



# MITTAL NIPPUN & ASSOCIATES

## CHARTERED ACCOUNTANTS

Regd. Office: E3/28, Upper Ground Floor, Sector-11, Rohini, Delhi-110085  
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### INDEPENDENT AUDITORS' REPORT

To

**The Members of HB SECURITIES LIMITED**

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying Financial Statements of **HB SECURITIES LIMITED** ("the Company"), which comprise the balance sheet as at 31 March 2023, and the statement of profit and loss (including other comprehensive income), statement of cash flows and statement of changes in equity for the year then ended, and notes to the Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

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

#### Basis of Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those 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 we have obtained is sufficient and appropriate to provide a basis for our opinion on the Financial Statements.

#### Information Other than the financial statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors report to be 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 Responsibility for the Financial Statements**

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

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.

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

### **Auditors' Responsibility 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 system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the **Annexure 'A'** a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

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

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

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

(c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;



(e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to **Annexure 'B'**.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations as at 31<sup>st</sup> March, 2023 which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts as at 31<sup>st</sup> March, 2023
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
  
(b) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the company to or in any other person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
  
(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. No dividend has been declared/ paid by the Company during the year.
- vi. Proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of accounts using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the company with effect from 01.04.2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31st March, 2023.



(h) With respect to the matter to be included in the Auditor's Report under section 197(16):

The Company has not paid any managerial remuneration for the year ended 31st March, 2023 to its directors.

**For Mittal Nippun & Associates**  
**Chartered Accountant**  
**Firm Registration No.: 028891N**

*Nippun*

**(Nippun Mittal)**  
**Proprietor**  
**M No.: 532010**



**UDIN: 23532010 BGYDPM2866**

**Date: 18.05.2023**

**Place: New Delhi**



**Annexure – A to the Auditors' Report**

The annexure referred to in Independent Auditor's Report to the members of **HB SECURITIES LIMITED** on the financial statements for the year ended on 31<sup>st</sup> March, 2023, We Report that:

1. a. (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment. The Company does not have any right of use assets.  
  
(B) The company does not have intangible assets.  
  
b. As explained to us, the management during the year has physically verified the Property, Plant and Equipment in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.  
  
c. The Company does not have any immovable property.  
  
d. The Company has not revalued any of its Property, Plant and Equipment during the year.  
  
e. There are no proceedings initiated or are pending against the Company for holding any Benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
2. a. The Company does not have any inventory. Hence, the reporting requirement of para 3(ii)(a) of the order is not applicable to the Company.  
  
b. No working capital limit has been sanctioned and availed by the Company. Hence, the reporting requirement of para 3(ii)(b) of the order is not applicable to the Company.
3. In our opinion and According to the information and the explanations given to us, the company has not made any investment in, provided any 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. Hence, the provisions of Para 3(iii)(a-f) of the order are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, the company has complied with the provision of section 185 and 186 of the Act, with respect to the loans and investment made and guarantee given and security provided, to the extent applicable to the Company.
5. The Company has neither accepted any deposits from the public nor accepted any amount which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
6. The nature of the company's business/activities is such that maintenance of Cost Records under section 148(1) of the Act is not applicable to the company.



7. a. According to the records of the Company, undisputed statutory dues including Goods and Service Tax, Provident Fund, Employee's State Insurance, Income Tax, Customs Duty, Excise Duty, Value added tax, Cess and other statutory dues to the extent and as applicable to the company have been generally regularly deposited by the company during the year with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2023 for a period of more than six months from the date of becoming payable.
- b. According to the records of the Company, there are no disputed statutory dues that have not been deposited on account of matters pending before appropriate authorities.
8. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Hence, the para 3(viii) of the order is not applicable to the Company.
9. 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 did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable.
- b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.
- d) On an overall examination of the financial statements of the Company, no funds have been raised on short-term basis and hence, reporting under clause 3(ix)(d) of the Order is not applicable to the Company.
- e) On the basis of books and records examined by us, the Company has not taken any funds from any entity or person on account of or to meet the obligation of its associate. The Company does not have any associate or joint venture.
- f) On the basis of books and records examined by us and as explained to us, the Company has not raised any loan during the year on the pledge of securities held in its associate.
10. a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments). Hence, the para 3(x)(a) of the order is not applicable to the Company.
- b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or convertible debentures (fully, partly or optionally convertible) during the year. Accordingly, provisions of clause 3 (x)(b) of the Order is not applicable to the Company.
11. a) In our opinion and according to the information and explanation given to us, no fraud by the company or on the Company has been noticed or reported during the course of our audit.



- b) During the year no report under sub-section 12 of section 143 of the Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) According to the information and explanations given to us, there were no whistle blower complaints received during the year by the Company.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable.
13. According to the information and explanations given to us and based on or examinations of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transaction have been disclosed in the financial statements as required by the applicable accounting standards.
14. To the best of our knowledge & as explained the requirement of the Internal Audit as per the section 138 of Companies Act, 2013 read with rule 13 of Companies (accounts) Rules, 2014 is not applicable to the Company. Accordingly, paragraph 3 (xiv) of the Order are not applicable to the Company.
15. According to the information and explanations given to us and based on our examination of the record of the Company, the Company has not entered into non-cash transactions with directors or persons connected with its director. Accordingly, paragraph 3(xv) of the order is not applicable.
16. a) The Company is not required to be registered under section 45-IA of the Reserve bank of India Act, 1934.
- b) The Company has not conducted any Non-Banking Financial activities without obtaining a valid Certificate of registration from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.]
- c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- d) There is no Core Investment Company as a part of the Group. Accordingly, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
17. The Company has not incurred cash losses in the current year and the immediately preceding financial year.
18. There has been no resignation of the statutory auditor during the year. Hence, the reporting para 3(xviii) of the order is not applicable to the Company.
19. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the our knowledge of the Board of Directors and Management plans and based on our examination of evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that company is not capable of meeting its liabilities existing at the date of balance sheet as and





when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date to 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 and when they fall due.

20. The Company is not required to spend any amount under sub section 5 of Section 135 of the Act. Accordingly, the reporting para 3(xx) of the order is not applicable to the Company.

**For Mittal Nippun & Associates**  
**Chartered Accountant**  
**Firm Registration No.: 028891N**

  
**(Nippun Mittal)**  
**Proprietor**  
**M No.: 532010**



**Date: 18.05.2023**  
**Place: New Delhi**

## **Annexure – B to the Auditors' Report**

### **Report on the Internal Financial Control under clause (i) of sub section 3 of section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **HB SECURITIES LIMITED** (“the Company”) as of 31 March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

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

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.



