and disadvantaged communities.

This year, the Company's grants have focused on improving quality of education and teaching methodology. They also support the recruitment, training, up-skilling and reskilling of instructors, teachers and school leaders with an aim to improve learning outcomes for children. Especially during the pandemic, our grants have enabled NGOs pivot to blended learning model – virtual + physical – to ensure that a large number of children are able to access education. They have also enabled organizations to provide support tools to parents as children continue learning from home.

**Objective**

The CSR Policy sets out the framework that would guide all CSR initiatives and activities undertaken by the Company. The policy would also ensure compliance with section 135 of the Companies Act, 2013 read with the relevant Rules made there under. It will be further guided by APAC and Global CSR guidelines.

Any project or program that is exclusively for the benefit of the Company's employees would not be considered as CSR. The surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company. The scope and ownership of this policy will be within India CSR and governed by APAC CSR and Global CSR.

**Scope & Focus Areas**

The scope and focus areas of the Company's CSR Policy shall be in alignment with activities enumerated in Schedule VII of the Companies Act, 2013 (Act) and include:

- 1) Eradicating hunger, poverty and malnutrition, ensuring food security, promoting health care including preventive health care and medicines and sanitation and making available safe drinking water;
- 2) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- 3) promoting gender equality, empowering women and differently enabled individuals, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- 4) ensuring environmental sustainability, addressing climate change, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;

- 5) protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- 6) measures for the benefit of armed forces veteran, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- 7) training to promote rural sports nationally recognized sports, Paralympic sports and Olympic sports;
- 8) contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the Central Government for socio-economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- 9) (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and  
(b) Contributions to public funded Universities like Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organization (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs);
- 10) rural development projects;
- 11) slum area development (the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force);
- 12) disaster management, including relief, rehabilitation and reconstruction activities.

The scope and focus of the Policy shall be modified from time to time and will reflect any modifications made in Schedule VII of Companies Act 2013 ('the Act').

### **Overview of FY2021-22**

The Company's CSR policy is focused on impacting lives in under-served communities with a specific emphasis on women and children (especially adolescent girls) and disadvantaged communities.

In line with this strategy, the Company focuses on extending support to Non-Governmental Organizations (NGOs) in the areas of Arts & Culture, Education & Skills Development, Sanitation & Hygiene and Energy Access.

In FY 2021-22, as the pandemic spread across the country, the Company pivoted and focused most of its efforts on COVID relief. Our grants this year supported both medical aid as well as livelihood support to help communities build back better. Our grants have directly benefitted 275,160 individuals across 13 states, majority being women. Our grants provided 10,357 medical/ration kits and facilitated vaccinations for 2,70,602 individuals and supported agro inputs for livelihoods for 4,558 women.

- COVID Relief – facilitated vaccinations especially for tribal communities and persons with disabilities through American India Foundation and provided support for medical aid – PPE kits for frontline workers, medical kits for Aganwadi workers and those in home quarantine and facilitated vaccine awareness through PRADAN.
- Livelihoods – provided livelihoods support to women in farming impacted by COVID, helping them rebuild post lifting of Covid restrictions including providing technical field level assistance around improved farming practices.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Sundararaman Ramamurthy	Non-executive Director, Chairman of CSR Committee	3	3
2	Mr. Asit Bhatia	Whole-time Director, member of CSR Committee	3	3
3	Ms. Charulata Sippy*	Independent Director, member of CSR Committee	3	3
4	Ms. Mitali Ghosh	Independent Director, member of CSR Committee	Not applicable, since she was appointed as a member of the Committee on July 14, 2022	Not applicable, since she was appointed as a member of the Committee on July 14, 2022

\*Ms. Charulata Sippy ceased to be a member of the CSR Committee with effect from June 15, 2022.

- Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company. <https://www.ml-india.com/announcements.html>
- Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).  
Not Applicable as per the threshold as provided in Rule 8 sub-rule (3) of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.
- Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial year	Amount available for set-off from preceding financial years (in Rs.)	Amount required to be set-off for the financial year, if any (in Rs.)
<b>NIL</b>			

- Average net profit of the Company as per section 135(5): Rs. 2,904.11 million
- Two percent of average net profit of the Company as per section 135(5): Rs. 58.09 million
  - Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
  - Amount required to be set off for the financial year, if any: Nil
  - Total CSR obligation for the financial year (7a+7b-7c): Rs. 58.09 million
- CSR amount spent or unspent for the financial year:

Total Amount Spent for the financial year (in Rs. million)	Amount Unspent (in Rs.million)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Rs. 58.62	Nil	-	-	Nil	-

## (b) Details of CSR amount spent against ongoing projects for the financial year: (in Rs. million)

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
Nil												

## (c) Details of CSR amount spent against other than ongoing projects for the financial year: (in Rs. million)

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in Rs.) Million	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.	Grant Support for facilitating vaccinations especially for tribal communities and persons with disabilities (PwD)	Covid relief	Yes	Maharashtra	-	36.5	No	American india Foundation	CSR00001977
2.	Support for medical aid – PPE kits for frontline workers, medical kits for aganwadi workers and those in home quarantine etc. and facilitating vaccine awareness	Covid relief	No	Pan India	-	15.0	No	Pradan	CSR00000973
3.	Grant for Livelihoods support to 2,200 women farmers impacted by COVID, providing them planting materials and other inputs to start Rabi and summer crops with each farmer requiring about Rs. 2000 for inputs	Livelihood	No	Pan India	-	5.0	No	Pradan	CSR00000973
	Total					56.5			

- (d) Amount spent in Administrative Overheads: Rs. 2.12 million
- (e) Amount spent on Impact Assessment, if applicable: Not Applicable
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 58.62 million
- (g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs. million)
(i)	Two percent of average net profit of the Company as per section 135(5)	58.09
(ii)	Total amount spent for the financial year	58.62
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.53
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

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

Sl. No.	Preceding financial year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting financial year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer	
1.	FY2020-21	60,190,000	60,190,000	-	Nil	-	Nil

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(Rs. in million)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting financial year (in Rs.)	Cumulative amount spent at the end of reporting financial year (in Rs.)	Status of the project - Completed / Ongoing
1.	FY31.03.2021_1	Support for implementation of Teacher Innovator Program for low-income and government schools	2020-2021	2 Year	7.56	7.56	7.56	Completed
2.	FY31.03.2021_2	Grant support for two government/ /municipal schools	2020-2021	2 Year	37.63	37.63	37.63	Completed
3.	FY31.03.2021_3	Support for Teach for India Fellows teaching in government -run and low-income private schools	2020-2021	2 Year	15.00	15.00	15.00	Completed



10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):
- a) Date of creation or acquisition of the capital asset(s) : Not Applicable
  - b) Amount of CSR spent for creation or acquisition of capital asset: Nil
  - c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Not Applicable
  - d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF  
BofA SECURITIES INDIA LIMITED**

**Sd/-  
ASIT BHATIA  
CHAIRMAN & WHOLE-TIME DIRECTOR  
(DIN 05112750)**

**Sd/-  
SUNDARARAMAN RAMAMURTHY  
DIRECTOR & CHAIRMAN OF CSR COMMITTEE  
(DIN 05297538)**

Date : July 29, 2022  
Place : Mumbai

**INDEPENDENT AUDITORS' REPORT'S****To The Members of BofA Securities India Limited (formerly DSP Merrill Lynch Limited)****Report on the Audit of the Financial Statements****Opinion**

We have audited the financial statements of BofA Securities India Limited (the "Company") which comprise the balance sheet as at 31 March 2022, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

**Other Information**

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

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

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

**Management's and Board of Directors' Responsibilities for the Financial Statements**

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

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

**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 Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid 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 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act; and
- f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its financial statements - Refer Note 30 to the financial statements.
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- d. (i) Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("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 ("Ultimate Beneficiaries") by or on behalf of the Company or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ii) Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
  - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- (iii) Based on such audit procedures as 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 (d) (i) and (d) (ii) contain any material mis-statement.
- e. The Company has neither declared nor paid any dividend during the year.
- C. In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its Directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No.101248W/W-100022

**Sd/-**  
**Sameer Mota**  
Partner

Membership No.: 109928  
ICAI UDIN:22109928ANUWID7044

Place : Mumbai  
Date : July 29, 2022

**Annexure A to the Independent Auditor's Report on the Financial Statements of BofA Securities India Limited for the year ended 31 March 2022****(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- (c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company is a service company, primarily rendering stock broking and investment banking services. Accordingly, clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Income-Tax or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Income-Tax or Cess or other 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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Income-Tax which have not been deposited on account of any dispute are as follows:

<b>Name of the statute</b>	<b>Nature of the dues</b>	<b>Amount demanded (INR in million)</b>	<b>Amount paid/ adjusted (INR in million)</b>	<b>Period to which the amount relates</b>	<b>Forum where dispute is pending</b>
Income Tax, 1961	Income Tax (including interest)	859	172	Financial Year 2015-16	Commissioner of Income Tax Appeals
Income Tax, 1961	Income Tax (including interest)	45	9	Financial Year 2016-17	Commissioner of Income Tax Appeals
Income Tax, 1961	Income Tax (including interest)	82	16	Financial Year 2017-18	Commissioner of Income Tax Appeals

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds were raised on short-term basis by the Company.
- (e) 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, joint ventures or associate companies as defined under the Act.
- (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, joint ventures or associate companies as defined under the Act.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the 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) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No.101248W/W-100022

**Sd/-**  
**Sameer Mota**  
Partner

Place : Mumbai  
Date : July 29, 2022

Membership No.: 109928  
ICAI UDIN:22109928ANUWID7044

**Annexure B to the Independent Auditor's Report on the financial statements of BofA Securities India Limited for the year ended 31 March 2022****Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act****(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)****Opinion**

We have audited the internal financial controls with reference to financial statements of BofA Securities India Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 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 Institute of Chartered Accountants of India (the "Guidance Note").

**Management's and Board of Directors' Responsibilities for Internal Financial Controls**

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls 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. 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 Act.

