Annual report
2022-2023

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Board of Directors

Mr. Rakesh Sharma
Chairman
(DIN: 06846594)

Mr. Arun Kumar Bansal
Additional Director
(DIN: 08425582)
W.e.f April 24, 2023

Ms. Lalitha Rameswaran
Independent Director
(DIN: 02326309)

Ms. Uma Shankar
Independent Director
(DIN No: 07165728)

Mr. Venkat Chalasani
Independent Director
(DIN: 07234179)

Mr. Basant Seth
Additional Director
(Independent Category)
(DIN: 02798529)
W.e.f July 18, 2023

Mr. Kamal Kant Upadhyay
MD & CEO
(DIN: 01557185)
W.e.f December 01, 2022

Committees of the Board

Audit Committee

- Ms. Lalitha Rameswaran (Chairperson of the Committee)
- Ms. Uma Shankar
- Mr. Arun Kumar Bansal (W.e.f April 24, 2023)

Nomination and Remuneration Committee

- Mr. Venkat Nageswar Chalasani (Chairman of the Committee)
- Ms. Lalitha Rameswaran
- Mr. Arun Kumar Bansal (W.e.f April 24, 2023)

Corporate Social Responsibility Committee

- Ms. Uma Shankar (Chairperson of the Committee)*
- Mr. Venkat Nageswar Chalasani
- MD & CEO

Risk Management Committee

- Ms. Uma Shankar (Chairperson of the Committee)*
- Ms. Lalitha Rameswaran
- Mr. Venkat Nageswar Chalasani
- MD & CEO

* Appointment to be ratified at the ensuing AGM

KMPs and Auditors of the Company

Chief Financial Officer Mr. Dattatraya Bhosale	**Company Secretary & Compliance Officer** Ms. Christina D'souza
Statutory Auditors M/s. Shah Gupta & Co. Chartered Accountants 38, Bombay Mutual Building, 2nd Floor, Dr D.N. Road, Fort, Mumbai - 400001	**Internal Auditors** Shah Ramaiya & Co. Chartered Accountants Plot No. 36/227, RDP 10, Sector VI, Charkop, Kandivali (West), Mumbai – 400 067.

Company Information

Bankers
IDBI Bank Limited
HDFC Bank Limited
Federal Bank Limited

Registered Office
6th Floor, IDBI Tower, World Trade Complex, Cuffe Parade, Mumbai - 400 005.
CIN: U65990MH1993GOI075578

Email id: info@idbicapital.com
Website: www.idbicapital.com
Trading Portal: www.idbidirect.in

Message from the Managing Director and CEO

Dear Shareholders,

As we reflect upon the financial year 2022-23, I must acknowledge that it has been a challenging period for our company. Nevertheless, it is with pleasure that I present to you the performance highlights of your Company, which has navigated through these challenges with determination and resilience.

In the face of adversity, your Company worked tirelessly to maintain the business momentum with greater focus on strengthening its internal controls and compliances, so as to make the Company's operations more robust and strong.

Total income earned during FY 2022-23 amounted to Rs. 98.11 crore, representing a decline of about 10.7% compared to the previous financial year. However, Company reported a Profit After Tax (PAT) of Rs. 7.27 crore for the financial year.

The financial landscape during FY 2022-23 was marked by uncertainty with signs of weakness amid increased volatility, particularly towards the end of the year due to adverse geo-political developments and global headwinds. In the Equity Capital Markets advisory business, the Company closely collaborated with companies and government departments, securing mandates for IPOs/FPOs, OFS, QIPs, Rights Issue and more. The Debt Syndication business segment continued to secure mandates from well rated corporates across diverse sectors, including food & civil supplies, education, aviation, telecom, construction, ports, energy, textile, healthcare, commercial real estate, industrial parks, and government sectors including a prestigious mandate from Jawahar Lal Nehru Port Authority for debt syndication of about Rs.28,000 crore. Additionally, our Debt Advisory and Resolution group focussed on project advisory and debt resolution mandates from various corporates as well as mandates from Banks/FIs for debt assignments. Our M&A and PE teams successfully concluded 3 transactions and is working on few other marquee transactions.

In the Debt Capital Markets segment, your Company stood all no. 11 (moving up 3 place vis-à-vis last year) in the Prime League Table for NCDs issuance. The Company also stood at no. 9 (vis-à-vis no. 10 last year) in the Prime League Table for placement of Commercial Papers on for well rated Indian Corporates.

While the Retail Broking volumes experienced a boost due to the bullish market trend in FY 2022-23, challenges emerged in the last quarter as markets dipped due to geo-political factors and rising commodity prices. Nevertheless, we remain committed to enhancing our technology platform to explore new business opportunities and higher trading volumes. The Institutional Equities business made sincere efforts to get empanelled with new clients as well as improvement in its rating with existing clients.

The Alternative Investment Fund (AIF) management business continued to be a reliable source of revenue, making significant profit contributions to the Company. The Company is Investment Manager to newly launched AIF (Maharashtra Innovation and Technological Development Fund)

In the light of the challenges faced, the Company continues to reorient its business plan and strategies across all business segments to facilitate its repositioning. We firmly believe that these initiatives will enable the Company to regain its prominence in the coming years.

I would like to express my deep gratitude to the Board of Directors of the Company for their invaluable guidance and unwavering support. Special thanks are due to our Company Chairman, Mr. Rakesh Sharma, for his steadfast support and motivation to reach for greater achievements. I extend my heartfelt appreciation to the IDBI Capital Team for their dedication to the Company's vision and mission. Our colleagues at IDBI Bank also deserve recognition for their business co-operation and support.

I would like to extend our gratitude to the Comptroller and Auditor General of India (C&AG), SEBI, RBI, BSE, NSE, MCX, NSDL and other institutions, as well as our partner banks and stakeholders, for their continued support. Last but not least, our Customers/Clients remain the bedrock of our success, and we are immensely thankful for their unwavering trust and continued patronage.