## **Meaning of Internal Financial Controls over Financial Reporting**

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

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Mittal Nippun & Associates**  
**Chartered Accountant**  
**Firm Registration No.: 028891N**

  
**(Nippun Mittal)**  
**Proprietor**  
**M No.: 532010**



**Date: 18.05.2023**  
**Place: New Delhi**

**HB SECURITIES LIMITED**

CIN: U67120DL1991PLC044025

**BALANCE SHEET**

Amount (Rupees in Lakhs)

Particulars	Note	As at 31 March 2023	As at 31 March 2022
<b>I. ASSETS</b>			
<b>Financial Assets</b>			
a. Cash and cash equivalents	4	41.17	161.54
b. Bank balances other than (a) above	5	58.00	170.25
c. Receivables			
(i) Trade receivables	6	0.29	0.46
d. Investments	7	605.25	546.57
e. Other Financial Assets	8	136.37	709.03
<b>Non-Financial Assets</b>			
a. Current tax assets (Net)	9	4.56	8.50
b. Deferred tax assets (Net)	10	0.95	1.13
c. Property, Plant and Equipment	11	2.22	2.39
d. Other non-financial assets	12	13.24	16.99
<b>TOTAL ASSETS</b>		<b>862.05</b>	<b>1616.86</b>
<b>II. LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Financial Liabilities</b>			
a. Other financial liabilities	13	3.97	3.78
<b>Non-Financial Liabilities</b>			
a. Provisions	14	1.18	1.20
b. Other non-financial liabilities	15	2.61	725.96
<b>Equity</b>			
a. Equity Share Capital	16	820.76	820.76
b. Other Equity	17	33.53	65.16
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>862.05</b>	<b>1616.86</b>
Significant accounting policies and notes to the financial statements	1-39		

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

**For Mittal Nippun & Associates**

Chartered Accountants

FRN:028891N

**For and on behalf of the Board of Directors of****HB Securities Limited****Nippun Mittal**

Proprietor

Membership No. 532010

Place: New Delhi

Date : 18th May 2023

**ANIL GOYAL**

(Director)

(DIN: 00001938)

**PRAVEEN GUPTA**

(Director)

(DIN: 00002375)

**ASHOK KUMAR**

(Chief Financial Officer)

**PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2023**

PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2023		Amount (Rupees in Lakhs)	
Particulars	Note	For the Year ended 31 March 2023	For the Year ended 31 March 2022
<b>INCOME</b>			
<b>Revenue from operations</b>			
(i) Interest income	18	7.84	17.52
(ii) Dividend income	19	0.56	0.05
(iii) Fees and commission income	20	41.95	40.30
<b>I Total Revenue from operations</b>		<b>50.35</b>	<b>57.87</b>
II Other Income	21	0.67	0.00
<b>III Total income (I+II)</b>		<b>51.02</b>	<b>57.87</b>
<b>EXPENSES</b>			
Employee Benefits Expenses	22	15.88	13.72
Depreciation	11	0.23	0.82
Others expenses	23	31.93	36.00
<b>IV Total expenses (IV)</b>		<b>48.04</b>	<b>50.54</b>
<b>V Profit/ (loss) before tax .(III-IV)</b>		<b>2.98</b>	<b>7.33</b>
<b>VI Tax expense</b>			
(i) Current tax		-	-
(ii) Deferred tax (credit) / charge		0.18	0.09
<b>Total tax expense (VI)</b>		<b>0.18</b>	<b>0.09</b>
<b>VII Profit for the year (V-VI)</b>		<b>2.80</b>	<b>7.24</b>
<b>VIII Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
(a) Remeasurements of defined benefit plans		0.41	(3.22)
(b) Equity Instruments through FVTOCI		(34.85)	8.54
- Income tax relating to above mentioned item		-	-
<b>Other comprehensive income for the year, net of tax</b>		<b>(34.44)</b>	<b>5.32</b>
<b>Total comprehensive income for the year (VII +VIII)</b>			
		<b>(31.64)</b>	<b>12.56</b>
<b>IX Earnings per equity share of face value of Rs. 10 each (previous year Rs. 10 each)</b>	24		
Basic (Rs.)		0.03	0.09
Diluted (Rs.)		0.03	0.09
Significant accounting policies and notes to the financial statements	1-39		

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

**For Mittal Nippun & Associates**

Chartered Accountants

FRN:028891N

*Mittal*

**Nippun Mittal**  
Proprietor

Membership No. 532010

Place: New Delhi

Date : 18th May 2023



For and on behalf of the Board of Directors of  
**HB Securities Limited**

*Anil Goyal*  
**ANIL GOYAL**  
(Director)  
(DIN: 00001938)

*Praveen Gupta*  
**PRAVEEN GUPTA**  
(Director)  
(DIN: 00002375)

*Ashok Kumar*  
**ASHOK KUMAR**  
(Chief Financial Officer)



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2023

Amount (Rupees in Lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>A. CASH FLOW FROM OPERATION ACTIVITIES</b>		
Profit before tax	2.98	7.33
<b>Adjustment for :</b>		
Depreciation	0.23	0.82
Profit on sale of property, Plant & Equipment	(0.02)	0.00
Interest / Dividend income	(8.40)	-17.57
<b>Cash generated form operation before working capital changes</b>	<b>(5.21)</b>	<b>-9.42</b>
<b>Working capital changes</b>		
(Increase)/ decrease in loans	-	100.00
Increase/ (decrease) in trade receivables	0.17	3.21
Increase/ (decrease) in other financial assets	572.66	-164.86
Increase/ (decrease) in other non-financial assets	3.75	10.04
(Increase) /decrease in other financial liabilities and payable	0.61	-3.59
(Increase) /decrease in other non financial liabilities	(723.35)	182.99
<b>Cash Flows before OCI and Tax</b>	<b>(151.38)</b>	<b>118.38</b>
Income Tax paid	(3.94)	2.34
<b>NET CASH FLOW FROM/ (USED) OPERATING ACTIVITIES</b>	<b>(147.44)</b>	<b>116.04</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property plant & equipment	(0.07)	0.00
Sale of Property, Plant & Equipment	0.03	0.00
Sale/ (Purchase) of Investments	(93.54)	-1.38
Redemption of FDRs (Net)	112.25	0.00
Interest/ Dividend received	8.40	17.57
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>27.07</b>	<b>16.19</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ DECREASE IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>(120.37)</b>	<b>132.23</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<b>161.54</b>	<b>29.31</b>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>41.17</b>	<b>161.54</b>

Note 1. Cash Flow Statement has been prepared under indirect method as set out in IND AS-7 (Cash Flow Statement)  
2. Cash and Cash Equivalents consist of cash in hand balances with banks.

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For Mittal Nippun & Associates  
Chartered Accountants  
FRN:028891N

Nippun Mittal  
Proprietor  
Membership No. 532010  
Place: New Delhi  
Date : 18th May 2023

For and on behalf of the Board of Directors of  
HB Securities Limited

ANIL GOYAL  
(Director)  
(DIN: 00001938)

PRAVEEN GUPTA  
(Director)  
(DIN: 00002375)

ASHOK KUMAR  
(Chief Financial Officer)

Statement of Changes in Equity

	Amount (Rupees in Lakhs)			
	Number of Shares		Amount	
<b>a. Equity share capital</b>				
As at April 01, 2021	8207570		820.76	
Changes in Equity share capital during the year	-		-	
As at March 31, 2022	8207570		820.76	
Changes in Equity share capital during the year	-		-	
As at March 31, 2023	8207570		820.76	
<b>b. Other equity</b>				
	Reserves and surplus		Other Comprehensive	Total
	Securities Premium	Equity Component of Compound financial Instruments	Income	
Balance as at March 31, 2021	170.00	200.00	0.15	52.59
Profit for the year	-	-	7.24	7.24
Other comprehensive income for the year	-	-	5.33	5.33
Transferred to/(from)	-	-	-	-
Total comprehensive income for the year	-	-	7.24	12.57
Balance as at March 31, 2022	170.00	200.00	5.49	65.17
Profit for the year	-	-	2.80	2.80
Other comprehensive income for the year	-	-	(34.44)	(34.44)
Transferred to/(from)	-	-	-	-
Total comprehensive income for the year	-	-	2.80	(31.64)
Balance as at March 31, 2023	170.00	200.00	(27.95)	33.53
Significant accounting policies and notes to the financial statements	1-39			

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For Mittal Nippon & Associates  
Chartered Accountants  
FRN:028891N

Nippon Mittal

Proprietor

Membership No. 532010

Place: New Delhi

Date : 18th May 2023



For and on behalf of the Board of Directors of  
HB Securities Limited

ANIL GOYAL

(Director)

(DIN: 00001938)

PRAVEEN GUPTA

(Director)

(DIN: 00002375)

ASHOK KUMAR

(Chief Financial Officer)

## HB SECURITIES LIMITED

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

### 1. Company Information / Overview

The Company is member of Nation Stock Exchange of India. The Company is also depository participants registered with National Securities Depository Limited (NSDL). The entire share capital of the company is held by HB Portfolio Limited. The Company is incorporated and domiciled in India having its registered office at Delhi, India.