**Auditor's 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 and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 were 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No.101248W/W-100022

Place : Mumbai  
Date : July 29, 2022

**Sd/-**  
**Sameer Mota**  
Partner  
Membership No.: 109928  
ICAI UDIN:22109928ANUWID7044

**Balance Sheet as at March 31, 2022**

	Note	As at March 31, 2022 Rs. million	As at March 31, 2021 Rs. million
<b>I ASSETS</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	5	25,629	25,667
Bank balances other than cash and cash equivalents	6	21,206	32,664
Receivables			
(i) Trade receivables	7	1,868	634
(ii) Other receivables	8	177	71
Investments	9	0	0
Other financial assets	10	505	430
		<b>49,385</b>	59,466
<b>Non-Financial Assets</b>			
Current tax assets (net)	11	1,338	1,283
Deferred tax assets (net)	40(b)	279	282
Property, plant and equipment	12	352	405
Capital work in progress	12(a)	28	2
Intangible assets	13	15	17
Right of Use Assets	35	1,103	1,205
Other non-financial assets	14	59	51
		<b>3,174</b>	3,245
<b>Total Assets</b>		<b>52,559</b>	62,711
<b>II LIABILITIES AND EQUITY</b>			
<b>Financial Liabilities</b>			
Payables			
(i) Trade payables	15		
Total outstanding dues of micro enterprises and small enterprises		0	4
Total outstanding dues of creditors other than micro enterprises and small enterprises		731	14,054
(ii) Other payables	16		
Total outstanding dues of micro enterprises and small enterprises		0	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		246	182
Borrowings	17	-	0
Lease Liabilities	34	1,175	1,227
Other financial liabilities	18	17,124	17,384
		<b>19,276</b>	32,851
<b>Non-Financial Liabilities</b>			
Provisions	19	377	406
Other non-financial liabilities	20	410	310
		<b>787</b>	716
<b>Equity</b>			
Equity share capital	21	232	232
Other equity	22	32,264	28,912
		<b>32,496</b>	29,144
<b>Total Liabilities and Equity</b>		<b>52,559</b>	62,711

**The accompanying notes 1 to 44 form an integral part of the Financial Statements**

This is the Balance Sheet referred to in our report of even date

**For B S R & Co. LLP**  
Firm Registration No.: 101248W/W-100022  
Chartered Accountants

sd/-

**Sameer Mota**  
Partner  
Membership No.: 109928  
Mumbai : July 29, 2022

**For and on behalf of the Board of Directors**

sd/-

**Asit Bhatia**  
Chairman and Whole-time Director  
(DIN: 05112750)

sd/-

**Naresh Shah**  
Chief Financial Officer  
Mumbai : July 29, 2022

sd/-

**Rajnarayan Balakrishnan**  
Whole-time Director  
(DIN: 06694243)

sd/-

**Samrat Sanyal**  
Company Secretary  
Membership No. A13863

**Statement of Profit and Loss for the year ended March 31, 2022**

	Note	Year Ended March 31, 2022 Rs. million	Year Ended March 31, 2021 Rs. million
<b>INCOME</b>			
Revenue from operations:			
Fees and commission income	23	6,649	5,267
Other income	24	1,352	1,417
<b>Total income</b>		<b>8,001</b>	6,684
<b>EXPENSES</b>			
Finance costs	25	74	80
Fees and commission expenses	26	130	117
Employee benefits expenses	27	2,050	1,692
Depreciation, amortisation and impairment	28	328	375
Other expenses	29	978	894
<b>Total expenses</b>		<b>3,560</b>	3,158
<b>Profit before tax</b>		<b>4,441</b>	3,526
<b>Tax expense:</b>			
Current tax		1,042	872
Provision for tax for earlier years (net)		-	(6)
Deferred tax		1	(33)
<b>Total tax expenses</b>	40	<b>1,043</b>	<b>833</b>
<b>Profit for the year</b>		<b>3,398</b>	2,693
<b>Other Comprehensive Income (OCI)</b>			
Items that will not be reclassified subsequently to Statement of Profit and Loss			
Remeasurement (loss)/gain on net defined benefit plans		8	11
Income tax relating to above	40	(2)	(3)
Items that will be reclassified subsequently to Statement of Profit and Loss			
Debt securities carried at fair value through OCI (refer Note 42(c))		-	(16)
Income tax relating to above		-	-
<b>Other comprehensive income for the year</b>		<b>6</b>	(8)
<b>Total comprehensive income for the year</b>		<b>3,404</b>	2,685
<b>Earnings per equity share, in Rs. [face value of Rs. 10 each]</b>			
Basic and Diluted	37	<b>147</b>	116

**The accompanying notes 1 to 44 form an integral part of the Financial Statements**

This is the Balance Sheet referred to in our report of even date

**For B S R & Co. LLP**  
 Firm Registration No.: 101248W/W-100022  
 Chartered Accountants

sd/-

**Sameer Mota**  
 Partner  
 Membership No.: 109928  
 Mumbai : July 29, 2022

**For and on behalf of the Board of Directors**

sd/-

**Asit Bhatia**  
 Chairman and Whole-time Director  
 (DIN: 05112750)

sd/-

**Naresh Shah**  
 Chief Financial Officer  
 Mumbai : July 29, 2022

sd/-

**Rajnarayan Balakrishnan**  
 Whole-time Director  
 (DIN: 06694243)

sd/-

**Samrat Sanyal**  
 Company Secretary  
 Membership No. A13863

## Statement of Changes in Equity for the year ended March 31, 2022

### A. Equity share capital

Rs. million

For the year ended March 31, 2022		For the year ended March 31, 2021	
Balance at beginning of the current reporting year	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting year	Changes in equity share capital during the current year
232	-	232	-
Balance at the end of the current reporting year		Balance at the end of the previous reporting year	
232		232	

### B. Other equity

Rs. million

As at March 31, 2022	Reserves and Surplus			Debt Instruments through Other Comprehensive Income	Total
	Capital Reserve	Securities Premium	Other Reserves		
8,100	44	4,511	175	16,082	28,912
-	-	-	-	-	-
8,100	44	4,511	175	16,082	28,912
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	(52)	3,398	3,398
-	-	-	-	6	(46)
8,100	44	4,511	123	19,486	32,264

Balance at beginning of the current reporting year  
Changes in accounting policy/ prior period errors  
Restated balance at beginning of the current reporting year  
Total Comprehensive income for the current year  
Dividends  
Transfer to retained earnings  
Any other changes

Balance at the end of the current reporting year

### (2) As at March 31, 2021

As at March 31, 2021	Reserves and Surplus			Debt Instruments through Other Comprehensive Income	Total
	Capital Reserve	Securities Premium	Other Reserves		
8,100	44	4,511	188	13,381	26,240
-	-	-	-	-	-
8,100	44	4,511	188	13,381	26,240
-	-	-	-	-	-
-	-	-	-	2,693	2,693
-	-	-	(13)	8	(21)
8,100	44	4,511	175	16,082	28,912

Balance at beginning of the current reporting year  
Changes in accounting policy/ prior period errors  
Restated balance at beginning of the current reporting year  
Total Comprehensive income for the current year  
Dividends  
Transfer to retained earnings  
Any other changes

Balance at the end of the current reporting year

### The accompanying notes 1 to 44 form an integral part of the Financial Statements

This is the Statement of Changes in Equity referred to in our report of even date

### For and on behalf of the Board of Directors

**For B S R & Co. LLP**  
Firm Registration No.: 101248W/W-100022  
Chartered Accountants

sd/-

**Sameer Mota**

Partner  
Membership No.: 109928  
Mumbai : July 29, 2022

sd/-

**Asit Bhatia**

Chairman and Whole-time Director  
(DIN: 05112750)

sd/-

**Naresh Shah**

Chief Financial Officer

Mumbai : July 29, 2022

sd/-

**Rajnarayan Balakrishnan**

Whole-time Director  
(DIN: 06694243)

sd/-

**Samrat Sanyal**

Company Secretary  
Membership No. A13863



**Cash flow statement for the year ended March 31, 2022**

	Year Ended March 31, 2022 Rs. million	Year Ended March 31, 2021 Rs. million
<b>Cash flows from operating activities:</b>		
<b>Profit before tax</b>	<b>4,441</b>	3,526
<b>Adjusted for:</b>		
Depreciation, amortisation and impairment	328	375
Bad debts and advances written off	-	1
Gratuity	1	35
Compensated absences	(22)	40
Finance costs	74	80
Net (gain) on fair value changes	-	(0)
Loss on derecognition of property, plant and equipment	(0)	0
Gain on derecognition of investments in debt securities (Refer Note 43.(ii)(c))	-	(192)
Share based payment	(52)	(13)
<b>Operating profit before changes in operating assets and liabilities</b>	<b>4,770</b>	3,852
<b>Adjusted for :</b>		
Decrease in other bank balances	11,457	5,194
(Increase) / Decrease in trade receivables	(1,234)	195
(Increase) / Decrease in other receivables	(106)	25
(Increase) / Decrease in other financial assets	(135)	2,116
(Increase) in other non-financial assets	(8)	(6)
Decrease in trade payables	(13,327)	(8,727)
Increase / (Decrease) in other payables	64	(100)
(Decrease) / Increase in other financial liabilities	(199)	1,385
Increase in other non-financial liabilities	100	39
<b>Cash generated from operating activities</b>	<b>1,382</b>	3,973
Direct taxes (paid), net	(1,097)	(872)
<b>Net cash generated from operating activities</b>	<b>285</b>	3,101
<b>Cash flows from investing activities:</b>		
Purchase of property, plant and equipment including capital work in progress	(80)	(37)
Purchase of intangible assets	(6)	(9)
Proceeds from sale of property, plant and equipment	3	6
Proceeds from redemption of debt securities	-	200
<b>Net cash (used in)/generated from investing activities</b>	<b>(83)</b>	160
<b>Cash flows from financing activities:</b>		
Repayment of loans from bank	(0)	(7)
Repayment of Lease Liability	(166)	(139)
Interest expense on lease liabilities	(74)	(80)
Interest expense on borrowings	(0)	(0)
<b>Net cash (used in) financing activities</b>	<b>(240)</b>	(226)
<b>Net (Decrease) / increase in cash and cash equivalents</b>	<b>(38)</b>	3,035
<b>Cash and cash equivalents as at the beginning of the year</b>	<b>25,667</b>	22,632
<b>Cash and cash equivalents as at the end of the year</b>	<b>25,629</b>	25,667
<b>Net (Decrease) / increase in cash and cash equivalents</b>	<b>(38)</b>	3,035
<b>Non cash financing activity:</b>		
Share based payment	(52)	(13)

**The accompanying notes 1 to 44 form an integral part of the Financial Statements**

This is the Balance Sheet referred to in our report of even date

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

Firm Registration No.: 101248W/W-100022  
Chartered Accountants

sd/-

**Sameer Mota**

Partner  
Membership No.: 109928  
Mumbai : July 29, 2022

**For and on behalf of the Board of Directors**

sd/-

**Asit Bhatia**

Chairman and Whole-time Director  
(DIN: 05112750)

sd/-

**Naresh Shah**

Chief Financial Officer

Mumbai : July 29, 2022

sd/-

**Rajnarayan Balakrishnan**

Whole-time Director  
(DIN: 06694243)

sd/-

**Samrat Sanyal**

Company Secretary  
Membership No. A13863

## Notes to the Financial Statements

### 1. Company background:

BofA Securities India Limited (“the Company”) (formerly known as DSP Merrill Lynch Limited) is a public limited company incorporated under the Companies Act, 1956 (“the Act”) on October 23, 1975 and is domiciled in India with registered office located at Ground Floor, A wing, One BKC, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051. The Company is registered with the Securities and Exchange Board of India (“SEBI”) as a Stock Broker, Merchant Banker and Research Analyst. The Company is engaged in the business of stock broking, securities research, underwriting, investment banking including corporate and financial advisory services.

The Company is ultimately controlled by Bank of America Corporation (“BAC”).

The Board of Directors approved the financial statements for the year ended March 31, 2022 and authorised for issue on July 29, 2022.

### 2. Significant accounting policies:

#### a. Basis of preparation of financial statements

##### (i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) prescribed under Section 133 of The Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015 (as amended)] and other relevant provisions of the Act.

##### (ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amounts:

- Certain financial assets and liabilities- measured at fair value;
- Defined benefit plan assets– measured at fair value; and
- Share-based payments - measured at fair value.

##### (iii) Order of liquidity

The Company is covered in the definition of Non-Banking Financial Company as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. Pursuant to amendment to Division III of Schedule III to the Companies Act, 2013 as per notification dt. October 11, 2018, the Company presents its balance sheet in the order of liquidity. Since the Company does not provide services within a clearly identifiable operating cycle, therefore making such presentation is more relevant. A maturity analysis of recovery or settlement of assets and liabilities within 12 months and more than 12 months after the reporting date date is presented in note 43.

#### b. Foreign currency translation

##### (i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The financial statements are presented in Indian Rupees (Rs.), which is the Company’s functional and presentation currency.

##### (ii) Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currency are retranslated into the functional currency at the exchange rates prevailing on the balance sheet dates. All differences arising on non–trading activities are taken to other income in the Statement of Profit and Loss.

Non–monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition.