With best wishes,
Kamal Kant Upadhyay
MD & CEO

Glimpses From The Past Year

CSR Initiative - Digitisation of classrooms of Eureka Schools

CSR Initiative – Distribution of Bunk Beds to Parivaar Education Society

CSR Initiative – Distribution of Career Guidance Book to Nirmaan Organization

NOTICE OF THE THIRTIETH (30th) ANNUAL GENERAL MEETING

NOTICE is hereby given that the Thirtieth (30th) Annual General Meeting of the Members of IDBI Capital Markets & Securities Limited will be held on the Friday, September 29, 2023 at 4.30 pm (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

A. Ordinary Business

1. ADOPTION OF AUDITED FINANCIAL STATEMENTS

To receive, consider and adopt the Audited Balance Sheet and Profit and Loss Account of the Company for the year ended March 31, 2023 and the reports of the Board of Directors, Statutory Auditors and Comments of the Comptroller and Auditor General of India thereon.

2. RE-APPOINTMENT OF A DIRECTOR

To appoint a Director in place of Mr. Rakesh Sharma who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible seeks re-appointment.

3. APPOINTMENT OF AUDITORS AND FIXING THEIR REMUNERATION

To take note of the appointment of M/s. V C Shah and Co. Chartered Accountants (Firm Reg. 109818W) as Statutory Auditors of the Company appointed by the Comptroller And Auditor General of India for the Financial Year 2023–24 and to approve the remuneration payable to the Statutory Auditors.

In this connection, to consider and if thought fit, to pass, with or without modifications(s) the following resolution as an Ordinary Resolutions:

"RESOLVED THAT appointment of M/s. V C Shah and Co. Chartered Accountants (Firm Reg. 109818W), as Statutory Auditors of the Company by the Comptroller and Auditor General of India pursuant to the provisions of Section 139(5) and other applicable provisions if any, of the Companies Act, 2013 for the Financial Year 2023–24, be and is hereby noted.

RESOLVED FURTHER THAT approval of the members of the Company is hereby accorded for payment of remuneration of Rs. 8,00,000/- (Rupees Eight Lakhs only) (excluding GST) to M/s. V C Shah and Co. Chartered Accountants (Firm Reg. 109818W), Statutory Auditors for the Financial Year 2023-24.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby authorized to revise the remuneration payable to the Statutory Auditors of the Company for the Financial Year 2023–24, subject to intimation to/approval of the Comptroller and Auditor General of India, as may be required."

B. SPECIAL BUSINESS:

4. TO APPOINT MR. KAMAL KANT UPADHYAY (DIN: 01557185) AS MD & CEO OF THE COMPANY

To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT in terms of Articles 124, 129 and 130 of the Articles of Association of the Company and in terms of sections 2(54), 196, 197, 198 and 203 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V to the Companies Act, 2013 and the Rules made thereunder (including any statutory modification or re-enactment thereon, if applicable, Mr. Kamal Kant Upadhyay (DIN: 01557185), who was appointed as an Additional Director of the Company and designated as Managing Director & CEO of the Company with effect from December 1, 2022, by the Board of Directors at its meeting held on October 18, 2022 pursuant to Article 124 of the Articles of Association of the Company and Section 161 of the Companies Act, 2013, and who holds office as Additional Director up to the date of this Annual General Meeting pursuant to Section 161 (1) of the Companies Act, be and is hereby appointed as Director on the Board and as Managing Director and Chief Executive Officer (MD&CEO) of the Company, who shall not be liable to retire by rotation, for a period of 1 year up to November 30, 2023, subject to further extension by IDBI Bank Ltd, on such terms and conditions including remuneration as advised by IDBI Bank.

RESOLVED FURTHER THAT Mr. Kamal Kant Upadhyay (DIN: 01557185), shall not be entitled to receive any remuneration

from the Company except for all pay, allowances, perquisites and superannuation contribution as per rules stipulated by IDBI Bank and other applicable policies of IDBI Bank /IDBI Capital subject to the ceilings prescribed by the Companies Act, 2013 and applicable rules there under.

RESOLVED FURTHER THAT where in any financial year during the tenure of Mr. Kamal Kant Upadhyay (DIN: 01557185) as MD &CEO, the Company has no profits or the profits are inadequate, approval of the members of the Company be and is hereby accorded to pay him the maximum remuneration in accordance with the provisions of the Act.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to extend the period of appointment of Mr. Kamal Kant Upadhyay (DIN: 01557185), if so desired by the Board, at the expiry of the one year period from December 1, 2022.

RESOLVED FURTHER THAT that the Board of Directors of the Company be and is hereby authorized to vary the terms of appointment including remuneration within the overall limits prescribed under the Companies Act, 2013 and Schedules V of the Companies Act, 2013 thereto on the basis of advice given by IDBI Bank Limited from time to time and to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution without requiring the Board to secure any further consent or approval of the Members of the Company.

RESOLVED FURTHER THAT the Company Secretary be and is hereby authorized to do all things and deeds required to give effect to this resolution including but not limited to inform the ROC/ MCA/ Competent Authority by filing applicable statutory Forms with regulators and updating relevant records."

5. APPOINTMENT OF MR. ARUN KUMAR BANSAL (DIN: 08425582) AS DIRECTOR OF THE COMPANY

To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT Mr. Arun Kumar Bansal (DIN: 08425582), who was appointed as an Additional Director (Nominee of IDBI Bank) of the Company by the Board of Directors and who holds office up to the date of the Annual General Meeting under Section 161 (1) of the Companies Act, 2013, be and is hereby appointed as Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT the Company Secretary be and is hereby authorized to do all things and deeds required to give effect to this resolution including but not limited to informing the ROC/ MCA/ Competent Authority by filing applicable statutory Forms with Regulators and updating relevant records."

6. RATIFICATION OF APPOINTMENT OF MS. UMA SHANKAR (DIN: 07165728) AS INDEPENDENT DIRECTOR OF THE COMPANY

To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150(2), 152 and any other applicable provisions, if any, of the Companies Act, 2013 and the rules framed there under (including any statutory modification(s) or re-enactment thereof) read with Schedule IV to the Companies Act, 2013 as amended from time to time, appointment of Ms. Uma Shankar (DIN: 07165728) as Independent Director of the Company, whose first term as Independent Director expired on May 21, 2023, be and is hereby ratified for a period commencing from May 22, 2023 upto conclusion of the date of this Annual General Meeting.