### 2. Basis of preparation of financial statements.

#### (A) Compliance with Ind As

The financial statements of the Company comply in all material aspects with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act. The Indian Accounting Standards (Ind AS) has become applicable on the company by virtue of there applicability on the holding company HB Portfolio Limited.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to the existing accounting standard requires a change in the accounting policy hitherto in use.

#### (B) Presentation of financial statements

The Balance Sheet, the statement of Changes in Equity and the Statement of Profit and Loss are presented in the format prescribed under Division III of Schedule III of the Act, as amended from time to time, for Non-Banking Financial Companies ('NBFCs') that are required to comply with Ind AS. The statement of Cash Flows has been presented as per the requirements of Ind AS 7 Statement of Cash Flows.

#### (C) Basis of preparation

The financial statements have been prepared under the historical cost convention on the accrual basis except for certain financial instruments and plan assets of defined benefit plans, which are measured at fair values at the end of each reporting as explained in the accounting policies below.

### 3. Significant Accounting Policies

#### 3.1 Use of estimates and judgement

The preparation of financial statements in conformity with Ind AS requires that management make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of revenues, expenses, assets, liabilities and disclosures of contingent assets and liabilities at the end of the reporting period. The actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

#### A) Effective Interest Rate (EIR) Method

The Company recognizes interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loans given / taken. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to other fee income/expense that are integral parts of the instrument.

#### B) Impairment of loans portfolio

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

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.



**C) Defined employee benefit assets and liabilities**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**D) Fair value measurement:**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**E) Other Estimates:**

These include contingent liabilities, useful lives of tangible and intangible assets etc.

**3.2 Financial Instruments**

**A) Initial Recognition and measurement**

All financial assets and financial liabilities are recognised when the company become a party to the contractual provisions of the instruments.

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

**B) Classification and Subsequent measurement of financial assets-**

The company classifies its financial assets into various measurements categories. The classification depends on the contractual terms of the financial assets' cash flows and the company's business model for managing financial assets.

**a. Amortised Cost**

A financial asset is measured at Amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**b. FVOCI- debt instruments**

A debt instruments in nature of financial asset is measured at FVOCI when the instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**c. FVOCI- equity instruments**

Equity instruments in nature of financial assets are measured at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity instruments at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments and are not held for trading.

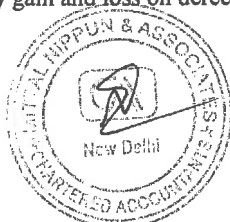
Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

**d. FVTPL**

A financial asset which is not classified in any of the above categories are measured at FVTPL.

**Subsequent Measurement of financial assets**

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in Statement of profit and loss. Any gain and loss on derecognition is recognised in Statement of profit and loss.



Debt investment at FVOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in Statement of profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to Statement of profit and loss.

For equity investments, the Company makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to Statement of profit and loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for strategic purpose. Dividend income received on such equity investments are recognised in Statement of profit and loss.

Equity investments that are not designated as measured at FVOCI are designated as measured at FVTPL and subsequent changes in fair value are recognised in Statement of profit and loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Statement of profit and loss.

**C). Financial Liabilities and equity instruments**

**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. Equity instruments issued by Company are recognised at the proceeds received. Transaction costs of an equity transaction are recognised as a deduction from equity.

**Financial Liabilities**

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-fortrading or it is a derivative or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of profit and loss. Any gain or loss on derecognition is also recognised in Statement of profit and loss.

**D). Derecognition**

**Financial Assets**

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

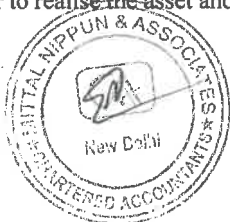
If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

**Financial liabilities**

A financial liability is derecognised when the obligation in respect of the liability is discharged, cancelled or expires. The difference between the carrying value of the financial liability and the consideration paid is recognised in Statement of profit and loss.

**E). Offsetting**

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



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**F). Impairment**

The Company recognises lifetime expected credit losses (ECL) when there has been a significant increase in credit risk since initial recognition and when the financial instrument is credit impaired. If the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition. 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

**G). Write offs**

The gross carrying amount of a financial asset is written-off (either partially or in full) to the extent that there is no reasonable expectation of recovering the asset in its entirety or a portion thereof. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written-off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in statement of profit and loss.

**3.3 Cash and cash equivalents**

Cash and cash equivalents comprise of cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts if any, as they are considered an integral part of the Company's cash management.

**3.4 Property, plant and equipments (PPE)**

Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Advances paid towards the acquisition of fixed assets, outstanding at each reporting date are shown under other non-financial assets. The cost of property, plant and equipment not ready for its intended use at each reporting date are disclosed as capital work-in-progress.

Subsequent expenditure related to the asset are added to its carrying amount or recognised as a separate asset only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

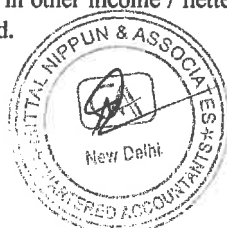
Depreciation on PPE is provided on straight-line basis in accordance with the useful lives specified in Schedule II to the Companies Act, 2013 on a pro-rata basis.

The estimated useful lives used for computation of depreciation are as follows:

Particulars	Useful life
Furniture & fixture	10 years
Office equipment	5 years
Server and networking	6 years
Computer	3 years
Building	30 years
Vehicles	8 years

Assets costing less than Rs.5000/- are fully depreciated in the period of purchase.

PPE is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the net carrying amount of the asset) is recognised in other income / netted off from any loss on disposal in the Statement of profit and loss in the year the asset is derecognised.



### 3.5 Intangible assets :

Intangible assets comprises of computer software which is amortized over the estimated useful life. The amortization period is lower of license period or 36 months which is based on management's estimates of useful life. Amortisation is calculated using the straight line method to write down the cost of intangible assets over their estimated useful lives.

### 3.6 Impairment of assets other than financial assets :

The Company reviews the carrying amounts of its tangible and intangible assets at the end of each reporting period, to determine whether there is any indication that those assets have impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or group of assets.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cashgenerating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cashgenerating unit) is increased to the revised estimate of its recoverable amount such that the increased carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised for the asset (or cash-generating unit) in prior years. The reversal of an impairment loss is recognised in Statement of profit and loss.

### 3.7 Investments in subsidiaries and associates :

Investments in subsidiaries and associate are measured at cost less accumulated impairment, if any.