## Notes to the Financial Statements

### c. Financial instruments

#### Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Regular purchases and sales of financial assets are recognised on trade date, the date on which the Company commits to purchase or sell the asset.

In the case of a financial asset or financial liability not at Fair Value Through Profit and Loss (FVTPL), at initial recognition, the Company measures such financial asset or financial liability at its fair value plus or minus transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in Statement of Profit and Loss.

#### Financial assets

##### **(i) Classification and subsequent measurement of financial assets**

The Company classifies its financial assets in the following measurement categories:

- Fair value through profit and loss (FVTPL)
- Fair value through other comprehensive income (FVOCI)
- Amortised cost

The classification requirements for debt and equity instruments are described below:

#### *Debt securities*

Debt securities are those instruments that meet the definition of a financial liability from the issuer's perspective such as loans, mutual fund units, and corporate bonds.

For investments in debt securities, measurement will depend on the classification of Debt Securities depending on:

- the Company's business model for managing the asset; and
- the cash flow characteristics of the asset

#### Business model assessment

The business model reflects how the Company manages the assets in order to generate cash flows. The business model determines whether the Company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable or when performance of portfolio of financial assets managed is evaluated on a fair value basis, then the financial assets are classified as part of 'other' business model and measured at FVTPL.

#### Solely Payment of Principle and Interest ("SPPI") assessment

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether the financial instruments cash flows represent solely payments of principal and interest (the 'SPPI test').

Based on these factors, the Company classifies its debt securities into one of the following three measurement categories

**Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in profit and loss when the asset is derecognised or impaired.

**Fair value through other comprehensive income:** Debt securities that are held for collection of contractual cash flows and selling the financial assets, where the assets' cash flows represent solely payments of principle and interest, are measured at fair value through other comprehensive income. Movement in the carrying amount are taken through Other Comprehensive Income (OCI), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from

## Notes to the Financial Statements

equity to statement of profit and loss and recognised in other gains / (losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains and losses and impairment expenses under impairment on financial instruments.

**Fair value through profit and loss:** Assets that do not meet the criteria for amortised cost or FVOCI, are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit and loss and presented in the Statement of Profit and Loss within other gains/(losses) in the period in which it arises.

### *Equity instruments*

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

The Company has elected an irrevocable option to measure its investment in equity shares (other than trade Investments) at FVOCI as these are strategic investments made by the Company. All the gains/ (losses) on such FVOCI investments are recognised in the other comprehensive income and are not subsequently reclassified to profit and loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value.

### **(ii) Impairment**

The Company assesses on a forward-looking basis the expected credit losses ('ECL') associated with its financial instrument measured at amortised cost and FVOCI. The impairment methodology depends upon whether there has been significant increase in credit risk of the investment. Also refer note 42 (ii) (c)

### **(iii) Income recognition**

#### *Interest income*

The Company calculates interest income by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

#### *Dividend income*

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

### **(iv) De-recognition of financial assets**

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit and loss on disposal of that financial asset.

### Financial liabilities and equity instruments

#### **(i) Classification as debt or equity**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

#### **(ii) Classification and subsequent measurement**

Financial liabilities are subsequently measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of a financial liability.



## Notes to the Financial Statements

### (iii) De-recognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

#### d. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

#### e. Revenue recognition

Revenue is measured at fair value of the consideration received or receivable. Ind AS 115, Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with clients.

The standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. A five-step process is applied before revenue can be recognised:

- identify contracts with customers
- identify the separate performance obligation
- determine the transaction price of the contract
- allocate the transaction price to each of the separate performance obligations, and
- recognise the revenue as each performance obligation is satisfied.

##### (i) Brokerage fees and trading revenue (principal transaction) - Point of time

Revenue from contracts with customers is recognised at a point in time when performance obligation is satisfied (when the trade is executed). Revenue from principal transactions are recognised at a point in time when the trade is executed.

##### (ii) Fees and commission income

Revenue from fees from investment banking activities including issue management, mergers and acquisitions and advisory services is recognised as per terms agreed with the customer.

Revenue excludes goods and services tax, wherever recovered.

#### f. Income Tax

The income tax expense or credit for the period is the tax payable on the taxable income of the current period based on the applicable income tax rates adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses.

##### (i) *Current Tax*

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

##### (ii) *Deferred Tax*

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

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

## Notes to the Financial Statements

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Deferred tax is recognised in profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

### **g. Leases**

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

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

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

#### Company as a lessee- Operating Lease

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the company uses incremental borrowing rate. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification.

The Company made an accounting policy election not to separate lease and non-lease components of a contract that is or contains a lease for its office premises. As such, lease payments represent payments on both lease and non-lease components.

The Company has elected not to apply the requirements of Ind AS 116 Leases to leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

### **h. Cash and cash equivalents**

Cash comprises of cash on hand and demand deposits with banks.

**Notes to the Financial Statements**

The Company considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less and which are subject to insignificant risk of change in value, to be cash equivalents.

**i Trade Receivables**

Trade receivables are amounts due from clients for services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost less loss allowance. For determining the impairment allowance, if any, please refer note 2 (c)(ii).

**j. Property, plant and equipment**

Property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items including import duties and other non-refundable taxes or levies (if any).

Subsequent costs are included in the asset’s carrying value or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying value of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the reporting period in which they are incurred. Assets, which are not under active use and held for disposal, are stated at lower of net book value and net realizable value.

Transition to Ind AS:

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 1, 2017 measured as per the previous GAAP and use that carrying value as deemed cost of the property, plant and equipment.

**k. Intangible assets**

The Company capitalizes intangible assets, where it is reasonably estimated that the intangible asset has an enduring useful life. Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Transition to Ind AS:

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangibles recognised as at April 1, 2017 measured as per the previous GAAP and use that carrying value as deemed cost of the intangible asset.

**l. Depreciation methods, estimated useful lives and residual value**

- i. Except for items forming part of (ii) and (iii) below, depreciation on tangible assets is provided, pro-rata for the period of use, by straight line method (SLM), based on management’s estimate of useful lives for the fixed assets as stated in the table below:

Category	Useful Life
Computers and allied equipment	5 years
Enterprise core network assets (larger complex core routers)	10 years
Office equipment	5 years
Furniture and fittings	10 years
Vehicles	5 years

- ii. Assets costing less than the rupee equivalent of USD 2,500 are fully depreciated on purchase.
- iii. Leasehold improvements are depreciated over the lease period including the renewal periods, if any. Assets associated with premises taken on lease are depreciated on straight line basis over the lease period or the useful lives stated above, whichever is shorter.
- iv. The Company has arrived at the above estimates of useful lives based on an internal assessment and technical evaluation and believes that the useful lives stated above represent the best estimate of the period over which it expects to use the assets. With the exception of Furniture and fittings and Office equipment, the useful lives estimated by the Company as stated in the table above are different from the useful lives prescribed under “Part C” of “Schedule II” of the Act.

**Notes to the Financial Statements**

- v. Intangible assets are amortized over their useful lives as estimated by the management commencing from the date the asset is available for use as stated in the table below:

Category	Useful life
Software	5 years

**m. Impairment of non-financial assets**

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**n. Employee benefits**

Short-term employee benefits (benefits which are payable within twelve months after the end of the period in which the employees render services) are measured at cost. Long-term employee benefits (benefits which are payable after the end of twelve months from the end of the period in which the employees render services) and post employment benefits (benefits which are payable after completion of employment) are measured on a discounted basis by the Projected Unit Credit Method on the basis of annual independent third party actuarial valuations.

The Company has a defined contribution plan for post employment benefits in the form of Provident Fund. Under the Provident Fund Plan, the Company contributes to a Government administered provident fund on behalf of the employees. The Company has no further obligation beyond making the contributions. Contributions to Provident Fund are made in accordance with the statute, and are recognised as an expense when employees have rendered services entitling them to the contributions.

The Company has a gratuity scheme, a defined benefit plan, for all eligible employees, which is administered by a trust set up by the Company. The costs of providing benefits under defined benefit plans are determined using the Projected Unit Credit Method on the basis of a third party actuarial valuation at each balance sheet date. The compensated absences and gratuity benefit obligations recognised on the balance sheet represent the present value of the obligations as reduced by the fair value of plan assets, if any.

Any asset resulting from this calculation is limited to the discounted value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in Statement of Profit and Loss as past service cost.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are reclassified to retained earnings under other equity.

**o. Share-based payments**

Bank of America Corporation grants equity based payment awards to employees of the Company under various incentive schemes.

For most awards, expense is generally recognised proportionately over the vesting period net of estimated forfeitures, unless the employee meets certain retirement eligibility criteria. For employees that become retirement eligible during the vesting period, the Company recognises expense from the grant date to the date on which the employee becomes retirement eligible, net of estimated forfeitures.

As this is a group share based payment arrangement, equity settled awards are treated by the Company as equity settled share based payment plans and are measured based on the fair value of those awards at grant date. The fair value determined at the grant date is expensed over the vesting period, based on the Company's estimate of the number of shares that will eventually vest. The Company has entered into a chargeback agreement with BAC under which it is committed to pay BAC the fair market value of awards at the date on which the awards vests to its employees.

## Notes to the Financial Statements

For cash settled awards, the fair value of the amount payable to the employee is recognised as employee benefit expenses with corresponding increase in liability over the vesting period. The fair value is determined based on the Company's estimate of the number of shares that will eventually vest. At each reporting date, liability in respect of cash settled awards is remeasured based on the fair value of the awards on that date.

**p. Trade and other payables**

These amounts represent liabilities for services provided to the Company prior to the end of financial year, which are unpaid. They are initially recognised at their fair value and subsequently measured at amortised cost using the effective interest method.

**q. Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the Statement of Profit and Loss net of any reimbursement.

**r. Earnings per share (EPS)**

Basic EPS is computed by dividing the net profit or loss for the year attributable to owners of the Company by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss for the year attributable to owners of the Company by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

**s. Rounding off**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest "million" as per the requirement of Schedule III, unless otherwise stated. Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0" in the relevant notes in these financial statements.

**t. Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

**u. Contingent liabilities**

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

**v. Segment reporting**

Operating segments are defined as components of an entity for which discrete financial information is available that is evaluated by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Company's chief operating decision maker is the Board of Directors.

The Company has identified two primary reportable business segments namely 'Advisory and Transactional Services' and 'Principal Transactions'.

### 3. Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires the use of accounting estimates that, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

## Notes to the Financial Statements

The areas involving critical accounting estimates or judgments are:

- (i) estimation of useful life of property plant and equipment and intangible assets. (Refer note 2.j and 2.k)
- (ii) Estimation of defined benefit obligation. (Refer note 2.n)
- (iii) Estimation of expected credit loss (ECL) (Refer note 42. (ii).c)
- (iv) Estimation for fair value of financial instruments. (Refer note no 2.c)
- (v) Measurement of Lease Liability and Right-of-use Asset (Refer Note 34)
- (vi) Disclosure of contingent liabilities (Refer note 2. u)

Estimates and judgements are evaluated continually. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

### 4. Note on COVID-19

The pandemic's duration and future impacts on global health, the global economy and our businesses, results of operations and financial condition remain uncertain. The global economy and supply chains remain vulnerable and the emergence of new, more contagious variants have the potential to lead to a downturn in economic activity. Pandemic developments and certain responses have also resulted in inflationary pressure and ultimately may contribute to the development of a prolonged, disruptive period of high inflation globally.

The Company continues to execute its business continuity plans in connection with the pandemic, both locally and as part of BAC's coordinated response. The Company continues to closely monitor the pandemic and related risks as they evolve. The pandemic may cause setbacks to the global or national economic recovery or longer lasting effects on economic conditions than are currently anticipated, changes in financial markets, changes in fiscal, monetary and tax regulatory environments and changes in client preferences and behaviour, which could have an adverse effect on the Company's businesses, results of operations and financial condition.