RESOLVED FURTHER THAT the Company Secretary be and is hereby authorized to do all things and deeds required to give effect to this resolution including but not limited to informing the ROC/ MCA/ Competent Authority by filing applicable Statutory Forms with Regulators and updating relevant records."

7. APPOINTMENT OF MR. BASANT SETH (DIN: 02798529) AS INDEPENDENT DIRECTOR OF THE COMPANY

To consider and, if thought fit, to pass, with or without modification, the following resolution as Special Resolution:

"RESOLVED THAT Mr. Basant Seth (DIN: 02798529), who was appointed as an Additional Director of the Company by the Board of Directors and who holds office up to the date of the Annual General Meeting under Section 161 (1) of the Companies Act, 2013, and who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member/Director under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 150(2), 152 and any other applicable provisions, if any, of the Companies Act, 2013 and the rules framed there under (including any statutory modification(s) or re-enactment thereof) read with Schedule IV to the Companies Act, 2013 as amended from time to time Mr. Basant Seth (DIN: 02798529), who meets the criteria for independence as provided in Section 149(6) of the Act and who has submitted a declaration to that effect, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of 3 years commencing July 18, 2023 upto July 17, 2026.

RESOLVED FURTHER THAT the Company Secretary be and is hereby authorized to do all things and deeds required to give effect to this resolution including but not limited to informing the ROC/ MCA/ Competent Authority by filing applicable Statutory Forms with Regulators and updating relevant records."

Place: Mumbai
Date: September 28, 2023

By the Order of the Board of Directors
IDBI Capital Markets & Securities Limited

Sd/-
Christina D'souza
Company Secretary

Registered Office:
6th Floor, IDBI Tower, WTC Complex,
Cuffe Parade, Mumbai – 400 005.
Tel: 91 22 2217 1700
Fax: 91 22 2215 1787
CIN: U65990MH1993GOI075578
Website: http://www.idbicapital.com
Email: cs@idbicapital.com

NOTES:

i. The Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 , April 13, 2020, May 5,2020 and clarification circular dated January 13, 2021, December 08, 2021, December 14, 2021, May 05, 2022, December 28, 2022 & circulated from time to time (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), and MCA Circulars, the AGM of the Company is being held through VC / OAVM.

ii. Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at this AGM, is annexed.

iii. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

iv. Corporate Members intending to send their authorized representatives to attend AGM through VC / OAVM on its behalf and to vote through are requested to send a certified copy of the Board Resolution to the Company, authorizing their representative to attend and vote on their behalf at the meeting.

v. Relevant documents referred to in the Notice and the accompanying statement can be demanded by Members for inspection by sending an email to cs@idbicapital.com of the Company during business hours on all working days, up to the date of the Annual General Meeting.

vi. The Quorum for the Annual General Meeting, as provided in section 103 of the Companies Act, 2013, is 5(five) members, attending the AGM through VC / OAVM at the commencement of business.

vii. Section 20 of the Companies Act, 2013 permits service of documents on Members by a company through electronic mode. Therefore in accordance with the Companies Act, 2013 read with the Rules framed thereunder, the Annual Report 2022-23 is being sent through electronic mode to those Members whose email addresses are registered with the Company unless any Member has requested for a physical copy of the Report. For Members who have not registered their email addresses, physical copies of the Annual Report 2022-23 are being sent by the permitted mode.

EXPLANATORY STATEMENT

Statement pursuant to Section 102(1) of the Companies Act, 2013

ITEM NO 4. APPOINTMENT OF MR. KAMAL KANT UPADHYAY (DIN: 01557185) AS MD & CEO OF THE COMPANY

IDBI Bank Limited, vide letter Ref No. HRD/2873/ICMS dated October 17, 2022 had advised appointment of Mr. Kamal Kant Upadhyay (DIN: 01557185) CGM, IDBI Bank Ltd, as MD & CEO on the Board of the Company for an initial period of one year with effect from December 1, 2022.

Accordingly, Mr. Kamal Kant Upadhyay (**DIN:** 01557185) was inducted as an Additional Director and Managing Director and CEO with effect from December 1, 2022 on the Board of Directors of the Company by Resolution passed in the meeting held on October 18, 2022.

In terms of section 161 of the Companies Act, 2013 Mr. Kamal Kant Upadhyay (**DIN:** 01557185) holds office only up to the date of this Annual General Meeting of the Company, but is eligible for re-appointment as a Director.

Mr. Upadhyay has done his B.Tech from IIT BHU and has about 3 decades of experience in IDBI Bank primarily in Corporate Banking excepting his last stint in Retail Banking as Zonal Head of Ahmedabad Zone. In Corporate Banking, Mr Upadhyay has gained extensive experience of Project Financing, Project Monitoring, Working Capital Financing, Corporate Debt Restructuring while working in Mid Corporate, Large Corporate, Very Large Corporate and Infrastructure Corporate Verticals of IDBI Bank in various capacities viz. Branch Head, Regional Head and Senior Regional Head in Chandigarh, Ahmedabad and Mumbai Locations. He has attended various Seminars and Workshops on Project Financing and Infrastructure Financing. During his tenure in Corporate Banking, Mr. Upadhyay was member of Zonal Credit Committee in Mumbai and Ahmedabad locations. During his last stint as Zonal Head, Ahmedabad, he was Chairman of various Zonal level Committees including Zonal Credit Committee and Co-Chairman of Zonal Audit Committee, besides representing the Bank in State Level Bankers Committee.

The other organizations where he holds Directorship and other positions:

Other Directorships are: Organization Name	Position Held/Nature of Interest	Shareholding	Date of which interest occurred
Nil			

IDBI Bank has advised the remuneration payable to Mr. Kamal Kant Upadhyay. Remuneration payable shall be subject to the provisions of the Companies Act, 2013.

Mr. Mr. Kamal Kant Upadhyay (**DIN:** 01557185) being eligible has offered himself for appointment as MD & CEO. The Nomination and Remuneration Committee has also recommended the appointment of Mr. Kamal Kant Upadhyay (**DIN:** 01557185) as MD & CEO to hold office for a period of one year with effect from December 1, 2022 i.e. upto November 30, 2023.