### 3.8 Provisions :

Provisions are recognised when there is a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

### 3.9 Revenue recognition

#### A) Recognition of interest income on loans

Interest income is recognised in Statement of profit and loss using the effective interest method for all financial instruments measured at amortised cost, debt instruments measured at FVOCI and debt instruments designated at FVTPL. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument.

The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the Statement of profit and loss.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired, the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial asset cures and is no longer credit impaired, the Company reverts to calculating interest income on a gross basis.

Additional interest and interest on trade advances, are recognised when they become measurable and when it is not unreasonable to expect their ultimate collection.

Income from bill discounting is recognised over the tenure of the instrument so as to provide a constant periodic rate of return.



**B) Fees and commission income :**

Fee based income are recognised when they become measurable and when it is probable to expect their ultimate collection. Commission and brokerage income earned for the services rendered are recognised as and when they are due.

**C) Dividend and interest income on investments :**

- Dividends are recognised in Statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

-Interest income from investments is recognised when it is certain that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

**3.10 Employee Benefits :**

**A) Short-term employee benefits**

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**B) Contribution to provident fund and ESIC**

Company's contribution paid/payable during the year to provident fund and ESIC is recognised in the Statement of profit and loss.

**C) Gratuity**

The Company's liability towards gratuity scheme is determined by independent actuaries, using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. Past services are recognised at the earlier of the plan amendment / curtailment and recognition of related restructuring costs/ termination benefits.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of profit and loss.

**Remeasurement gains/ losses-**

Remeasurement of defined benefit plans, comprising of actuarial gains / losses, return on plan assets excluding interest income are recognised immediately in the balance sheet with corresponding debit or credit to Other Comprehensive Income (OCI). Remeasurements are not reclassified to Statement of profit and loss in the subsequent period.

Remeasurement gains or losses on long-term compensated absences that are classified as other long-term benefits are recognised in Statement of profit and loss.

**D) Superannuation fund**

The Company makes contribution to the Superannuation scheme, a defined contribution scheme, administered by Life Insurance Corporation of India, which are charged to the Statement of profit and loss. The Company has no obligation to the scheme beyond its contributions.

**E) Leave encashment / compensated absences**

The Company provides for the encashment / availment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation.



### 3.11 Finance costs

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at Amortised cost. Financial instruments include bank term loans, non-convertible debentures, fixed deposits mobilised, commercial papers, subordinated debts and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Finance costs are charged to the Statement of profit and loss.

### 3.12 Taxation - Current and deferred tax:

Income tax expense comprises of current tax and deferred tax. It is recognised in Statement of profit and loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

#### A) Current tax :

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

#### B) Deferred tax :

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. 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. The measurement of deferred tax liabilities and assets reflects the tax consequence that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary difference could be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. 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.

### 3.13 Leases

#### As a lessee

The Company has applied Ind AS 116. For these short term and low value leases, the company recognizes the lease payments as an expense in the Statement of Profit and Loss on a Straight line basis over the term of lease.

### 3.14 Exceptional items

When items of income and expenses within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such items is disclosed separately as Exceptional items.

### 3.15 Earning per share

The Company reports basic and diluted earnings per equity share. Basic earnings per equity share have computed by dividing net profit/loss attributable to the equity share holders for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share have been computed by dividing the net profit attributable to the equity share holders after giving impact of dilutive potential equity shares for the year by the weighted average number of equity shares and dilutive potential equity shares outstanding during the year, except where the results are anti-dilutive.



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### 3.16 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

### 3.17 Recent accounting development

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standard) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standard) Amendments Rules, 2023, as below:

- a) -Ind AS -1 Presentation of Financial Statements - This amendments requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date of adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendments and the impact of the amendment is insignificant in the financial statements.
- b) -Ind AS - 8 Accounting Policies, Changes in Accounting Estimates and Errors - This amendments has introduced a definition of 'Accounting Estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendments is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendments and there is no impact on its financial statements.
- c) -Ind AS 12-Income Taxes-This amendment has narrowed the scope of initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.





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

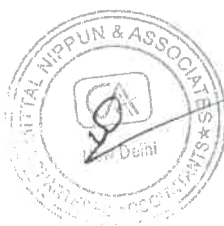
		Amount (Rupees in Lakhs)	
4. Cash and cash equivalent			
Particulars	As at 31 March 2023	As at 31 March 2022	
Cash on Hand	2.42	2.42	
Balance with Banks			
- In current accounts	32.50	159.12	
- In Deposit account*	6.25	-	
<b>Total</b>	<b>41.17</b>	<b>161.54</b>	

\*Balance with Banks in deposit accounts represents time deposit with bank which can be withdrawn by the company at any point of time without prior notice or penalty on the Principal.

		Amount (Rupees in Lakhs)	
5. Bank balances other than cash and cash equivalents			
Particulars	As at 31 March 2023	As at 31 March 2022	
Deposit with bank*	58.00	170.25	
<b>Total</b>	<b>58.00</b>	<b>170.25</b>	

\*Includes Rs.58 Lakh (Previous Year Rs. 100/- Lakh) lien marked with NSE/NSCCL; Rs. Nil (Previous Year Rs. 70.25 Lakh) lien marked for Bank Guarantee with NSE.

		Amount (Rupees in Lakhs)	
8. Other Financial Assets			
Particulars	As at 31 March 2023	As at 31 March 2022	
Security Deposits-with Stock Exchanges & Depository	135.90	707.45	
Interest Accrued on FDRs	0.47	1.58	
<b>Total</b>	<b>136.37</b>	<b>709.03</b>	



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# HB SECURITIES LIMITED

CIN: U67120DL1991PLC044025

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

## 6. Receivables

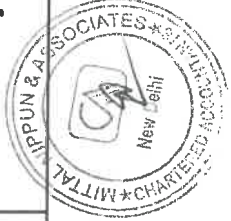
Particulars	Amount (Rupees in Lakhs)	
	As at 31 March 2023	As at 31 March 2022
<b>Trade Receivables</b>		
Trade Receivables considered good-Secured	-	-
Trade Receivables considered good-Unsecured	0.29	0.46
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables - Credit impaired	-	-
<b>Total</b>	<b>0.29</b>	<b>0.46</b>

## Ageing for Trade Receivable - as at March 31, 2023 is as follows

Particulars	Outstanding for following periods from due date of payment				Total
	Less Than 6 Months	6 Months- 1 Year	1-2 Years	2-3 Years	
(i) Undisputed Trade receivables-considered good	0.18	0.11	-	-	0.29
(ii) Undisputed Trade receivables-considered doubtful	-	-	-	-	-
(iii) Disputed Trade receivables-considered good	-	-	-	-	-
(iv) Disputed Trade receivables-considered doubtful	-	-	-	-	-

## Ageing for Trade Receivable - as at March 31, 2022 is as follows

Particulars	Outstanding for following periods from due date of payment				Total
	Less Than 6 Months	6 Months- 1 Year	1-2 Years	2-3 Years	
(i) Undisputed Trade receivables-considered good	0.46	-	-	-	0.46
(ii) Undisputed Trade receivables-considered doubtful	-	-	-	-	-
(iii) Disputed Trade receivables-considered good	-	-	-	-	-
(iv) Disputed Trade receivables-considered doubtful	-	-	-	-	-



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**HB SECURITIES LIMITED**  
CIN: U67120DL1991PLC044025