**Notes to Financial Statements (Contd...)**
**5. Cash and cash equivalents**

Particulars	As at March 31, 2022 Rs. million	As at March 31, 2021 Rs. million
Cash on hand	-	-
Bank balances :		
In current accounts	2,001	2,323
Fixed deposits with banks with original maturity less than 3 months	23,628	23,344
<b>Total</b>	<b>25,629</b>	25,667

**6. Bank balances other than cash and cash equivalents**

Particulars	As at March 31, 2022 Rs. million	As at March 31, 2021 Rs. million
Balances with Banks		
In current accounts (client segregated balances)	2,655	15,162
In earmarked accounts :		
Balances in unclaimed dividend bank account	0	0
Fixed deposits with banks under lien as collateral with stock exchange / clearing corporation	16,901	17,502
Other bank balances:		
Fixed deposits banks with original maturity more than 3 months	1,650	-
<b>Total</b>	<b>21,206</b>	32,664

**7. Trade receivables**

Particulars	As at March 31, 2022 Rs. million	As at March 31, 2021 Rs. million
Receivable considered good - Secured	-	-
Receivable considered good - Unsecured	1,848	634
Unbilled Revenue receivable considered good - unsecured	20	-
Receivable which have significant increase in credit risk	-	-
Receivable - Credit impaired	-	-
Less: Allowance for impairment loss	-	-
<b>Total</b>	<b>1,868</b>	634

**Trade Receivables aging schedule as at March 31, 2022**
**Rs. million**

Particulars	Outstanding for following periods from the due date of payment						Total
	Unbilled	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 year	
(i) Undisputed Trade receivables - considered good	20	1,848	-	-	-	-	1,868
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
	<b>20</b>	<b>1,848</b>	-	-	-	-	<b>1,868</b>

**Notes to Financial Statements (Contd...)**
**Trade Receivables aging schedule as at March 31, 2021**

Rs. million

Particulars	Outstanding for following periods from the due date of payment						Total
	Unbilled	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 year	
(i) Undisputed Trade receivables - considered good	-	634	-	-	-	-	634
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
	-	634	-	-	-	-	634

**8. Other receivables**

Particulars	As at March 31, 2022 Rs. million	As at March 31, 2021 Rs. million
Other receivable considered good - Unsecured		
Others	177	71
Other receivable which have significant increase in credit risk	-	-
Other receivable - Credit impaired	-	1
Less: Allowance for impairment loss	-	(1)
<b>Total</b>	<b>177</b>	<b>71</b>

**9. Investments**

Particulars	As at March 31, 2022 Rs. million	As at March 31, 2021 Rs. million
<b>At Cost</b>		
Investment in subsidiary (unquoted)	-	-
<b>At fair value through profit and loss</b>		
Equity instruments	0	0
<b>Total</b>	<b>0</b>	<b>0</b>
Investment in India	0	0
Investment outside India	-	-
<b>Total</b>	<b>0</b>	<b>0</b>

**10. Other financial assets**

Particulars	As at March 31, 2022 Rs. million	As at March 31, 2021 Rs. million
Deposit placed with exchanges and depository	178	78
Deposit placed for premises and others	127	107
Interest Accrued on:		
Fixed deposits	200	185
Others	-	60
Other Interest receivable	44	44
Less: Allowance for impairment loss	(44)	(44)
<b>Total</b>	<b>505</b>	<b>430</b>

**11. Current tax assets (net)**

Particulars	As at March 31, 2022 Rs. million	As at March 31, 2021 Rs. million
Advance payment of taxes [Net of provision for taxes Rs.30,443 million (Rs. .29,394 million as of March 31, 2021)]	1,338	1,283
<b>Total</b>	<b>1,338</b>	<b>1,283</b>



**Notes to the Financial Statements (Contd...)**

**12. Property, plant and equipment**

**(a) Property, plant and equipment as at March 31, 2022**

Particulars	Gross block (at deemed cost)				Accumulated Depreciation			Rs. million
	As at April 1, 2021 (A)	Additions (B)	Deductions (C)	As at March 31, 2022 (D=A+B-C)	As at April 1, 2021 (E)	For the year (F)	Deductions (G)	
Leasehold Improvements	318	-	-	318	124	31	-	163
Computers and Allied Equipment	429	53	-	482	341	47	-	94
Enterprise Core Network Assets	85	-	-	85	22	8	-	55
Office Equipment	144	2	-	146	133	9	-	4
Furniture and Fixtures	78	-	-	78	34	8	-	36
Vehicles	20	-	20	-	15	1	16	-
<b>Total</b>	<b>1,074</b>	<b>55</b>	<b>20</b>	<b>1,109</b>	<b>669</b>	<b>104</b>	<b>16</b>	<b>352</b>

**(b) Property, plant and equipment as at March 31, 2021**

Particulars	Gross block (at deemed cost)				Accumulated Depreciation			Rs. million
	As at April 1, 2020 (A)	Additions* (B)	Deductions (C)	As at March 31, 2021 (D=A+B-C)	As at April 1, 2020 (F)	For the year (H)	Deductions (I)	
Leasehold Improvements	318	-	-	318	93	31	-	194
Computers and Allied Equipment	393	37	1	429	274	68	1	88
Enterprise Core Network Assets	85	-	-	85	14	8	-	63
Office Equipment	141	3	-	144	103	30	-	11
Furniture and Fixtures	78	-	-	78	25	9	-	34
Vehicles	45	-	25	20	28	7	20	5
<b>Total</b>	<b>1,060</b>	<b>40</b>	<b>26</b>	<b>1,074</b>	<b>537</b>	<b>153</b>	<b>21</b>	<b>405</b>

**12 (a) Capital work in progress**

CWIP	As at March 31, 2022				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	28	-	-	-	28
Projects temporarily Suspended	-	-	-	-	-
<b>Total</b>	<b>28</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28</b>

  

CWIP	As at March 31, 2021				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	2	-	-	-	2
Projects temporarily Suspended	-	-	-	-	-
<b>Total</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>

**13. Intangible assets**

**(a) Intangible assets as at March 31, 2022**

Particulars	Gross block (at deemed cost)				Accumulated Depreciation			Rs. million
	As at April 1, 2021 (A)	Additions (B)	Deductions (C)	As at March 31, 2022 (D=A+B-C)	As at April 1, 2021 (F)	For the year (H)	Deductions (I)	
Software	32	5	-	37	15	7	-	15
<b>Total</b>	<b>32</b>	<b>5</b>	<b>-</b>	<b>37</b>	<b>15</b>	<b>7</b>	<b>-</b>	<b>15</b>

**(b) Intangible assets as at March 31, 2021**

Particulars	Gross block (at deemed cost)				Accumulated Depreciation			Rs. million
	As at April 1, 2020 (A)	Addition (B)	Deductions (C)	As at March 31, 2021 (D=A+B-C)	As at April 1, 2020 (F)	For the year (H)	Deductions (I)	
Software	23	9	-	32	9	6	-	17
<b>Total</b>	<b>23</b>	<b>9</b>	<b>-</b>	<b>32</b>	<b>9</b>	<b>6</b>	<b>-</b>	<b>17</b>

**Notes to Financial Statements (Contd...)**
**14. Other non-financial assets**

Particulars	As at March 31, 2022 Rs. million	As at March 31, 2021 Rs. million
Prepayments and others	60	52
Advances	2	2
Less: Allowance for impairment	(3)	(3)
<b>Total</b>	<b>59</b>	<b>51</b>

**15. Trade payables**

Particulars	As at March 31, 2022 Rs. million	As at March 31, 2021 Rs. million
Sundry creditors [refer note 41]		
Total outstanding dues of micro enterprises and small enterprises	0	4
Total outstanding dues of creditors other than micro enterprises and small enterprises	731	14,054
<b>Total</b>	<b>731</b>	<b>14,058</b>

**Trade Payable aging schedule as at March 31, 2022**

Rs. million

Particulars	Outstanding for following periods from the due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	0	-	-	-	0
(ii) Others	731	-	-	-	731
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	-	-
	<b>731</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>731</b>

**Trade Payable aging schedule as at March 31, 2021**

Rs. million

Particulars	Outstanding for following periods from the due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	4	-	-	-	4
(ii) Others	14,054	-	-	-	14,054
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	-	-
	<b>14,058</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,058</b>

**16. Other payables**

Particulars	As at March 31, 2022 Rs. million	As at March 31, 2021 Rs. million
Other payables [refer note 41]		
Total outstanding dues of micro enterprises and small enterprises	0	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	246	182
<b>Total</b>	<b>246</b>	<b>182</b>

**Notes to Financial Statements (Contd...)**
**17. Borrowings**

Particulars	As at March 31, 2022 Rs. million	As at March 31, 2021 Rs. million
<b>At amortised cost</b>		
Secured term loans:		
From banks [Secured against hypothecation of vehicles] [Terms of repayment: Repayable in 48 equal installments from the date of respective loan with varying maturity dates till July 5, 2021 at interest rates ranging from 8.75% p.a to 9.75% p.a.]	-	0
<b>Total</b>	-	0
Borrowings in India	-	0
Borrowings outside India	-	-
<b>Total</b>	-	0

**18. Other financial liabilities**

Particulars	As at March 31, 2022 Rs. million	As at March 31, 2021 Rs. million
Unpaid dividend	0	0
Client margin money	16,940	17,193
Salaries and incentives payable	184	131
Other Payables	-	60
<b>Total</b>	17,124	17,384

**19. Provisions**

Particulars	As at March 31, 2022 Rs. million	As at March 31, 2021 Rs. million
Provision for employee benefits:		
Compensated absences	325	347
Gratuity (Refer note 34 (ii))	52	59
<b>Total</b>	377	406

**20. Other non-financial liabilities**

Particulars	As at March 31, 2022 Rs. million	As at March 31, 2021 Rs. million
Statutory dues including Provident fund, Tax deducted at source, Goods and service tax	377	278
Others	33	32
<b>Total</b>	410	310

Notes to the Financial Statements (Contd...)

21. Equity share capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	Rs. million	Number of Shares	Rs. million
<b>Authorised</b>				
Equity shares of Rs. 10 each	283,750,000	2,838	283,750,000	2,838
Cumulative redeemable preference shares of Rs. 10 each	810,000,000	8,100	810,000,000	8,100
<b>Total</b>		<b>10,938</b>		<b>10,938</b>
<b>Issued, subscribed and paid up</b>				
Equity shares of Rs. 10/- each, fully paid up	23,155,039	232	23,155,039	232
<b>Total</b>	<b>23,155,039</b>	<b>232</b>	<b>23,155,039</b>	<b>232</b>

Reconciliation of number of shares :

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	Rs. million	Number of Shares	Rs. million
Balance as at the beginning of the year	23,155,039	232	23,155,039	232
Balance as at the end of the year	23,155,039	232	23,155,039	232

**Rights, preferences and restrictions attached to shares:**

The Company has only one class of equity shares with a par value of Rs. 10/- each. Each shareholder is eligible for one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

**Shares held by the holding company, ultimate holding company and their subsidiaries/associates are as below:**

Name of Shareholder	Nature of Relationship	As at March 31, 2022		As at March 31, 2021	
		Number of Shares	Rs. million	Number of Shares	Rs. million
GHS Singapore Holding Pte Limited	Holding Company	23,143,897	231	23,143,897	231

**Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:**

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	% of holding	Number of Shares	% of holding
GHS Singapore Holding Pte Limited	23,143,897	99.95%	23,143,897	99.95%

**Disclosure of Shareholding of Promoters**

Promoter* name	Shares held by promoters at the end of the year as at March 31, 2022		% change during the year	
	No. of Shares	% of total shares	No. of Shares	% of total shares
GHS Singapore Holding Pte. Limited	23,143,897	99.95%	23,143,897	0%

Promoter* name	Shares held by promoters at the end of the year as at March 31, 2021		% change during the year	
	No. of Shares	% of total shares	No. of Shares	% of total shares
GHS Singapore Holding Pte. Limited	23,143,897	99.95%	23,143,897	0%

\* promoter here means promoter as defined in the Companies Act, 2013

## Notes to Financial Statements (Contd...)

### 22. Other equity

Refer Statement of Changes in Equity for detailed movement in equity balances.