Accordingly, the Board recommends for approval of appointment Mr. Kamal Kant Upadhyay (**DIN:** 01557185) as Managing Director and CEO of the Company.

Mr. Kamal Kant Upadhyay (**DIN:** 01557185) after his appointment attended the following meetings of the Board upto September 27, 2023

Number of Board Meetings held after appointment	Number of Board Meetings Attended
7	6

Memorandum and Articles of Association and the letter dated October 17, 2022 from IDBI Bank Ltd recommending appointment of Mr. Kamal Kant Upadhyay are available for inspection if demanded by the Members vide email to cs@idbicapital.com during normal business hours on any working day, excluding Saturday.

Except Mr. Kamal Kant Upadhyay (**DIN:** 01557185) being an appointee, none of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.

ITEM NO 5: APPOINTMENT OF MR. ARUN KUMAR BANSAL (DIN: 08425582) AS DIRECTOR.

The members are informed that pursuant to IDBI Bank letter ref. no.2/2023-2024/SAIC/Nominee dated April 11, 2023 the Board of Directors of the Company at their meeting held on April 24, 2023, appointed Mr. Arun Kumar Bansal (DIN: 08425582) as Additional Director (Nominee of IDBI Bank Ltd.) of the Company. Mr. Arun Kumar Bansal (DIN: 08425582), holds office only up to

the date of this Annual General Meeting of the Company, but is eligible for re-appointment as a Director. Mr. Arun Kumar Bansal (DIN: 08425582) is Executive Director & Head Treasury of IDBI Bank Limited. Prior to joining IDBI Bank, Mr. Bansal has worked with Indian Bank in various capacities. He last worked with Indian Bank as Chief Financial Officer (General Manager). Mr. Bansal has an experience of more than 31 years in banking sector, viz. Fund raising through Equity and Bonds, Balance sheet management and Financial reporting, Strategy & business planning, Corporate credit and debt syndication, Treasury & Wealth Management and Retail banking. Mr. Bansal is skilled in Capital Markets, ALM, Quantitative Investment Strategies, Market Risk, and Asset Management. Mr. Bansal is an M.Com and MBA and holds a PG Diploma in Banking & Finance (NIBM), CAIIB, CFP (FPSB).

The other organizations where Mr. Arun Kumar Bansal is Chairman / Director are:

Other Directorships are: Organization Name	Position Held/Nature of Interest	Shareholding	Date of which interest occurred
Fixed Income Money Market & Derivatives Association of India (FIMMDA)	Director	NIL	23.11.2022

Mr. Arun Kumar Bansal does not receive any remuneration, benefits, or commission from the Company, except sitting fees which are credited to IDBI Bank Ltd.

Mr. Arun Kumar Bansal does not hold by himself or for any other person on a beneficial basis, any shares of the Company.

Mr. Arun Kumar Bansal after his appointment as Additional Director attended the following meetings up to September 27, 2023.

Number of Board Meetings held after appointment	Number of Board Meetings Attended
5	5

Considering the rich experience, vast knowledge about financial industry and other areas, the Board recommends the Resolution, in relation to appointment of Mr. Arun Kumar Bansal as Director (Nominee of IDBI Bank Limited), for the approval by the Members of the Company by way of an Ordinary Resolution as set out in Item No. 5 of this Notice.

ITEM NO 6. RATIFICATION OF APPOINTMENT OF MS. UMA SHANKAR (DIN: 07165728) AS INDEPENDENT DIRECTOR OF THE COMPANY

Ms. Uma Shankar (DIN: 07165728) was appointed as an Independent Director by the shareholders of the Company vide Special Resolution passed in the Annual General Meeting held on December 22, 2020 for period of 3 years commencing May 22, 2020 upto May 21, 2023. The first term of Ms. Uma Shankar (DIN: 07165728) as Independent Director was upto May 22, 2023.

Ms. Uma Shankar is a Chairperson of the Corporate Social Responsibility Committee and Risk Management Committee and Member of the Audit Committee of the Company. During her tenure as Independent Director, Ms. Uma Shankar has made immense contributions to the review of financials and strengthening of internal controls.

Accordingly, the Board recommends ratification of appointment of Ms. Uma Shankar (DIN: 07165728), as an Independent Director for a period commencing from May 22, 2023 till conclusion of date of Annual General Meeting.

Except Ms. Uma Shankar (DIN: 07165728) being an appointee, none of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 6.

ITEM NO 7: APPOINTMENT OF MR. BASANT SETH (DIN: 02798529) AS INDEPENDENT DIRECTOR OF THE COMPANY

Mr. Basant Seth (DIN: 02798529) was inducted as an Additional Director (Independent Category) on the Board of Directors of the Company by Resolution passed in the meeting held on July 18, 2023.

In terms of Section 161 of the Companies Act, 2013, Mr. Basant Seth (DIN: 02798529) holds office only up to the date of this Annual General Meeting of the Company, but is eligible for re-appointment as a Director.

A written Notice pursuant to Section 160 of the Companies Act, 2013, has been received from a member/Director signifying intention to propose Mr. Basant Seth (DIN: 02798529) as a candidate for the office of Director of the Company.

The Board has also recommended appointment of Mr. Basant Seth (DIN: 02798529) as Independent Director.

Mr. Basant Seth (DIN: 02798529) being eligible has offered himself for appointment as Independent Director. The Nomination and

Remuneration Committee has also recommended the appointment of Mr. Basant Seth (DIN: 02798529)) as an Independent Director.