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

**7. INVESTMENTS**

7. INVESTMENTS					
Name of the Company	Face Value Rs.	As at 31st March , 2023		Amount (Rupees in Lakhs)	
		Qty.(Nos.)	Amount	Qty.(Nos.)	Amount
<b>(A) INVESTMENTS IN EQUITY INSTRUMENTS</b>					
<b>(a) Quoted Instrument fully paid up Equity Shares(At FV/TOCI)</b>					
Oswal Agro Mills Limited	10	12800	3.29	12800	3.47
Nahar Spinning Mills Limited	10	607	1.46	607	3.12
Pasupati Spinning & Wvg. Mills Limited	10	1520	0.24	1520	0.40
Nahar Capital And Financial Services Limited	10	258	0.64	258	1.53
State Bank of India	1	224	1.17	224	1.11
Jaiprakash Associates Limited	10	500000	34.75	-	-
Jubilant Ingrevia Limited	10	7500	27.00	-	-
Tata Steel Limited	10	3000	3.14	3000	3.92
<b>TOTAL (a)</b>		<b>525909</b>	<b>71.68</b>	<b>18409</b>	<b>13.54</b>
<b>(b) 'In Equity Shares of Associates (At Cost)</b>					
Merwanjee Securities Limited	10	1200000	120.00	1200000	120.00
<b>TOTAL (b)</b>		<b>1200000</b>	<b>120.00</b>	<b>1200000</b>	<b>120.00</b>
<b>(c) 'Unquoted Fully paid up shares (At FV/TOCI)</b>					
DSE Estates Limited	1	47044	13.57	47044	13.03
<b>TOTAL (c)</b>		<b>47044</b>	<b>13.57</b>	<b>47044</b>	<b>13.03</b>
<b>TOTAL A (a+b+c)</b>		<b>1772953</b>	<b>205.25</b>	<b>1265453</b>	<b>146.57</b>
<b>(B) INVESTMENTS IN PREFERENCE SHARES</b>					
Gemini Portfolios Pvt Ltd (9% Non Cumulative)	100	400000	400.00	400000	400.00
<b>TOTAL B</b>		<b>400000</b>	<b>400.00</b>	<b>400000</b>	<b>400.00</b>
<b>TOTAL INVESTMENTS (A+B)</b>		<b>2172953</b>	<b>605.25</b>	<b>1665453</b>	<b>546.57</b>

Notes

All above investments are in India itself



**HB SECURITIES LIMITED**

CIN: U67120DL1991PLC044025

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

**9. Current Tax Aseets (Net)**

Amount (Rupees in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Income Tax/ TDS recoverable (Net of Provisions)	4.56	8.50
<b>Total</b>	<b>4.56</b>	<b>8.50</b>

The components of income tax expenses :

Particulars	As at 31 March 2023	As at 31 March 2022
Current tax	-	-
Adjustments in respect of current income tax of prior years	-	-
Deferred tax relating to origin and reversal of temporary differences	0.18	0.09
<b>Income tax expense reported in statement of profit and loss</b>	<b>0.18</b>	<b>0.09</b>
<b>Income tax recognised on other comprehensive income (OCI)</b>		
Deferred tax related to items recognised in OCI during the period:		
- Remeasurement of defined benefit plans	-	-
<b>Income tax charged to OCI</b>	<b>-</b>	<b>-</b>

**Reconciliation of the total tax charge:**

The tax charge shown in the Statement of Profit and Loss differ from the tax charge that would apply if all the profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2023 and year ended March 31, 2022 is, as follows:

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Accounting profit before tax	2.98	7.33
Applicable Statutory Enacted Income Tax Rate	25.168%	25.168%
Computed Tax Expenses	0.75	1.85
- Adjustments due to brought forward losses as per tax laws	(0.75)	(1.85)
- Adjustments recognised in relation to tax of prior years	-	-
- Current year tax provision	-	-
- Deferred tax provision	0.18	0.09
<b>Income tax expense reported in the Statement of Profit and Loss</b>	<b>0.18</b>	<b>0.09</b>

**10. Deferred Tax Aseets (Net)**

Amount (Rupees in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Deferred Tax Aseets</b>		
Leave Encashment/gratuity	0.30	0.30
Property, Plant & Equipment	0.65	0.83
<b>Total</b>	<b>0.95</b>	<b>1.13</b>

**12. Other Non Financial Assets**

Amount (Rupees in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Prepaid Expenses	7.91	11.66
Amount Recoverable from Employees	5.33	5.33
<b>Total</b>	<b>13.24</b>	<b>16.99</b>

**13. Other Financial Liabilities**

Amount (Rupees in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Expenses Payable	3.97	3.78
<b>Total</b>	<b>3.97</b>	<b>3.78</b>



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**HB SECURITIES LIMITED**  
CIN: U67120DL1991PLC044025

**11. Property, Plant and Equipment**

Particulars	Amount (Rupees in Lakhs)				
	Generator	Office Equipment	Vehicles	Computer	Total
<b>GROSS BLOCK</b>					
As at 31st March, 2021	18.70	11.56	22.12	49.95	102.33
Additions during the year	-	-	-	-	-
Deletions during the year	-	-	-	-	-
As at 31st March, 2022	18.70	11.56	22.12	49.95	102.33
Additions during the year	-	0.07	-	-	0.07
Deletions during the year	-	0.15	-	-	0.15
Adjustment during the year	-	-	22.12	45.15	67.27
As at 31st March, 2023	18.70	11.48	0.00	4.80	34.98
<b>ACCUMULATED DEPRECIATION</b>					
As at 31st March, 2021	16.82	10.74	22.12	49.44	99.12
Additions during the year	0.43	0.09	-	0.30	0.82
Adjustment during the year	0.00	0.00	-	0.00	0.00
As at 31st March, 2022	17.26	10.83	22.12	49.74	99.94
Additions during the year	0.10	0.13	-	-	0.23
Adjustment during the year	-	0.14	22.12	45.15	67.41
As at 31st March, 2023	17.36	10.82	0.00	4.59	32.76
<b>Net Block as at 31st March, 2023</b>	<b>1.35</b>	<b>0.67</b>	<b>0.00</b>	<b>0.21</b>	<b>2.22</b>
<b>Net Block as at 31st March, 2022</b>	<b>1.45</b>	<b>0.73</b>	<b>0.00</b>	<b>0.21</b>	<b>2.39</b>



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14. Provisions			Amount (Rupees in Lakhs)
Particulars	As at 31 March 2023	As at 31 March 2022	
<b>Provision for Employees Benefits</b>			
Leave Encashment	1.18	1.20	
<b>Total</b>	<b>1.18</b>	<b>1.20</b>	

15. Other Non-Financial Liabilities			Amount (Rupees in Lakhs)
Particulars	As at 31 March 2023	As at 31 March 2022	
Statutory Dues Payable	0.12	0.39	
Advances From Customers, margin money etc.*	2.49	725.56	
<b>Total</b>	<b>2.61</b>	<b>725.96</b>	

\* Included due to Related party - Refer Note No. 26

16. Equity Share Capital			Amount (Rupees in Lakhs)
Particulars	As at 31 March 2023	As at 31 March 2022	
<b>a. Authorised:</b>			
90,00,000 (90,00,000) Equity Shares of Rs.10/- each.	900.00	900.00	
50,000 (50,000) Preference Shares of Rs.1000/- each.	500.00	500.00	
<b>Total</b>	<b>1400.00</b>	<b>1400.00</b>	
<b>b. Issued, Subscribed &amp; Paid-up</b>			
82,07,570 (82,07,570) Equity Shares of Rs.10/- each.	820.76	820.76	
<b>Total</b>	<b>820.76</b>	<b>820.76</b>	

**c. Reconciliation of number of equity shares outstanding at the beginning and end of the year :**

Particulars	Number of Shares	Amount
<b>As At April 01, 2021</b>	<b>8207570</b>	<b>820.76</b>
Issued during the year	0	-
<b>As At March 31, 2022</b>	<b>8207570</b>	<b>820.76</b>
Issued during the year	0	-
<b>As At March 31, 2023</b>	<b>8207570</b>	<b>820.76</b>

**d. Terms / rights attached to the equity shares**

Issued Share capital of the Company has only one class of shares referred to as equity shares having Par value of Rs. 10/-. Each holder of Equity Shares is entitled to One vote per share.