Particulars	As at March 31, 2022 Rs. million	As at March 31, 2021 Rs. million
<b>Summary of other equity balances</b>		
<u>Reserves and Surplus</u>		
Capital redemption reserve	8,100	8,100
Securities premium	44	44
General reserve	4,511	4,511
Share based payment reserve	123	175
Retained earnings	19,486	16,082
<b>Total</b>	<b>32,264</b>	<b>28,912</b>

### Nature and purpose of reserves

#### i) Capital redemption reserve

As per Companies Act, 2013, capital redemption reserve is created when a company purchases its own equity shares / preference shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve is utilized in accordance with the provisions of section 69 of the Companies Act, 2013

#### ii) Securities premium

Securities premium is used to record the premium on issue of equity shares/preference shares/debentures. The reserve is utilized in accordance with the provisions of section 52 of the Companies Act, 2013.

#### iii) General reserve

The general reserve is a free reserve which is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of Other Comprehensive Income, items included in the general reserve will not be reclassified subsequently to Statement of Profit and Loss.

#### iv) Share based payment reserve

The fair value of the equity settled share based payment transaction with employees of the Company in terms of the global long-term incentive compensation plans of the ultimate controlling enterprises is recognised in statement of profit and loss with corresponding credit to employee stock reserve. Any subsequent payment to the ultimate controlling enterprise is debited to the employee stock reserve.

#### v) 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.

**Notes to Financial Statements (Contd...)**
**23. Fees and commission income**

Particulars	Year ended March 31, 2022 Rs. million	Year ended March 31, 2021 Rs. million
Professional fees	3,185	2,093
Brokerage	3,464	3,174
<b>Total</b>	<b>6,649</b>	<b>5,267</b>

**24. Other income**

Particulars	Year ended March 31, 2022 Rs. million	Year ended March 31, 2021 Rs. million
Interest Income		
- On financial assets measured at amortised cost:		
Bank deposits	1,254	1,193
Unwinding of discount on financial assets	13	11
- On financial assets measured at FVOCI:		
Debt securities	-	0
- Other interest income (including interest on Income tax refund)	-	0
Infrastructure and support fees recovered	85	10
Secondment charges recovered	4	4
Gain on derecognition of investments in debt securities (refer Note 42(ii)(c))	-	192
Net (loss) on derecognition of property plant and equipment	0	(0)
Net gain/(loss) on foreign currency transactions	(4)	6
Net gain on fair value changes		
- On debt instruments designated at Fair value through OCI	-	0
Miscellaneous income	0	1
<b>Total</b>	<b>1,352</b>	<b>1,417</b>
Break up of Net gain / (loss) on fair value changes		
Realised	-	0
Unrealised	-	-
<b>Total</b>	<b>-</b>	<b>0</b>

**25. Finance costs**

Particulars	Year ended March 31, 2022 Rs. million	Year ended March 31, 2021 Rs. million
<b>On Financial liabilities carried at amortised cost</b>		
Interest expense on borrowings	0	0
<b>On Recognition of Liability in respect of Leases</b>		
Interest expense on lease liabilities	74	80
<b>Total</b>	<b>74</b>	<b>80</b>

**Notes to Financial Statements (Contd...)**
**26. Fees and commission expenses**

Particulars	Year ended March 31, 2022 Rs. million	Year ended March 31, 2021 Rs. million
Brokerage, clearing charges and exchange fees	130	103
Sub-brokerage, fees, commission and other direct expenses	-	14
<b>Total</b>	<b>130</b>	<b>117</b>

**27. Employee benefits expenses**

Particulars	Year ended March 31, 2022 Rs. million	Year ended March 31, 2021 Rs. million
Salaries and incentives	1,761	1,436
Contribution to provident fund [refer note 33(i)]	55	50
Share based payment	189	156
Gratuity [refer note 33(ii)]	39	38
Staff welfare expenses	6	12
<b>Total</b>	<b>2,050</b>	<b>1,692</b>

**28. Depreciation, amortisation and impairment**

Particulars	Year ended March 31, 2022 Rs. million	Year ended March 31, 2021 Rs. million
Depreciation on property plant and equipment [refer note 12]	105	153
Amortisation on intangible assets [refer note 13]	7	6
Depreciation on Right of Use Assets	216	216
<b>Total</b>	<b>328</b>	<b>375</b>

**29. Other expenses**

Particulars	Year ended March 31, 2022 Rs. million	Year ended March 31, 2021 Rs. million
Advertisement, publicity and sales promotion, net	0	0
Bad debts and advances written off	-	1
Communication costs	51	100
Corporate Social Responsibility expenditure [refer note 32 (b)]	57	60
Data subscription costs	102	109
Electricity	28	28
Infrastructure and support costs	102	104
Insurance	22	6
Legal and professional fees	161	134
Auditors remuneration (excluding taxes) [refer note 32]	6	6
Printing and stationery	0	1
Rates and taxes	162	153
Rent	0	0
Repairs and maintenance	177	168
Secondment charges incurred	61	6
Travelling expenses	28	13
Miscellaneous expenses	21	5
<b>Total</b>	<b>978</b>	<b>894</b>

## Notes to Financial Statements (Contd...)

### 30. Contingent liabilities :

Particulars	As at March 31, 2022 Rs. million	As at March 31, 2021 Rs. million
<b>(a) Claims against the company not acknowledged as debt:</b>		
Income-tax demands disputed in appeals before the authorities to the extent not (provided for and fully paid)	1,901	1,654
<b>(b) Others</b>	1	1
<b>Total</b>	<b>1,902</b>	<b>1,655</b>

### 31. Commitments

Particulars	As at March 31, 2022 Rs. million	As at March 31, 2021 Rs. million
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	27	16
<b>Total</b>	<b>27</b>	<b>16</b>

### 32. Additional disclosures

#### a. Payment to auditors (including taxes):

Particulars	Year ended March 31, 2022 Rs. million	Year ended March 31, 2021 Rs. million
Audit Fees	6	5
For other services [tax audit fees and certification]	1	1
<b>Total</b>	<b>7</b>	<b>6</b>

#### b. Corporate Social Responsibility (CSR) expenditure:

Particulars	Year ended March 31, 2022 Rs. million	Year ended March 31, 2021 Rs. million
(1) Amount required to be spent by the Company during the year	58.09	61
(2) Amount of expenditure incurred	58.62	1
(3) Shortfall at the end of the year	-	60
(4) Total of Previous Year's Shortfall	60.00	-
(5) Reason for Shortfall	<b>Refer note below</b>	<b>Refer note below</b>
(6) Nature of CSR activities	<b>Covid Relief,</b>	<b>Promoting</b>
	<b>Livelihoods</b>	<b>Education</b>
(7) 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	-	-
(8) Where a provision is made with respect to a liability incurred by entering into acontractual obligation, the movements in the provision	-	-

Note : The Company has disclosed Rs. 60 million in previous year as unspent amounts in accordance with the General circular no. 14/2021 dated August 25, 2021, issued by the Ministry of Corporate Affairs. There is no unspent amount for financial year ended March 31, 2022.

#### c. Additional disclosures required as per notification by Ministry of Corporate Affairs dt. March 24, 2021

- Title deeds of Immovable Properties not held in name of company -The Company does not have any immovable property other than leased properties. Hence, disclosure requirements are not applicable.
- As at March 31, 2022, the Company did not have any loans and advances outstanding to promoters, directors, Key Management Personnel and the related parties that are repayable on demand or without specifying any terms of repayment.
- There is no legal proceedings initiated/pending against the Company for holding any benami property.
- The Company has not been declared as Wilful Defaulter by any bank or financial institution or other lenders.
- The Company did not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 for the year ended 31 March 2022.
- There is no charge or satisfaction which is yet to be registered with ROC beyond the statutory period.
- Compliance with number of layers of companies - the Company doesn't have any subsidiary hence not applicable.
- There are not any scheme of arrangements as per sections 230 to 237 of the Companies Act, 2013.
- There are not any transactions which are not recorded in the books of accounts that have been surrendered or disclosed as income during the year in the tax assessments under the Income at Act, 1961.
- The Company has not traded or invested in Crypto currency or Virtual currency during the financial year ended March 31, 2022.



**Notes to Financial Statements (Contd...)**
**33. Employee benefits**
**Disclosures in respect of Defined Contribution Plan and Defined Benefit Plan :**
**i. Defined contribution plan:**

Company's contribution to provident fund Rs. 55 million [Previous year Rs. 50 million]

**ii. Defined Benefit plan:**

Defined benefit plan represents the gratuity benefits payable to the employees. The Company has a funded plan for gratuity which is managed by DSP Merrill Lynch Limited Employees' Gratuity Fund. Funds of the trust are being managed by private insurance company.

**(a) Reconciliation of fair value of assets and obligations**

Particulars	As at March 31, 2022 Rs. million	As at March 31, 2021 Rs. million
Present value (PV) of funded obligation for gratuity	(383)	(351)
Fair value of plan assets	331	292
<b>Balance as at the year end - (Deficit)/Surplus</b>	<b>(52)</b>	<b>(59)</b>

**(b) Reconciliation of opening and closing balances of Defined Benefit Obligation**

Particulars	Year ended March 31, 2022 Rs. million	Year ended March 31, 2021 Rs. million
Opening defined benefit obligation	351	315
Current service cost	36	36
Interest cost	22	20
Past service cost	-	-
Actuarial (gain) / loss arising from change in financial assumptions	(14)	3
Actuarial (gain) / loss arising from experience adjustment	12	(9)
Acquisition / (Transfer)	(2)	(3)
Benefits paid	(22)	(11)
<b>Defined benefit obligation at year end</b>	<b>383</b>	<b>351</b>

**(c) Reconciliation of opening and closing balances of fair value of plan assets**

Particulars	Year ended March 31, 2022 Rs. million	Year ended March 31, 2021 Rs. million
Opening fair value of plan assets	292	280
Expected return on plan assets	19	17
Actuarial gain / (loss) arising from change in financial assumptions	5	5
Contributions by employer	36	-
Benefits paid	(21)	(10)
<b>Fair value of plan assets at year end</b>	<b>331</b>	<b>292</b>

**Notes to Financial Statements (Contd...)**
**33. Employee benefits (Contd....)**
**(d) Expenses recognised during the year**

Particulars	Year ended March 31, 2022 Rs. million	Year ended March 31, 2021 Rs. million
<b>In Income Statement</b>		
Current service cost	37	36
Past service cost - plan amendment	-	-
Interest cost	2	2
Return on plan assets	-	-
<b>Net cost</b>	<b>39</b>	<b>38</b>
<b>In Other Comprehensive Income</b>		
Actuarial (gain) / loss arising from change in demographic assumption	-	-
Actuarial (gain) / loss arising from change in financial assumptions	(20)	(2)
Actuarial (gain) / loss arising from experience adjustment	12	(9)
<b>Net (income)/ expense for the period recognised in OCI</b>	<b>(8)</b>	<b>(11)</b>

**(e) Investment details**

Particulars	As at March 31, 2022	As at March 31, 2021
Government of India securities	0%	0%
High quality corporate bonds (including public sector bonds)	0%	0%
Cash	1%	1%
Schemes of insurance - conventional products	98%	98%
Others (including FDs and Special deposits)	1%	1%
<b>Total</b>	<b>100%</b>	<b>100%</b>

**(f) Principal actuarial assumptions**

Particulars	As at March 31, 2022	As at March 31, 2021
Discount rate p.a.	7.00%	6.50%
Salary escalation rate p.a.	9.00%	9.00%
Expected rate of return on assets (p.a.)	7.00%	6.50%
Attrition rate	8.50%	8.50%

The mortality assumptions and rates considered in assessing the Company's post retirement liabilities are as per the published rate under the Indian Assured Lives Mortality (2006-08) Ultimate table.