The other organizations where Mr. Basant Seth (DIN: 02798529) is Chairman / Director are;

Other Directorships are: Organization Name	Position Held/Nature of Interest	Shareholding	Date of which interest occurred
Roto Pumps Limited	Director	-	28-09-2019
Dharampal Satyapal Food Limited	Director	-	15-11-2019
Lohia Corp Limited	Director	-	01-08-2022
Ever Electronics Private Limited	Director	-	02-09-2020
U.P. Industrial Consultants Limited	Director	-	18-08-2020
Dharampal Satyapal Limited	Director	-	15-11-2019
Unity Small Finance Bank Limited	Director	-	28-03-2022
India International Depository IFSC Limited	Additional Director		07-09-2022
Infomerics Analytics and Research Private Limited	Director	-	30-10-2021
Canbank Factors Limited	Director	-	08-10-2020

Mr. Basant Seth (DIN: 02798529) does not receive any remuneration, benefits, or commission from the Company apart from sitting fees of meetings attended. In the opinion of the Board, Mr. Basant Seth (DIN: 02798529) fulfills the conditions specified in the Companies Act, 2013 and Rules made thereunder for appointment as an Independent Director of the Company and is independent of the management.

A copy of the draft letter of appointment to be issued to Mr. Basant Seth (DIN: 02798529) setting out the terms and conditions of appointment would be available for inspection if demanded by the Members vide email to cs@idbicapital.com during normal business hours on any working day, excluding Saturday.

Accordingly, the Board recommends for approval the appointment Mr. Basant Seth (DIN: 02798529), as an Independent Director.

Except Mr. Basant Seth (DIN: 02798529) being an appointee, none of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 7.

Place: Mumbai
Date: September 28, 2023

For and on behalf of the Board of Directors
IDBI Capital Markets & Securities Limited

Sd/-
Christina D'souza
Company Secretary

Registered Office:
6th Floor, IDBI Tower, WTC Complex,
Cuffe Parade, Mumbai – 400 005.
Tel: 91 22 2217 1700
Fax: 91 22 2215 1787
CIN: U65990MH1993GOI075578
Website: http://www.idbicapital.com
Email: cs@idbicapital.com

Details of Directors (as on 31st March, 2023) seeking appointment/re-appointment as required under Secretarial Standards on General Meetings:

Name	Mr. Rakesh Sharma	Mr. Kamal Kant Upadhyay	Mr. Arun Kumar Bansal	Ms. Uma Shankar	Mr. Basant Seth
DIN	06846594	01557185	08425582	07165728	02798529
Date of Birth	2nd July,1958	23rd May, 1966	1st September, 1970	15th October, 1959	16th February, 1952
Age	65 years	54 years	52 years	63 years	71 years
Qualifications	Post Graduate in Economics, CAIIB	B.Tech from IIT BHU	Bcom, Mcom ,Post Graduate Diploma in Banking & Finance	MA (English), CAIIB, Hindi Praveen	BSC, CA, Post Graduate Diploma in Bank Management
Experience	Mr. Rakesh Sharma is Managing Director & Chief Executive Officer of IDBI Bank Ltd. from October 10, 2018. Prior to IDBI Bank assignment, Shri. Sharma superannuated as MD&CEO from Canara Bank after serving from 11.09.2015 to 31.07.2018. While in Canara Bank he also held the position of Chairman in the group companies of Canara Bank. Prior to this, Shri. Sharma was in Lakshmi Vilas Bank Ltd. as MD & CEO and served there for a period from March 07, 2014 till September 09, 2015. Shri. Sharma held the position of Chief General Manager in State Bank of India [SBI] before moving to Lakshmi Vilas Bank Ltd in March 2014. He had more than 33 years' experience in SBI, holding key positions, which included Head of mid corporate accounts in Andhra Pradesh region, supervising retail operations in the States of Rajasthan, Uttarakhand & Western UP, banking operations in International Banking Group, credit assignments in specialized branches/ administrative offices, etc.	Mr. Kamal Kant Upadhyay has about 3 decades of experience in IDBI Bank primarily in Corporate Banking excepting his last stint in Retail Banking as Zonal Head of Ahmedabad Zone. In Corporate Banking, Mr Upadhyay has gained extensive experience of Project Financing, Project Monitoring, Working Capital Financing, Corporate Debt Restructuring while working in Mid Corporate, Large Corporate, Very Large Corporate and Infrastructure Corporate Verticals of IDBI Bank in various capacities viz. Branch Head, Regional Head and Senior Regional Head in Chandigarh, Ahmedabad and Mumbai Locations. He has attended various Seminars and Workshops on Project Financing and Infrastructure Financing. During his tenure in Corporate Banking, Mr. Upadhyay was member of Zonal Credit Committee in Mumbai and Ahmedabad locations. During his last stint as Zonal Head, Ahmedabad, he was Chairman of various Zonal level Committees including Zonal Credit Committee and Co-	Mr. Arun Kumar Bansal is Executive Director & Head Treasury of IDBI Bank Limited. Prior to joining IDBI Bank, Mr. Bansal has worked with Indian Bank in various capacities. He last worked with Indian Bank as Chief Financial Officer (General Manager). Mr. Bansal has an experience of more than 31 years in banking sector, viz. Fund raising through Equity and Bonds, Balance sheet management and Financial reporting, Strategy & business planning, Corporate credit and debt syndication, Treasury & Wealth Management and Retail banking. Mr. Bansal is skilled in Capital Markets, ALM, Quantitative Investment Strategies, Market Risk, and Asset Management. Mr. Bansal is an M.Com and MBA and holds a PG Diploma in Banking & Finance (NIBM), CAIIB, CFP (FPSB).	Ms. Uma Shankar was a former Executive Director of the Reserve Bank of India, Mrs. Uma Shankar was with the central bank of the country for a little over 37 years. Her core competence is in financial sector supervision but has also been responsible for currency management, foreign exchange and the internal accounting and administration. After completing her post-graduation in English Literature she joined the RBI as a direct recruit officer. She is also a certified associate of the Indian Institute of Bankers and has had Executive education at Columbia Business School, New York (2009 alumni). 1) Co-Chair of the Standard setting Body for financial regulation-G-20 group. 2) Member (alternate to DG) of the Financial Stability Board - Regulation and Supervision group.	Mr. Basant Seth has over 40 years of experience in finance & banking, management & administrative matters with excellent track record. Have headed institutions like Syndicate Bank (as Chairman and Managing Director from 2009 to 2012) and SIDBI (as Deputy Managing Director from 2007 to 2009). Mr. Seth was appointed by the Government of India as Information Commissioner in the Central Information Commission from March 2012 to February 2017 and as Independent Director of State Bank of India from June 2017 to June 2020 and headed/was member of several Committees of the Board.