—All the equity shares are held by Holding Company HB Portfolio Ltd. and its nominees.

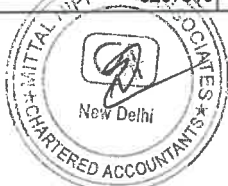
--- In the event of the Liquidation of the Company, the holder of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all Preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**e. Shareholders holding more than 5% shares in the Company:**

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of Shares	% holding in the class	Number of Shares	% holding in the class
Equity Shares				
HB Portfolio Limited	8207510	100.00	8207510	100.00

**f. Promoter's Shareholding as at 31st March, 2023 and percentage change in shareholding during the year as compared to previous year is as follows: -**

Promoter Name	No. of Shares as at March 31, 2023	% of total shares	% Change during the year	No. of Shares as at March 31, 2022
HB Portfolio Ltd	8207510	100	-	8207510



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17. Other Equity		Amount (Rupees in Lakhs)	
Particulars	As at 31 March 2023	As at 31 March 2022	
<b>a. Securities Premium</b>			
Opening Balance	170.00	170.00	
Less: Allotment money receivable	-	-	
Closing Balance	170.00	170.00	
<b>b. Other comprehensive income</b>			
Opening Balance	5.48	0.15	
Add: Remeasurement gain/ (losses) on defined benefit plan	0.41	-3.22	
Add: Fair value changes on Instruments at FVTOCI	(34.85)	8.54	
Less: Taxes on above item	-	-	
Closing Balance	(28.95)	5.48	
<b>c. Equity Component of Compound financial Instruments*</b>			
Opening Balance	200.00	200.00	
Add:	-	-	
Closing Balance	200.00	200.00	
<b>d. Retained Earning</b>			
Opening Balance	(310.32)	(317.56)	
Add: Profit/ (Loss) for the current year	2.80	7.24	
Closing Balance	(307.52)	(310.32)	
<b>TOTAL OTHER EQUITY</b>	<b>33.53</b>	<b>65.16</b>	

**Description of the nature and purpose of Other Equity:**

**Securities Premium**

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

**Other Comprehensive Income-Remeasurement gain/ (losses) on defined benefit plan**

The Company recognises change on account of remeasurement of the net defined benefit liability/(asset) as part of other comprehensive income.

**Equity Component of Compound financial Instruments**

The Twenty Thousand (20000) 0% Fully Convertible Preference Shares - Series I having Face Value of Rs. 1000/- each allotted on Right basis to the holding company HB Portfolio Limited. The terms of conversion into equity share are as under: -

The 0% Fully Convertible Preference Shares – Series I\* of Rs. 1,000/- (Rupees One Thousand) each shall be compulsorily converted into Equity Shares of Rs. 10/- (Rupees Ten) each in the following manner:-

- 25% of the face value to be converted into Equity Shares at the end of 17th year of allotment at a price / premium to be determined as per the then prevailing Income Tax Act and Rules applicable to the Company.
- Next 25% of the face value to be converted into Equity Shares at the end of 18th year of allotment at a price / premium to be determined as per the then prevailing Income Tax Act and Rules applicable to the Company.
- Next 25% of the face value to be converted into Equity Shares at the end of 19th year of allotment at a price / premium to be determined as per the then prevailing Income Tax Act and Rules applicable to the Company.
- Rest 25% of the face value to be converted into Equity Shares at the end of 20th year of allotment at a price / premium to be determined as per the then prevailing Income Tax Act and Rules applicable to the Company.

**Retained Earnings**

Retained earnings or accumulated surplus represents total of all profits retained since Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts, transfers to General reserve or any such other appropriations to specific reserves.



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**HB SECURITIES LIMITED**

CIN: U67120DL1991PLC044025

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

**18. Interest Income**

Particulars	Amount (Rupees in Lakhs)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest on Fixed Deposit with Bank	7.84	8.54
Interest on Inter Corporate Deposits	-	8.98
<b>Total</b>	<b>7.84</b>	<b>17.52</b>

**19. Dividend Income**

Particulars	Amount (Rupees in Lakhs)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Dividend on Investments	0.56	0.05
<b>Total</b>	<b>0.56</b>	<b>0.05</b>

**20. Fees and commission income**

Particulars	Amount (Rupees in Lakhs)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Brokerage, Commission & Service Charges (Net)	41.95	40.31
<b>Total</b>	<b>41.95</b>	<b>40.31</b>

**21. Other Income**

Particulars	Amount (Rupees in Lakhs)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest on Income Tax Refund	0.45	-
Profit on sale of Property, Plant & Equipment	0.02	-
Bad debts recovered	0.20	-
<b>Total</b>	<b>0.67</b>	<b>-</b>

**22. Employee Benefit Expenses**

Particulars	Amount (Rupees in Lakhs)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Salary & Benefits	15.10	12.94
Contribution to Provident fund and Gratuity fund	0.78	0.78
<b>Total</b>	<b>15.88</b>	<b>13.72</b>

**23. Other Expenses**

Particulars	Amount (Rupees in Lakhs)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Legal & Professional	1.80	1.40
Conveyance & Travelling	0.03	0.07
Printing & Stationary	0.33	0.28
<u>Repair &amp; Maintenance</u>		
- Vehicles	2.69	2.50
- Others	17.21	17.88
Insurance	0.17	0.21
Membership & Subscription	1.70	2.26
Postage Telegram & Telephone	0.61	0.30
Miscellaneous	1.08	0.75
Bad Debts written off	-	2.41
Broker Note Stamps	-	2.05
Bank Charges	2.61	1.73
Electricity Charges	3.41	3.93
<u>Auditors Remuneration</u>		
- Audit Fees	0.15	0.15
- Certification & Other Matters	0.14	0.10
<b>Total</b>	<b>31.93</b>	<b>36.00</b>

**24. Earning Per Share (EPS)**

Particulars	For the year ended	
	31 March 2023	31 March 2022
Profit for the year (Rs. in Lakhs)	2.80	7.24
Weighted average number of Equity Shares used in computing basic EPS	8207570	8207570
Weighted average number of Equity Shares used in computing diluted EPS	8207570	8207570
<b>Basic Earnings per share (Rs.)</b>	<b>0.03</b>	<b>0.09</b>
<b>Diluted Earnings per share (Rs.)</b>	<b>0.03</b>	<b>0.09</b>
Face value per share (Rs.)	10.00	10.00



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**HB SECURITIES LIMITED****CIN: U67120DL1991PLC044025**

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

**25. RELATED PARTY TRANSACTIONS**

25.1 List of related Parties with whom transactions have taken place and relationship:-

- a) **Holding Company**
- HB Portfolio Limited
- b) **Enterprise over which direct/indirect significant influence/common control exists**
- HB Estate Developers Ltd.
  - HB Stockholdings Ltd.
  - RRB Securities Ltd.
  - HB Leasing & Finance Co. Ltd.
  - RRB Master Securities Delhi Limited.
  - Merwanjee Securities Limited.