The estimates of future salary increase, considered in actuarial valuation, take into account the inflation, seniority, promotion and other relevant factors.

**Notes to Financial Statements (Contd...)**
**33. Employee benefits (Contd....)**
**(g) Sensitivity Analysis**

Particulars	Year ended March 31, 2022 Rs. million	Year ended March 31, 2021 Rs. million
Change in discounting rate		
Increase in rate by 1%	(26)	(25)
Decrease in rate by 1%	30	29
Change in rate of salary increase		
Increase in rate by 1%	29	28
Decrease in rate by 1%	(26)	(25)
Change in rate of employee turnover		
Increase in rate by 5%	(17)	(20)
Decrease in rate by 5%	24	30

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

**(h) Weighted Average duration and expected employer contribution:**

Weighted average duration of the defined benefit plan as at March 31, 2022 is 8 years (as at March 31, 2021, 8 years). Expected employer contribution for the next year is Rs. 27 million.

**34. Leases**

The Company's lessee arrangements predominantly consist of leases for office premises. Lease terms may contain renewal and extension options and early termination features. Generally, these options do not impact the lease term because the Company is not reasonably certain that it will exercise the options.

For further details on the Company's accounting policy with respect to leases, see Note 2(g).

The Company has not sub-leased any part of the above premises. There are no lease payments recognized in the Statement of Profit and Loss for contingent rent. The terms of renewal and escalation clauses are those normally prevalent in similar agreements. There are no undue restrictions or onerous clauses in the agreements.

**(a) Right-of Use Assets**

Particulars	As at March 31, 2022 Rs. million	As at March 31, 2021 Rs. million
Opening Right of use asset	1,205	1,253
Additions during the year	114	169
Depreciation for the year	(216)	(217)
<b>Right of Use Asset at year end</b>	<b>1,103</b>	<b>1,205</b>

**(b) Lease Liabilities**
**(i) maturity Analysis-Contractual undiscounted Cash Flows**

Particulars	As at March 31, 2022 Rs. million	As at March 31, 2021 Rs. million
Within 12 months	254	226
Beyond 12 months	1,116	1,252
<b>Total undiscounted lease liabilities</b>	<b>1,370</b>	<b>1,478</b>

**Notes to the Financial Statements (Contd...)**
**34. Leases (Contd....)**
**(ii) Movement during the year**

Particulars	As at March 31, 2022 Rs. million	As at March 31, 2021 Rs. million
Opening Balance	1,227	1,198
Additions during the year	114	168
Interest recognised on lease liabilities	74	80
Repayment during the year	(240)	(219)
<b>Balance as at March 31, 2022</b>	<b>1,175</b>	<b>1,227</b>

**(c) Amount recognised in Statement of Profit & Loss**

Particulars	As at March 31, 2022 Rs. million	As at March 31, 2021 Rs. million
Depreciation of Right-of-Use Assets	216	217
Interest on Lease Liabilities	74	79
<b>Total</b>	<b>290</b>	<b>296</b>

**(d) Cash flows**

Particulars	As at March 31, 2022 Rs. million	As at March 31, 2021 Rs. million
Cash (outflows) during the year for all leases	(240)	(219)
<b>Total</b>	<b>(240)</b>	<b>(219)</b>

**35. Related party disclosures**
**i. List of related parties and their relationships :**

Sr. no.	Name of the related party	Relationship
1	Bank of America Corporation (BAC)	Ultimate Controlling enterprise (a)
2	GHS Singapore Holding Pte. Limited	Holding Company (b)
3	Bank of America, N. A. - India Branches	Fellow Subsidiary
4	Bank of America, National Association - USA and its Branches	Fellow Subsidiary
5	Merrill Lynch International, LLC.	Fellow Subsidiary (c)
6	Merrill Lynch Markets Singapore Pte. Limited	Fellow Subsidiary
7	Merrill Lynch Global Services Pte. Limited	Fellow Subsidiary
8	Merrill Lynch (Asia Pacific) Limited	Fellow Subsidiary
9	Merrill Lynch International	Fellow Subsidiary
10	Merrill Lynch (Singapore) Pte. Limited	Fellow Subsidiary
11	Bank of America Europe DAC, France Branch	Fellow Subsidiary
12	BofA Securities Europe SA	Fellow Subsidiary
13	BofA Securities, Inc.	Fellow Subsidiary
14	BofA Securities Japan Co., Limited	Fellow Subsidiary
15	Asit Bhatia, Arbind Maheswari, Charulata Sippy, Rajnarayan Balakrishnan, Sundararaman Ramamurthy, Sudhir Jain, Mitali Ghosh*, Ameer Parikh**	Key Management Personnel (KMP)

(a) Refer Note 1 - Company background

(b) Refer Note 21 - Equity share capital

(c) Formerly known as Merrill Lynch International Inc.

\* has been appointed with effect from June 15, 2021

\*\* term ended on March 19, 2021

**Notes to the Financial Statements (Contd...)**
**35. Related party disclosures (Contd...) :**
**ii. Transactions during the year / balances with related parties :**
**Rs. million**

Sr. No.	Nature of transaction	Ultimate Controlling Enterprise	Holding Company	Fellow Subsidiaries	Key Management Personnel (KMP)
1	<b>Equity share capital</b> Balance as at March 31, 2022 <i>Previous year</i>	- -	231 231	- -	- -
2	<b>Bank balance</b> <i>Previous year</i>	- -	- -	1,887 <sup>(1)</sup> 15,486	- -
3	<b>Fixed deposits - placement</b> Placed during the year <i>Previous year</i> Matured during the year <i>Previous year</i> Balance as at March 31, 2022 <i>Previous year</i>	- - - - -	- - - - -	1,58,840 <sup>(1)</sup> 1,68,234 1,56,906 <sup>(1)</sup> 1,61,388 20,280 <sup>(1)</sup> 18,346	- - - - -
4	<b>Margin deposits</b> Received during the year <i>Previous year</i> Refunded / adjusted during the year <i>Previous year</i> Balance as at March 31, 2022 <i>Previous year</i>	- - - - -	- - - - -	67,073 <sup>(2)</sup> 85,117 69,183 <sup>(3)</sup> 84,526 (12,244) (14,355)	- - - - -
5	<b>Revenue from operations</b> Fees and commission income <i>Previous year</i> Balance as at March 31, 2022 <i>Previous year</i>	- - - -	- - - -	1,833 <sup>(4)</sup> 948 745 63	- - - -
6	<b>Other income</b>				
a)	<b>Infrastructure and support fees recovered</b> <i>Previous year</i> Balance as at March 31, 2022 <i>Previous year</i>	- - - -	- - - -	85 <sup>(1)</sup> 10 77 2	- - - -
b)	<b>Interest Income</b> <i>Previous year</i> Balance as at March 31, 2022 <i>Previous year</i>	- - - -	- - - -	570 <sup>(1)</sup> 480 34 34	- - - -
c)	<b>Secondment charges recovered</b> <i>Previous year</i> Balance as at March 31, 2022 <i>Previous year</i>	- - - -	- - - -	4 <sup>(1)</sup> 3 0 0	- - - -
7	<b>Recovery of amounts</b> <i>Previous year</i> Balance as at March 31, 2022 <i>Previous year</i>	- - - -	- - - -	1 <sup>(5)</sup> 1 1 -	- - - -
8	<b>Payment / (recovery) in respect of retirement benefits of transferred employees, net</b> <i>Previous year</i> Balance as at March 31, 2022 <i>Previous year</i>	- - - -	- - - -	(0) <sup>(6)</sup> (3) (2) -	- - - -

**Notes to the Financial Statements (Contd...)**
**35. Related party disclosures (Contd...) :**
**ii. Transactions during the year / balances with related parties (Contd...)**
**Rs. million**

Sr. No.	Nature of transaction	Ultimate Controlling Enterprise	Holding Company	Fellow Subsidiaries	Key Management Personnel (KMP)
9	<b>Remuneration</b>	-	-	-	234 <sup>(6)</sup>
	<i>Previous year</i>	-	-	-	137
	Balance as at March 31, 2022	-	-	-	(0)
	<i>Previous year</i>	-	-	-	(0)
10	<b>Infrastructure costs incurred</b>	-	-	102 <sup>(1)</sup>	-
	<i>Previous year</i>	-	-	104	-
	Balance as at March 31, 2022	-	-	(50)	-
	<i>Previous year</i>	-	-	(52)	-
11	<b>Secondment charges incurred</b>	-	-	61 <sup>(1)</sup>	-
	<i>Previous year</i>	-	-	6	-
	Balance as at March 31, 2022	-	-	(47)	-
	<i>Previous year</i>	-	-	(1)	-
12	<b>Interest and bank charges</b>	-	-	47 <sup>(1)</sup>	-
	<i>Previous year</i>	-	-	0	-
13	<b>Other expenses</b>				
a)	<b>Fees and commission expenses</b>	-	-	-	-
	<i>Previous year</i>	-	-	14	-
	Balance as at March 31, 2022	-	-	(14)	-
	<i>Previous year</i>	-	-	(110)	-
b)	<b>Professional fees expenses</b>	-	-	5 <sup>(8)</sup>	-
	<i>Previous year</i>	-	-	5	-
	Balance as at March 31, 2022	-	-	(0)	-
	<i>Previous year</i>	-	-	(5)	-
14	<b>Receivable towards with-holding tax (TDS) recovered from employees on stock compensation, etc..</b>	96	-	-	-
	<i>Previous year</i>	66	-	-	-
15	<b>Reimbursement towards restricted stocks/units, net</b>	164	-	-	-
	<i>Previous year</i>	184	-	-	-
	Balance as at March 31, 2022	(246)	-	-	-
	<i>Previous year</i>	(164)	-	-	-

**Note: Figures within brackets against balance denote amounts payable by the Company to the related parties**
**Notes:**

- (1) Amounts relates to Bank of America N. A. - India Branches
- (2) Margin deposit placed includes nil [previous year Rs. 34,845 million] placed by Merrill Lynch Markets Singapore Pte. Limited and Rs.67,073 million [previous year Rs. 50,272 million] placed by BofA Securities Europe SA.
- (3) Margin deposit refunded includes nil [previous year Rs. 48,609 million] refunded to Merrill Lynch Markets Singapore Pte. Limited and Rs.69,183 million [previous year Rs. 35,917 million] refunded to BofA Securities Europe SA.
- (4) Income from fees and commission income includes commission income of nil [Previous year Rs. 132 million] from Merrill Lynch Markets Singapore Pte Limited and Rs. 713 million [Previous year Rs. 256 million] from BOFA Securities Europe SA and Professional fees income of Rs. 240 million [Previous year Rs. 248 million] from Merrill Lynch International, Rs. 880 million [Previous year Rs. 131 million] from BOFA Securities Inc. and nil [Previous year Rs. 181 million] from Bank of America Europe DAC, France Branch
- (5) Amounts relate to Merrill Lynch International, LLC
- (6) Includes nil (Previous year Rs. 3 million) paid to Bank of America N.A. - India Branches and Rs. 0.3 million [Previous year Rs. 0.6 million] received from BofA Securities Inc.
- (7) Includes Short term employee benefits Rs. 111 million (Previous year Rs. 92 million), Post employment benefits Rs. 2 million (Previous year Rs. 2 million), other long term benefits Rs. 0.4 million (Previous year Rs. 1 million), Termination benefits Rs. 4.4 million (Previous year Rs. 2 million), share based payment Rs. 60 million (Previous year Rs. 39 million), fees for attending Board/Committee meetings Rs. 2 million (Previous year Rs. 2 million), secondment fees of Rs. 54 million (Previous year nil)
- (8) Includes Rs. 3 million [Previous year Rs. 2 million] pertaining to Merrill Lynch Global Services Pte. Limited and Rs. 2 million [Previous year Rs. 3 million] pertaining to Bank of America N.A. - USA.