		Chairman of Zonal Audit Committee, besides representing the Bank in State Level Bankers Committee.			
Date of first appointment on Board	21st February, 2019	1st December, 2022	24th April, 2023	22nd May, 2020	July 18, 2023
Shareholding in the Company	Nil	Nil	Nil	Nil	Nil
Relationship with other Directors, Manager and Key Managerial Personnel	Nil	Nil	Nil	Nil	Nil
Number of Board Meetings attended during the year 2022-23	6 of 6	2 of 2	NA	4 of 6	NA
Directorships held in other Companies (except Foreign Companies)	1. IDBI Bank Limited – Managing Director & CEO 2. IDBI Asset Management Limited - Chairman	Nil	Fixed Income Money Market and Derivatives Association of India (FIMMDA)	1. Karnataka Bank Limited - Independent Director 2. Ebixcash Private Limited - Additional Director 3. Unitech Limited - Nominee Director* 4. Member of the Fund Trustee Advisory Commission of KIIFB - Independent Member [Kerala Infrastructure Investment Fund Board. A Body Corporate established as the principal funding arm of Government of Kerala on 11.11.1999 by the Kerala Infrastructure Investment Fund Act 1999 (Act 4 of 2000)]	1. Roto Pumps Limited- Director 2. Dharampal Satyapal Food Limited-Director 3. Lohia Corp Limited – Director 4. Ever Electronics Private Limited – Director 5. U.P. Industrial Consultants Limited – Director 6. Dharampal Satyapal Limited – Director 7. Unity Small Finance Bank Limited – Director 8. India International Depository IFSC Limited - Additional Director 9. Infomerics Analytics and Research Private Limited- Director 10. Canbank Factors Limited -

				* In terms of the Order passed by the Hon'ble Supreme Court of India vide Order dated 13.10.2022, I have been appointed by the Central Government as a Nominee Director on the Board of Unitech Ltd. vide MCA Order F.No.10/01/2020-Legal dated 19.10.2022. The MCA Order was received via email on 03.11.2022. Independent Director ratification of appointment is ratified from May 22, 2023 till date of conclusion of Annual General Meeting.	Director Independent Director not liable to retire by rotation for a period of 3 years
Terms and conditions of appointment / reappointment	Non-executive Director liable to retire by rotation	Managing Director and CEO for a further period upto November 30, 2023 not liable to retire by rotation	Non-executive Director liable to retire by rotation	Independent Director ratification of appointment is ratified from May 22, 2023 till date of conclusion of Annual General Meeting.	Independent Director not liable to retire by rotation for a period of 3 years

DIRECTOR'S REPORT

To The Members

Your Company's Board of Directors hereby presents its Report on the business and operations of the Company for the year ended March 31, 2023.

1. FINANCIAL HIGHLIGHTS

Your Company has achieved gross revenue of Rs. 98.11 crore, decline of about 11% over previous financial year. The Company has reported a Profit After Tax (PAT) of Rs. 7.27 crore as against a profit of Rs. 19.16 crore in the previous financial year.

The financials for the year ended March 31, 2023 with comparative figures for the previous year are presented in the table below

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
	(Rs. in lakh)	
Revenue from Operations	8,943	10,781
Other Income	868	216
Total Income	**9,811**	**10,997**
Expenses		
Finance Cost	134	143
Net loss on fair value changes	75	-
Impairment of Financial Instruments	44	326
Operating expenses	2,472	2,626
Employee Benefit Expenses	4,083	3,926
Depreciation & Amortisation Expenses	949	905
Other expenses	989	671
Total expenses	**8,746**	**8,597**
Profit/ (Loss) before Exceptional items and Tax	1,065	2,400
Exceptional Items	-	-
Profit Before Tax	**1,065**	**2,400**
Total Tax Expenses	338	484
Profit / (Loss) for the year	**727**	**1,916**
Total Other Comprehensive Income	**-28**	**-19**
Total Comprehensive Income for the Year	**699**	**1,897**

2. COMPANY'S AFFAIRS

Your Company offers a wide range of Financial Services from Investment Banking, Corporate Advisory services, Retail and Institutional Stock Broking, distribution of Financial Products, Fund Management, Research services, M&A, PE and Debt Capital Market services. Your Company is registered with the Securities and Exchange Board of India (SEBI) as a Merchant Banker, Stock Broker, Depository Participant, Portfolio Manager, Research Entity and is also Investment Manager to Maharashtra Defence and Aerospace Venture Fund and Maharashtra Innovation and Technological Development Fund.

3. Transfer to Reserves

The Board of the Directors of your Company have decided not to transfer any amount to the Reserves for the year under review.

4. DIVIDENDS

Your Company has not declared any dividend for the F.Y. 2022-23.

5. MATERIAL CHANGES AND COMMITMENTS, IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED AFTER THE END OF FINANCIAL YEAR AND THE DATE OF THE BOARD'S REPORT

The Company implemented a new Trading Engine Version 14 from TCS BanCs Ltd for all its Retail Stock Broking Clients. On July 4,

2023, due to a technical glitch in the software, some clients were allocated excess trading limits. One of the client utilized the said limits and created huge position which he was unable to honour. Your Company made good the obligation to the Clearing Corporation. The incident has resulted in a loss of around 6 crores. Your Company is in the process of recovering said losses from the client and the software vendor.

Except as stated above no material changes and commitments have occurred after the close of the financial year till the date of this Report, which significantly affects the financial position of the Company.

6. PARTICULARS OF ASSOCIATE COMPANY

The Company has one Associate Company namely, IDBI Asset Management Ltd. The Company holds 33.33% of the share capital of IDBI Asset Management Ltd. A Statement containing salient features of the financial statement and all other requisite details of the said Associate Company in the format AOC-1 is appended as **Annexure A**.

7. FINANCIAL STATEMENTS

The Financial Statements of your Company for the Financial Year 2022 – 23 are prepared in compliance with applicable provisions of the Companies Act, 2013 read with the Rules issued thereunder and applicable Accounting Standards.