25.2 Transactions during the year with related parties

				Amount (Rupees in Lakhs)
Sr. No.	Particulars	Nature of Transaction	For the year ended 31.03.2023	For the year ended 31.03.2022
i	HB Portfolio Limited	Depository Charges Received	0.33	0.63
		Guarantee Given on behalf of company	-	133.00
ii	HB Estate Developers Ltd.	Depository Charges Received	-	0.00
iii	HB Stockholdings Limited	Depository Charges Received	2.17	3.37
iv	RRB Securities Ltd.	Depository Charges Received	0.39	0.09
v	HB Leasing & Finance Co. Ltd.	Depository Charges Received	0.00	0.00
vi	RRB Master Securities Delhi Limited.	Depository Charges Received	0.27	0.28
		Transaction Charges Received	6.60	4.80
		Margin/ Advance Received/ (Paid) (Net)	(721.75)	291.50
vii	Merwanjee Securities Limited.	Service Charges for support services received	30.00	30.00

Related Party Balances outstanding as at the year end: -

				Amount (Rupees in Lakhs)
Sr. No.	Particulars	Nature of Balance	For the year ended 31.03.2023	For the year ended 31.03.2022
i	RRB Master Securities Delhi Limited.	Margin/ Advance	0.00	721.75



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## 26 Retirement Benefit Obligations

Disclosure in respect of Employee Benefits pursuant to Ind AS-19

### A) Defined Contributions Plans:

The company has recognised following expenses in respect of the defined contribution plans:

		Amount (Rupees in Lakhs)	
Particulars		Current Year	Previous Year
Company Contribution to Provident Fund		0.78	0.78

### B) Defined Benefit Plans:

Below tables sets forth the changes in the projected benefit obligation and plan assets and amounts recognized in the Balance Sheet as of March 31, 2022 and March 31, 2023, being the respective measurement dates:

#### (i) Movement in defined benefit obligation

Particulars	Amount (Rupees in Lakhs)			
	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
Present value of obligation -at the beginning of the period	4.20	3.86	1.20	1.14
Interest cost	0.30	0.28	0.09	0.08
Current service cost	0.23	0.24	0.06	0.07
Benefits paid	-	(3.14)	(0.15)	(0.12)
Remeasurements - actuarial (gain)/ loss	(0.39)	2.97	(0.02)	0.04
Present value of obligation -at the end of the period	4.35	4.20	1.18	1.20

#### (ii) Movement in Plan Assets – Gratuity

Particulars	Amount (Rupees in Lakhs)			
	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
Fair value of plan assets at beginning of year	4.86	7.56	-	-
Expected return on plan assets	0.36	0.55	-	-
Employer contributions	0.10	0.10	-	-
Benefits paid	-	(3.14)	-	-
Actuarial gain / (loss)	(0.01)	(0.21)	-	-
Fair value of plan assets at end of year*	5.32	4.86	-	-

\*100% of fund is managed by Insurance Company

#### (iii) The amount to be recognised in the Balance Sheet

Particulars	Amount (Rupees in Lakhs)			
	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
Present value of obligation -at the end of the period	4.35	4.20	1.18	1.20
Fair value of plan assets at end of year	5.32	4.86	-	-
Net liability/(asset) recognized in Balance Sheet	(0.97)	(0.66)	1.18	1.20
Funded Status- Surplus/ (Deficit)	0.97	0.66	(1.18)	(1.20)

#### (iv) Expense recognised in the statement of Profit and Loss:

Particulars	Amount (Rupees in Lakhs)			
	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
Interest cost	0.30	0.28	0.09	0.08
Current Service cost	0.23	0.24	0.06	0.07
Expected return on plan assets	(0.36)	(0.55)	-	-
Expenses to be recognised in P&L	0.17	(0.03)	0.15	0.15

#### (v) Recognised in other comprehensive income

Particulars	Amount (Rupees in Lakhs)			
	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
Cumulative unrecognized actuarial (gain)/loss opening, B/F	(0.96)	(4.13)	0.55	0.51
Remeasurement - Actuarial (gain)/loss -Obligation	(0.39)	2.97	(0.02)	0.04
Remeasurement - Actuarial (gain)/loss -Plan assets	0.01	0.21	-	-
Total Actuarial (gain)/loss	(0.39)	3.18	(0.02)	0.04
Cumulative unrecognized actuarial (gain)/loss opening, C/F	(1.34)	(0.96)	0.53	0.55



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(vi) The principal actuarial assumptions used for estimating the Company's defined benefit obligations are set out below:

Weighted average actuarial assumptions	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
Discount Rate	7.50 % per annum	7.25 % per annum	7.25 % per annum	7.25 % per annum
Expected Rate of increase in salary	6.00 % per annum	6.00 % per annum	6.00 % per annum	6.00 % per annum
Mortality rate	IALM 2012-14	IALM 2012-14	IALM 2012-14	IALM 2012-14
Withdrawal Rate- 18 to 30 Years	5.00 % p.a.	5.00 % p.a.	5.00 % p.a.	5.00 % p.a.
- 30 to 44 Years	3.00 % p.a.	3.00 % p.a.	3.00 % p.a.	3.00 % p.a.
- 44 to 60 Years	2.00 % p.a.	2.00 % p.a.	2.00 % p.a.	2.00 % p.a.

(vii) Sensitivity analysis:

For the year ended March 31, 2023

Particulars	Change in assumption	Amount (Rupees in Lakhs)	
		Effect on Gratuity	Effect on leave Encashment
Discount rate	+1%	(0.46)	(0.12)
	-1%	0.78	0.14
Salary Growth rate	+1%	0.54	0.14
	-1%	(0.47)	(0.12)
Attrition Rate	+1%	0.06	0.01
	-1%	(0.06)	(0.02)

(viii) Estimate of expected benefit payments (In absolute terms i.e. undiscounted)

Particulars	Amount (Rupees in Lakhs)	
	Gratuity	
01 Apr 2022 to 31 Mar 2023	0.14	
01 Apr 2023 to 31 Mar 2024	0.05	
01 Apr 2024 to 31 Mar 2025	0.05	
01 Apr 2025 to 31 Mar 2026	0.05	
01 Apr 2026 to 31 Mar 2027	0.05	
01 Apr 2027 Onwards	4.01	

27 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)  
CONTINGENT LIABILITIES:

(a) Counter Guarantee in respect of Bank Guarantee given by the Companies Bankers outstanding as on 31st March, 2023 Rs. Nil (Previous year Rs.1.33 Crores).

28 Due to Micro, Small and Medium Enterprises

To the extent information available with the company, it has no dues to the Micro, Small and medium enterprises as at 31st March, 2023 and 31st March, 2022.



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**Note: 29 Capital Management**

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The company has adequate cash and bank balances. The company monitors its capital by careful scrutiny of the cash and bank balances, and a regular assessment of any debt requirements. In the absence of any significant amount of debt, the maintenance of debt equity ratio etc. may not be of any relevance to the Company.