### Notes to Financial Statements (Contd...)

#### 36. Segment reporting

The Company has identified two primary reportable business segments namely 'Advisory and Transactional Services' and 'Principal Transactions' in terms of Ind AS 108 "Operating Segment". Information in respect of reportable segments performance is given below:

Sr. No.	Particulars	Rs. million							
		Advisory and Transactional Services		Principal Transactions		Unallocable		Total	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021		
1	Segment Revenue	7,293	5,838	709	847	(1)	(1)	8,001	6,684
2	Segment Results	3,898	2,888	564	698	(59)	(60)	4,403	3,526
3	Segment Assets	22,950	34,853	27,370	25,416	2,255	2,442	52,575	62,711
4	Segment Liabilities	19,012	32,343	29	48	1,063	1,176	20,105	33,567
5	Capital Expenditure	59	48	1	1	-	-	60	49
6	Depreciation, amortisation and impairment	317	358	11	13	-	4	328	375
7	Other significant non-cash expenses	209	239	17	10	-	-	226	249

The Advisory and transactional services comprise Merchant Banking, Underwriting, Broking and interest on fixed deposits. The Principal Transactions segment consists of earnings from transactions in securities and deployment of surplus funds.

Segment assets include all operating assets used by a segment and consist primarily of fixed assets net of provision and allowance, investments, other current assets and fixed deposits.

Segment liabilities include all operating liabilities and other payables.

Items that relate to the enterprise as a whole or at the corporate level not attributable to a particular segment including investment in subsidiaries are included under "Unallocable".

The Company operates in a single reportable geographical segment.

**Notes to Financial Statements (Contd...)**
**37. Earnings per equity share (EPS):**

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Net profit after tax: attributable to equity shareholders [Rs. million]	3,398	2,693
Weighted average numbers of shares outstanding during the year	23,155,039	23,155,039
Face value per share [Rs.]	10	10
<b>Basic EPS [Rs.]</b>	<b>147</b>	<b>116</b>

There is no dilution to Basic EPS as there are no outstanding dilutive potential equity shares.

**38. Share Based Payments**

Restricted stocks / restricted units (RSU) of the Company's ultimate holding company, Bank of America Corporation (BAC), are granted to the eligible employees of the Company in terms of the global long-term incentive compensation plans of the ultimate holding company. These restricted stocks / restricted units vest in three / four equal annual instalments beginning one year from the grant date. The fair value of restricted stocks/ restricted units were determined based on the price of BAC common stock at the date of grant. Recipients of RSU awards may receive cash payments equivalent to dividends.

During the year ended March 31, 2022, 120,709 numbers of restricted stocks / restricted units were granted (Previous year 115,637) and the average estimated fair value per unit on the date of grant was US\$ 47.83 (Previous year US\$ 32.66). Employee benefits expense for the year includes Rs. 0.00 million (Previous year Nil) towards cash-settled awards and Rs.189 million (Previous year Rs. 156 million) towards equity settled awards. The liability towards restricted stocks / restricted units (cash settled) recognised as on March 31, 2022 is Rs. 33 million (as at March 31, 2021 Rs. 33 million)

**39.** Infrastructure and support fees recovered represent amounts recovered from fellow subsidiaries towards use of the Company's facilities and resources. Secondment charges represent amounts recovered from fellow subsidiaries towards secondment of employees.

**40. Income Taxes**
**a) Reconciliation of the total tax charge**

The tax charge shown in the Statement of Profit and Loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India corporate tax rate for the years ended March 31, 2022 and March 31, 2021 is as follows:

Particulars	Year ended March 31, 2022 Rs. million	Year ended March 31, 2021 Rs. million
Accounting profit before tax	4,441	3,526
Tax at India's statutory income tax rate of 25.17% (previous year 25.17%)	1,118	887
Tax effect of income that is not taxable in determining taxable profit	-	(59)
Tax effect of expenses / allowances that are not deductible in determining taxable profit	11	13
Tax expense pertaining to prior years	-	(6)
Others	(86)	(2)
Income tax expense at effective tax rate	1,043	833
Effective tax rate	23.486%	23.618%



**Notes to Financial Statements (Contd...)**
**40. Income Taxes (Contd...)**
**b) Movement of deferred tax assets and liability**

	Rs. million				
Movement for the year ended March 31, 2022	As at April 1, 2021	(Charge)/ Credit in the Statement of Profit and Loss	(Charge) / Credit in other comprehensive Income	Charge / (Credit) on account of change in tax rate	As at March 31, 2022
Deferred tax assets					
- Disallowance u/s 43B of Income-tax Act, 1961	40	13	-	-	53
- Depreciation / amortisation	50	(4)	-	-	46
- Allowance for impairment on interest receivable	11	-	-	-	11
- Amortisation cost of restricted stock/units	44	(13)	-	-	31
- Unwinding of discount on Lease Liability	309	(13)	-	-	296
- Employee benefit plans	102	(5)	(2)	-	95
- Others	29	(4)	-	-	25
Total (a)	585	(26)	(2)	-	557
Deferred tax liability					
- Unrealised gain on financial instruments carried at FVTPL	(0)	-	-	-	(0)
- Amortisation cost of Right-of-Use Asset	303	(25)	-	-	278
Total (b)	303	(25)	-	-	278
Deferred tax assets, net (a-b)	282	(1)	(2)	-	279

	Rs. million				
Movement for the year ended March 31, 2021	As at April 1, 2020	(Charge)/ Credit in the Statement of Profit and Loss*	(Charge) / Credit in other comprehensive Income	Charge / (Credit) on account of change in tax rate	As at March 31, 2021
Deferred tax assets					
- Disallowance u/s 43B of Income-tax Act, 1961	43	(3)	-	-	40
- Depreciation / amortisation	43	7	-	-	50
- Allowance for impairment on interest receivable	11	-	-	-	11
- Amortisation cost of restricted stock/units	47	(3)	-	-	44
- Unwinding of discount on Lease Liability	302	7	-	-	309
- Employee benefit plans	86	19	(3)	-	102
- Others	32	(3)	-	-	29
Total (a)	564	24	(3)	-	585
Deferred tax liability					
- Unrealised gain on financial instruments carried at FVTPL	(3)	3	-	-	(0)
- Amortisation cost of Right-of-Use Asset	315	(12)	-	-	303
Total (b)	312	(9)	-	-	303
Deferred tax assets, net (a-b)	252	33	(3)	-	282

## Notes to Financial Statements (Contd...)

### 41. Disclosures pertaining to Micro Enterprises and Small Enterprises:

Particulars	Year ended March 31, 2022 Rs. million	Year ended March 31, 2021 Rs. million
The following details relating to Micro and Small Enterprises shall be disclosed:		
(a) the principal amount and the interest due thereon remaining unpaid	0	4
(b) the amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006. along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year	0	0
(e) 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 of a deductible expenditure under section 23 of the Micro. Small and Medium Enterprises Development Act, 2006	-	-

The above information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

### 42. Financial Risk Management

The Company is engaged in the business of stock broking, securities research, underwriting, investment banking including corporate and financial advisory services. The Company's risk policy operates alongside BAC's global framework. The Company's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Company's financial performance.

The management is responsible for setting the objectives and underlying principles of financial risk management for the Company. The management establishes detailed policies such as risk management and measurement and exposure limits.

The Company seeks to ensure that the risks associated with such transactions are managed in compliance with various external regulatory and internal guidelines.

The following describes the potential risks that the Company may face:

#### (i) Market Risk

Market risk is the potential change in an instrument's value caused by fluctuations in currency, price and interest rates, as may be applicable. The level of market risk is influenced by the volatility and liquidity in the markets in which financial instruments are traded.

Market risk exposures for all financial assets and liabilities are measured using sensitivity analysis. The following discussion describes the types of market risk faced by the Company.

#### (a) Currency risk

Foreign exchange risk arises from the possibility that fluctuations in foreign exchange rates will affect the value of financial instruments. The Company's financial assets and liabilities are mainly denominated in Indian Rupees.

The following table summarises the currency denomination of the Company's foreign currency financial instruments:

Particulars	As at March 31, 2022
	Transactional currency
	USD
Financial Assets [Equivalent Rs. million]	350
Financial Liabilities [Equivalent Rs. million]	(268)

**Notes to Financial Statements (Contd...)**
**42. Financial Risk Management (Contd...)**

Particulars	As at March 31, 2021	
	Transactional currency	
	USD	SGD
Financial Assets [Equivalent Rs. million]	126	-
Financial Liabilities [Equivalent Rs. million]	281	0

A 5% appreciation / depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease / increase in the Company's profit after tax by approximately Rs. 3 million for the year ended March 31, 2022 (Previous year: Rs. 5 million). Sensitivity results presented above are based on the assumption that all the other parameters remain constant.

**(b) Price risk**

The Company has insignificant exposure to equity price risk as it does not hold significant investment in equity financial assets.

**(ii) Credit risk**

Credit risk is the risk of suffering financial loss, should any of the Company's clients or market counterparties fail to fulfil their contractual obligations to the Company. Credit risk arises mainly from cash and cash equivalents, deposits with banks and financial institutions, trade and other receivable and investment in debt securities and short term, highly liquid investments in mutual fund units measured at fair value through profit and loss.

**a) Trade and other receivables**

All trade receivables are reviewed and assessed for default on a individual basis. Historical experience of collecting receivables of the Company is supported by low level of past default and hence the credit risk is perceived to be low.

**b) Cash and Cash equivalents, bank balances and other financial assets**

The Company maintains exposure in cash and cash equivalents and deposits with banks. Cash and cash equivalents and bank deposits are held with high rated banks/financial institutions and short term in nature, therefore credit risk is perceived to be low.

Security deposits have been considered to enjoy low credit risk as they meet the following criteria:

- i) they have a low risk of default, and
- ii) the Company expects, in the longer term, that adverse changes in economic and business conditions might, but will not necessarily, reduce the ability of the counterparty to fulfil its obligations.

**Reconciliation of impairment allowance on other financial assets**

Particulars	Rs. million
<b>Impairment allowance as at April 1, 2020</b>	84
Add/(less): changes in loss allowance	(40)
<b>Impairment allowance as at March 31, 2021</b>	<b>44</b>
Add/(less): changes in loss allowance	-
<b>Impairment allowance as at March 31, 2022</b>	<b>44</b>

**c) Investment in debt securities**

The Company had investment in two debt securities measured at FVOCI during the previous year ended March 31, 2021 which had been classified as Stage 3 investments. The Company while determining the Expected credit Loss (ECL) on these investments had taken into consideration past events, default, expected cash flows, passage of time and current conditions. The ECL on these investments had been measured on lifetime basis as the credit has been impaired. ECL was the product of the probability of default (PD), exposure at default (EAD) and loss given default (LGD) and additional management overlays.