8. ECONOMIC REVIEW

Indian economy which was severely impacted during the pandemic (as can be witnessed in FY21 GDP contraction) started witnessing signs of recovery from FY22 onwards. India was not much impacted by the third wave of covid (as was during first two waves). As a result, output in FY22 surpassed its pre-pandemic levels in FY20, staging a strong recovery, ahead of many countries. However, the conflict in Europe necessitated a revision in the growth expectation for economic growth and inflation in FY23 with retail inflation surpassing RBI tolerance level in Jan'22 (and remained below the upper tolerance bank for 10 months). As per RBI MPC meet, Inflation projection has been revised downward at 5.1 % in 2023-24 (vs. 5.2% in Apr meet) with Q1:2023-24 at 4.6 %; Q2:2023-24 at 5.2 %; Q3:2023-24 at 5.4 % and Q4:2023-24 at 5.2 %.

Despite the three shocks of COVID-19, Russian-Ukraine conflict and the Central Banks across economies led by Federal Reserve responding with synchronized policy rate hikes to curb inflation, leading to appreciation of US Dollar and the widening of the Current Account Deficits (CAD) in net importing economies, agencies worldwide continue to project India as the fastest-growing major economy at 6.5-7.0% in FY23. Going forward, depending of trajectory of economic and political developments globally, India's GDP is expected to witness growth of 6-6.8% in FY23-24. As per Economic Survey FY22-23, the projected baseline of real GDP growth is expected to be around 6.5%. The optimistic growth projections are as a result of various sign such as rebound of private consumption, higher Capex, near-universal vaccination coverage enabling people to spend on contact-based services, such as restaurants, hotels, shopping malls, and cinemas, as well as the return of migrant workers to cities to work in construction sites leading to a significant decline in housing market inventory, the strengthening of the balance sheets of the Corporates, a well-capitalized public sector banks ready to increase the credit supply and the credit growth to the Micro, Small, and Medium Enterprises (MSME) sector to name the major ones. As per RBI MPC meet, Real GDP growth forecast has been retained at 6.5% for FY23-24 with Q1:2023-24 at 8.0 %; Q2:2023-24 at 6.5 %; Q3:2023-24 at 6.0 % and Q4:2023-24 at 5.7 %.

Dwelling on the Outlook for 2023-24, the Economic Survey highlighted that India's recovery from the pandemic was relatively quick and growth that in the upcoming year will be supported by solid domestic demand and a pickup in capital investment. The survey further highlighted that led by healthy financials, incipient signs of a new private sector capital formation cycle are visible and more importantly, compensating for the private sector's caution in capital expenditure, the government raised capital expenditure substantially. Budgeted capital expenditure rose 2.7x in the last seven years (FY16-23), re-invigorating the Capex cycle.

Global growth is forecasted to slow from 3.2% in FY22 to 2.7% in FY23 as per IMF's World Economic Outlook, October 2022. A slower growth in economic output coupled with increased uncertainty will dampen trade growth. This is seen in the lower forecast for growth in global trade by the World Trade Organization, from 3.5% in FY22 to 1.0% in FY23. While commodity prices have retreated from record highs, they are still above pre-conflict levels. Strong domestic demand amidst high commodity prices will raise India's total import bill and contribute to unfavourable developments in the current account balance. These may be exacerbated by plateauing export growth on account of slackening global demand. Should the current account deficit widen further, the currency may come under depreciation pressure. Entrenched inflation may prolong the tightening cycle, and therefore, borrowing costs may stay 'higher for longer'. In such a scenario, global economy may be characterized by low growth in FY24. However, the scenario of subdued global growth presents two silver linings – oil prices will stay low, and India's CAD will be better than currently projected. The overall external situation will remain manageable.

9. INDIAN EQUITY MARKETS DURING F.Y. 2022 – 2023

Indian equity markets was flattish in Financial Year 2023 as 1) regulator raised rates leading to increase in the finance cost, 2) due to high commodities prices, margin were weak of the companies and 3) geopolitical tensions impacted the market sentiments.

However in Q1FY24 market staged recovery as regulator maintained the rates and inflation started subsiding.

Foreign Institutional Investors (FIIs) net outflows in Indian market was Rs. 439 billion in Financial Year 2023 vs net out-flows of Rs. 1.296 trillion during Financial Year 2022. Nevertheless, DIIs saw net inflow of Rs. 2.562 trillion during the year compared to net inflow of Rs. 2.217 trillion in Financial Year 2022.

Amongst indexes, indices were mixed bag during Financial Year 2023. Indices which outperformed Sensex include FMCG, Auto, Bankex, Capital Goods while the indices where returns was lower than Sensex were IT, Telecom, Utilities, Metal

				Change over last year		Change over last year's Low	
	Mar-22	Mar-23	Year's Low	YoY	%	YoY	%
Sensex	58,569	58,992	50,921	423	0.7	8,070	15.8
FMCG	13,335	16,487	12,317	459	23.6	932	33.9
Healthcare	24,304	21,884	20,848	2,976	-10	2,775	5
IT	36,403	28,479	26,743	9,860	-21.8	10,271	6.5
Telecom	1,839	1,501	1,467	543	-18.4	535	2.3
S&P BSE Utilities	3,440	2,822	2,522	1,292	-18	1,376	11.9
AUTO	24,050	28,247	21,083	1,798	17.5	2,826	34
BANKEX	41,754	46,032	36,888	4,206	10.2	6,786	24.8
CAPITAL GOODS	27,506	34,370	24,550	6,410	25	7,708	40
CONSUMER DURABLES	42,272	37,629	33,420	9,446	-11	10,943	12.6
METAL	22,368	19,185	14,853	8,018	-14.2	7,241	29.2
OIL & GAS	18,741	17,383	16,379	3,921	-7.2	4,469	6.1
POWER	4,044	3,606	3,236	1,569	-10.8	1,683	11.4
REALTY	3,682	3,102	2,914	1,012	-15.8	1,297	6.5

	FII (INR bn)	DII (INR bn)	FII (USD Mn)	DII (USD Mn)
FY 2022	-1,296	2,217	-17,093	29,522
FY 2023	-439	2,562	-5,971	32,168

10. PERFORMANCE OF THE COMPANY

During the past year, your Company has improved its performance and has made a turnaround with an overall profit. The performance of your Company has been detailed in the paragraphs below:

a) INVESTMENT BANKING

Financial year 2022-23 started with exodus of foreign money from emerging markets, including India on account of global monetary tightening, volatile crude and rising commodity prices, along with Russia and Ukraine conflict. However the rising clout and maturity of domestic investors kept the indices fall limited.