**Note: 30 Financial Risk Management****Financial risk factors**

The Company's principal financial liabilities, comprise borrowings and other payables. The main purpose of these financial liabilities is to purchase certain fixed assets and other liabilities incurred during the ordinary course of Company's operations. The Company's principal financial assets include Investments, inter corporate deposits, loans, cash and cash equivalents and other receivables. The Company's activities expose it to a variety of financial risks:

**I. Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments.

The company is exposed to market risk primarily related to the market value of its investments.

**Interest Rate Risk**

Interest rate risk is the risk that the fair value of future cash flows of Financial Instruments will fluctuate because of change in market interest rates. The company does not have exposure to the risk of changes in market interest rate as it has debt obligations with fixed interest rates which are measured at amortised cost.

**Currency risk**

Currently company does not have transaction in foreign currencies and hence the company is not exposed to currency risk.

**Equity Price Risk****(a) Exposure**

The company is exposed to equity price risk arising from Investments held by the company and classified in the balance sheet as fair value through P&L. To manage its price risk arising from investment in equity securities, the company diversifies its portfolio.

The majority of the company's equity instruments are listed on the Bombay stock exchange (BSE) or the National stock exchange (NSE) in India.

**(b) Sensitivity analysis- Equity price risk**

The table below summarise the impact of increase/ decrease of the index on the company's equity and the profit for the period. The analysis is based on the assumption that the equity/ index had increased by 2% or decreased by 2% with all other variable held constant, and that all the company's equity instruments moved in line with the Index.

	Amount (Rupees in Lakhs)	
	Impact on OCI for the year ended	
	31-Mar-23	31-Mar-22
NSE/ BSE Index - Increase by 2 %	1.43	0.27
NSE/ BSE Index - Decrease by 2 %	-1.43	-0.27

**II. Credit risk**

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its financing activities towards inter corporate loans where no significant impact on credit risk has been identified.

**III. Liquidity risk**

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company manages its liquidity requirement by analysing the maturity pattern of Company's cash flows of financial assets and financial liabilities.

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities.

As at 31st March, 2023	Amount (Rupees in Lakhs)		
	Within 12 Months	After 12 Months	Total
<b>Financial Assets</b>			
Cash and cash equivalents	41.17	-	41.17
Bank Balance other than above	58.00	-	58.00
Receivables			
(i) Trade receivables	0.29	-	0.29
Investments	85.25	520.00	605.25
Other Financial Assets	136.37	-	136.37
<b>Total</b>	<b>321.08</b>	<b>520.00</b>	<b>841.08</b>
<b>Financial Liabilities</b>			
Other financial liabilities	3.97	-	3.97
<b>Total</b>	<b>3.97</b>	<b>-</b>	<b>3.97</b>



As at 31st March, 2022	Amount (Rupees in Lakhs)		
	Within 12 Months	After 12 Months	Total
<b>Financial Assets</b>			
Cash and cash equivalents	161.54	-	161.54
Bank Balance other than above	170.25	-	170.25
Receivables			
(i) Trade receivables	0.46	-	0.46
Investments	26.57	520.00	546.57
Other Financial Assets	709.03	-	709.03
<b>Total</b>	<b>1067.85</b>	<b>520.00</b>	<b>1587.85</b>
<b>Financial Liabilities</b>			
Other financial liabilities	3.78	-	3.78
<b>Total</b>	<b>3.78</b>	<b>-</b>	<b>3.78</b>

**Note: 31 Maturity analysis of Assets and Liabilities:**

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

Particulars	31st March, 2023			Amount (Rupees in Lakhs)		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
<b>ASSETS</b>						
<b>Financial Assets</b>						
Cash and cash equivalents	41.17	-	41.17	161.54	-	161.54
Bank balances other than (a) above	58.00	-	58.00	170.25	-	170.25
Receivables						
(i) Trade receivables	0.29	-	0.29	0.46	-	0.46
Investments	85.25	520.00	605.25	26.57	520.00	546.57
Other Financial Assets	136.37	-	136.37	709.03	-	709.03
<b>Non-Financial Assets</b>						
Current tax assets (Net)	4.56	-	4.56	8.50	-	8.50
Deferred tax assets (Net)	0.95	-	0.95	1.13	-	1.13
Property, Plant and Equipment	2.22	-	2.22	2.39	-	2.39
Other non-financial assets	13.24	-	13.24	16.99	-	16.99
<b>TOTAL ASSETS</b>	<b>341.05</b>	<b>520.00</b>	<b>861.05</b>	<b>1096.86</b>	<b>520.00</b>	<b>1616.86</b>
<b>LIABILITIES</b>						
<b>Financial Liabilities</b>						
Other financial liabilities	3.97	-	3.97	3.78	-	3.78
<b>Non Financial Liabilities</b>						
Provisions	0.04	1.14	1.18	0.04	1.16	1.20
Other non-financial liabilities	2.61	-	2.61	725.96	-	725.96
<b>TOTAL LIABILITIES</b>	<b>6.62</b>	<b>1.14</b>	<b>7.76</b>	<b>729.78</b>	<b>1.16</b>	<b>730.94</b>

**Note: 32 Fair values**

The management assessed that Fair Values of Financial Assets and Liabilities are approximately their carrying values.



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**Note: 33****Fair value hierarchy**

The company determines fair values of its financial instruments according to the following hierarchy:

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

**Level 2:** other techniques for which all inputs have a significant effect on the recorded fair value are observable, either directly or indirectly.

**Level 3:** techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The following table presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2023:

Particulars	Amortised cost	Fair value through OCI	Total carrying value	Total Fair value	Amount (Rupees in Lakhs)			
					Level 1	Fair value Level 2	Level 3	Total
<b>Financial Assets</b>								
Cash and cash equivalents	41.17	-	41.17	41.17	-	-	-	-
Bank Balance other than above	58.00	-	58.00	58.00	-	-	-	-
Receivables								
(i) Trade receivables	0.29	-	0.29	0.29	-	-	-	-
Investments	520.00	85.25	605.25	605.25	71.68	13.57	-	85.25
Other Financial Assets	136.37	-	136.37	136.37	0.00	-	-	0.00
	<b>754.83</b>	<b>85.25</b>	<b>841.08</b>	<b>841.08</b>	<b>71.68</b>	<b>13.57</b>	-	<b>85.25</b>
<b>Financial Liabilities</b>								
Other financial liabilities	3.97	-	3.97	3.97	-	-	-	0.00
	<b>3.97</b>	<b>-</b>	<b>3.97</b>	<b>3.97</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00</b>

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

Particulars	Amortised cost	Fair value through OCI	Total carrying value	Total Fair value	Amount (Rupees in Lakhs)			
					Level 1	Fair value Level 2	Level 3	Total
<b>Financial Assets</b>								
Cash and cash equivalents	161.54	-	161.54	161.54	-	-	-	0.00
Bank Balance other than above	170.25	-	170.25	170.25	-	-	-	0.00
Receivables								
(i) Trade receivables	0.46	-	0.46	0.46	-	-	-	0.00
Investments	520.00	26.57	546.57	546.57	13.54	13.03	-	26.57
Other Financial Assets	709.03	-	709.03	709.03	-	-	-	0.00
	<b>1561.28</b>	<b>26.57</b>	<b>1587.85</b>	<b>1587.85</b>	<b>13.54</b>	<b>13.03</b>	-	<b>26.57</b>
<b>Financial Liabilities</b>								
Other financial liabilities	3.78	-	3.78	3.78	-	-	-	-
	<b>3.78</b>	<b>-</b>	<b>3.78</b>	<b>3.78</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



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