**Notes to Financial Statements (Contd...)**

**43. Financial Risk Management (Contd...)**

**c) Investment in debt securities (Contd...)**

During the previous year ended March 31, 2021, a one-time settlement scheme was agreed upon with the issuers of these securities. This scheme was accepted by the debenture trustee upon receiving consent of majority debenture holders representing 51% of all debentures by value, including consent vote from the Company. Under the scheme, principal value amounting to Rs. 200 million was agreed to be settled in a series of payments ending March 31, 2021. Accordingly, interest accrued amounting to Rs. 43 million (net of provision of Rs. 40 million) has been written off during the previous year.

As a result of the above, a net gain of Rs.176 million was recognised during the previous year. These investments were carried at fair value through Other Comprehensive Income (FVOCI) prior to settlement, hence, revaluation balance pertaining to these investments has been recycled to Profit and Loss statement (Rs.16 million) resulting in a gain of Rs. 192 million recognised in Profit and loss statement for the year ended March 31, 2021. No amount is receivable on account of these debt securities as at the balance sheet date.

The gross carrying amount of these investments in debt securities and corresponding loss allowance has been reproduced below:

**Investment in debt securities\***

Particulars	Rs. million
<b>As at April 1, 2021</b>	
Gross Exposure	-
Impairment Allowance	-
Carrying amount	-
Asset derecognised or repaid	-
Recoveries	-
Changes in fair value	-
<b>As at March 31, 2022</b>	-
As at April 1, 2020	
Gross Exposure	343
Impairment Allowance	(322)
Carrying amount	21
Asset derecognised or repaid	179
Recoveries	(200)
Changes in fair value	-
As at March 31, 2021	-

\*Note: Investment in debt securities have been classified as stage 3 instruments for the year ended March 31, 2021. Stage 3 includes financial assets that have objective evidence of being credit impaired at the reporting date of March 31, 2021.

Collateral and other credit enhancement:

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. The fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on a regular basis.

**(iii) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. Prudent liquidity risk management implies maintaining sufficient cash and liquid investments. The Company believes that current cash and cash equivalents re sufficient to meet financial liabilities (refer note no. 43). Accordingly, liquidity risk is perceived to be low.

## **Notes to Financial Statements (Contd...)**

### **43. Financial Risk Management (Contd...)**

#### **(iii) Liquidity risk (Contd...)**

##### **Maturity analysis :**

For maturity analysis of financial liabilities of the Company based on contractually agreed undiscounted cash flows as at the balance sheet date, refer Financial liabilities table in note 43. Maturity of assets and liabilities.

#### **(iv) Capital risk management**

The Company considers the total equity which includes share capital, retained profits and other reserves as shown in the balance sheet, to be managed capital.

The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders. The capital structure of the Company is based on management's judgment of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets.

The Company maintains a stable and strong capital structure.

## Notes to Financial Statements (Contd...)

### 43. Maturity of assets and liabilities

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

Rs. million

Particulars	As at March 31, 2022		
	On demand or within a year	Over 1 year	Total
<b>Financial Assets</b>			
Cash and cash equivalents	25,629	-	25,629
Bank balances other than cash and cash equivalents	21,206	-	21,206
Receivables			
(i) Trade receivables	1,848	-	1,848
(ii) Other receivables	197	-	197
Investments	-	-	-
Other financial assets	387	118	505
<b>Total Financial Assets</b>	<b>49,267</b>	<b>118</b>	<b>49,385</b>
<b>Non-Financial Assets</b>			
Current tax assets (net)	-	1,347	1,347
Deferred tax assets (net)	-	279	279
Property, plant and equipment & Capital work in progress	-	380	380
Intangible assets	-	15	15
Right-of-Use Asset	-	1,103	1,103
Other non-financial assets	52	14	66
<b>Total Non-Financial Assets</b>	<b>52</b>	<b>3,137</b>	<b>3,189</b>
<b>Total Assets</b>	<b>49,318</b>	<b>3,256</b>	<b>52,575</b>
<b>Financial Liabilities</b>			
Payables			
(i) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	0	-	0
Total outstanding dues of creditors other than micro enterprises and small enterprises	773	-	773
(ii) Other payables			
Total outstanding dues of micro enterprises and small enterprises	0	-	0
Total outstanding dues of creditors other than micro enterprises and small enterprises	246	-	246
Borrowings	-	-	-
Lease Liability	253	922	1,175
Other financial liabilities	17,124	0	17,124
<b>Total Financial Liabilities</b>	<b>18,396</b>	<b>922</b>	<b>19,318</b>
<b>Non-Financial Liabilities</b>			
Provisions	49	328	377
Other non-financial liabilities	377	33	410
<b>Total Non-Financial Liabilities</b>	<b>426</b>	<b>361</b>	<b>787</b>
<b>Total Liabilities</b>	<b>18,822</b>	<b>1,283</b>	<b>20,105</b>
<b>Assets net of liabilities</b>	<b>30,496</b>	<b>1,973</b>	<b>32,469</b>

**Notes to Financial Statements (Contd...)**
**43. Maturity of assets and liabilities (Contd...)**

Rs. million

Particulars	As At March 31, 2021		
	On demand or within a year	Over 1 year	Total
<b>Financial Assets</b>			
Cash and cash equivalents	25,667	-	25,667
Bank balances other than cash and cash equivalents	32,664	-	32,664
Receivables			
(i) Trade receivables	634	-	634
(ii) Other receivables	69	2	71
Investments	-	-	-
Other financial assets	326	104	430
<b>Non-Financial Assets</b>			
Current tax assets (net)	-	1,283	1,283
Deferred tax assets (net)	-	282	282
Property, plant and equipment & Capital work in progress	-	407	407
Intangible assets	-	17	17
Right-of-Use Asset	-	1,205	1,205
Other non-financial assets	37	14	51
<b>Total Assets</b>	<b>59,397</b>	<b>3,314</b>	<b>62,711</b>
<b>Financial Liabilities</b>			
Payables			
(i) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	4	-	4
Total outstanding dues of creditors other than micro enterprises and small enterprises	14,054	-	14,054
(ii) Other payables			
Total outstanding dues of micro enterprises and small enterprises	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	182	-	182
Borrowings	0	-	0
Lease Liability	226	1,001	1,227
Other financial liabilities	17,384	0	17,384
<b>Non-Financial Liabilities</b>			
Provisions	50	356	406
Other non-financial liabilities	278	32	310
<b>Total Liabilities</b>	<b>32,178</b>	<b>1,389</b>	<b>33,567</b>
<b>Assets net of liabilities</b>	<b>27,219</b>	<b>1,925</b>	<b>29,144</b>

## Notes to Financial Statements (Contd...)

### 44. Fair Value of Financial Instruments

#### a) Financial instruments by category

The carrying values of financial assets and financial liabilities by category are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value

Rs. million

As at March 31, 2022	Measured at			Total carrying Value
	Fair value through profit and loss	Fair value through OCI	Amortised Cost (net of ECL)	
<u>Financial Assets</u>				
Cash and cash equivalents	-	-	25,629	25,629
Bank balances other than cash and cash equivalents	-	-	21,206	21,206
Trade receivables	-	-	1,868	1,868
Other receivables	-	-	177	177
Investments				
- Debt securities	-	-	-	-
- Equity instruments	-	-	-	-
Other financial assets	-	-	505	505
<b>Total financial assets</b>	-	-	<b>49,385</b>	<b>49,385</b>
<u>Financial Liabilities</u>				
Trade payables	-	-	731	731
Other payables	-	-	246	246
Borrowings	-	-	-	-
Lease Liability	-	-	1,175	1,175
Other financial liabilities	-	-	17,124	17,124
<b>Total financial liabilities</b>	-	-	<b>19,276</b>	<b>19,276</b>

Rs. million

As at March 31, 2021	Measured at			Total carrying Value
	Fair value through profit and loss	Fair value through OCI	Amortised Cost	
<u>Financial Assets</u>				
Cash and cash equivalents	-	-	25,667	25,667
Bank balances other than cash and cash equivalents	-	-	32,664	32,664
Trade receivables	-	-	634	634
Other receivables	-	-	71	71
Investments				
- Debt securities	-	-	-	-
- Equity instruments	-	-	-	-
Other financial assets	-	-	430	430
<b>Total financial assets</b>	-	-	<b>59,466</b>	<b>59,466</b>
<u>Financial Liabilities</u>				
Trade payables	-	-	14,058	14,058
Other payable	-	-	182	182
Borrowings	-	-	0	0
Lease Liability	-	-	1,227	1,227
Other financial liabilities	-	-	17,384	17,384
<b>Total financial liabilities</b>	-	-	<b>32,851</b>	<b>32,851</b>



**Notes to Financial Statements (Contd...)****44. Fair Value of Financial Instruments (Contd...)****b) Fair value hierarchy****The Company uses the following hierarchy for determining and disclosing the fair value of financial assets by valuation technique:**

The fair value of financial instruments are classified into three categories i.e. Level 1, 2 or 3 depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements).

The hierarchies used are as follows:

**Level 1:** The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period.

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

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Valuation technique used to determine fair value

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

Specific valuation techniques used to value financial instruments include:

- the fair value of the quoted equity instruments is determined using market price listed on stock exchange.
- the fair value of the unquoted mutual fund units is determined using observable NAV representing repurchase price issued by the mutual fund.
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis and the discount rates used were adjusted for counterparty or own credit risk.

Fair value of financial assets and liabilities measured at amortised cost

For financial assets and financial liabilities that have a short-term maturity, the carrying amounts are a reasonable approximation of their fair value. Such instruments include, cash and bank balances, bank deposits, trade and other receivables, security deposits, loans to employees, other financial assets and trade and other payables. Such amounts have been classified as Level 3 on the basis that no adjustments have been made to the balances in the balance sheet.

The fair values for borrowings and security deposits were calculated based on cash flows discounted using a fair market rate of interest. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk

For financial assets and financial liabilities measured at fair value, the carrying amounts are equal to the fair values.

**Classification of financial assets and liabilities by fair value hierarchy**

There are no level 1, 2, 3 financial assets and liabilities as of March 31, 2022 and March 31, 2021.

**c) Fair Values of Level 3 Assets:**

There are no level 3 financial assets as of March 31, 2022 and March 31, 2021.

---

**Signatures to notes 1 to 44**

As per our report of even date attached

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

Firm Registration No.: 101248W/W-100022

Chartered Accountants

sd/-

**Sameer Mota**

Partner

Membership No.: 109928

Mumbai : July 29, 2022

**For and on behalf of the Board of Directors**

sd/-

**Asit Bhatia**

Chairman and Whole-time Director

(DIN: 05112750)

sd/-

**Naresh Shah**

Chief Financial Officer

Mumbai : July 29, 2022

sd/-

**Rajnarayan Balakrishnan**

Whole-time Director

(DIN: 06694243)

sd/-

**Samrat Sanyal**

Company Secretary

Membership No. A13863



**NOTES**

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---



### NOTES

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

## **NOTES**

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

**BofA Securities India Limited**  
**(Formerly known as DSP Merrill Lynch Limited)**

Ground Floor, A Wing, One BKC, G Block, Bandra Kurla Complex,  
Bandra (East), Mumbai 400 051, India [www.ml-india.com](http://www.ml-india.com)  
CIN: U74140MH1975PLC018618