In current year, **Equity Capital Markets Vertical** has procured 8 new mandates, including two IPO's, two FPO's and a rights issue of a private sector company. The team has also procured 2 OFS mandates from Govt. Sector and a prestigious advisory mandate of Telecom Sector on dues resolution. The vertical is constantly striving towards closure of these mandates for revenue generation. The vertical continues to strengthen the business development efforts and is in various stages of discussions with several companies for creating healthy pipeline of mandates for IPOs, QIPs, buybacks, Rights Issues, etc.

The **M&A vertical** closed 5 transactions in FY 2022-23 on behalf of your Company. The transactions include the demerger of NMDC Steel Limited from NMDC Limited and the issuance of equity shares by VI Limited to Government of India; both highly prestigious transactions. The other transactions were in hospitality, integrated logistics and real estate sector.

In **Private Equity Vertical,** your Company was privileged to be an advisor in a marquee deal of raising capital for one of the leading consumer centric companies. The Team also secured two large prestigious private equity mandates of unicorns in the

fin-tech sector with a potential fund raise of ~INR 4100 Crores. The vertical typically secures mandates by focusing on specific new age sectors such as fin-tech, drone, EV, agri-tech, ed-tech, health-tech, Saas, etc. In addition, the private equity team has been engaged with massive network of global & local private equity and venture funds across the world.

The **Debt Syndication Vertical** handled more than 29 assignments (pan India at Mumbai, Head Office and Delhi, Chennai & Hyderabad Branch Offices) for financial advisory as well as arrangement of term loans / structured debt / working capital facilities for companies across diverse sectors like city gas distribution, telecommunications, petrochemicals, aviation, mining, transportation, hydroelectric power, water treatment, consumer durables, NBFC, textiles etc. Besides Mumbai, Debt Syndication deals are also being executed from Delhi, Hyderabad and Chennai branches. Additionally, the team actively tracks tenders for financial advisory / transaction advisory / syndication services and has been able to secure numerous assignments by successfully bidding for such tenders. Further, the team has completed more than 30 appraisal assignments for reputed public sector undertakings and private companies across multiple sectors in FY23.

During the FY2022-23, **Debt Resolution Vertical** of your Company procured more than 25 advisory mandates across diverse sectors including Port, Power, Infra, telecom, steel & hotel. Company also procured multiple mandates towards financial due diligence and process advisory for debt assignment. Your company was successful in advising the Consortium of Lenders on first ever acquisition of stressed asset (Jaypee Infratech Ltd) by National Asset Reconstruction Company Ltd. Your company was also successful in acting as Process Advisors to the Consortium of Lenders of a large telecom company for sale of fixed assets as well as debt assignment. Apart from these, your company had been running various mandates as Process Advisor for Swiss Challenge Process, Debt Restructuring advisory mandates, NCLT advisory mandates, Financial due diligence etc. The Debt Resolution Group has also been running mandates for project appraisal, debt syndication and debt refinancing transaction across public sector and private sector clients.

The **Debt Capital Markets (DCM) Vertical** has created a new benchmark and stood at number 11 in FY 2022-23 from position 14 in FY 2021-22 in Prime League Table and arranger of 73 issues via Private Placement of Bonds of worth INR 1,47,770.05 Crore (including Senior, Sub-ordinate and Perpetual Bonds of Banks/NBFC's) for the FY 2022-23. In the short term borrowing for the Corporates, the vertical has mobilized more than INR 15,350 Crs Commercial Papers for various prestigious manufacturing corporates, holding a rank of No 9 with 53 issues mobilized. The vertical continues to strengthen the business development efforts and is in various stages of discussions with several companies for possible mandates.

The **Structured Finance Advisory Vertical** (new vertical started in FY 2021-22) focuses on debt raising for mid-sized companies with viable business models, who are unable to access the bank loan market, on account of credit rating, purpose, security package, etc. For this business your Company is working with multiple clients across industries like Auto components, Renewable power, Industrials, Pharmaceuticals etc

b) PORTFOLIO MANAGEMENT SERVICES

Your Company also continues to manage funds on the debt side with Assets under Management at the end of the Fiscal 2023 standing at Rs. 7,371.87 Crore. The returns on investments on these Funds during the F.Y. 2022-23 were 7.77% for retirement funds and 7.01% for the surplus funds. The respective benchmarks for the period stood at 7.33% and 5.51%.

c) INSTITUTIONAL EQUITIES

The Institutional Equities business saw subdued year on the back of challenging market conditions. The vertical is seeing improved traction in the coming year and it expects to achieve a good growth over the last financial year. The team made significant inroads with empanelled clients that will help improve wallet share. The team has been able to get new empanelment with few Insurance companies.

d) RETAIL BROKING

The Retail Brokerage business of your Company degrew by 26% on YOY basis during the year. This was mainly due to market factors (negative returns in Nifty and Midcap Index) which led to low participation by the Retail clients across the industry. New client acquisition in Retail Broking during the year was around 34000 clients. The Company continues to enhance the system capabilities by adding new features to the web trading portal and the Mobile App. This will help digital adoption of services by the clients.

e) FUND MANAGEMENT AND ADVISORY

Maharashtra Defence and Aerospace Venture Fund

The Company continues to act as Investment Manager of Maharashtra Defence & Aerospace Venture Fund (MDAVF), a SEBI registered Category II AIF, established with an investment objective to promote sustainable enterprises in the Defence, Aerospace and Allied sectors in the state of Maharashtra.

As on March 31, 2023 MDAVF has an aggregate of Rs. 336.6 crores. MDAVF has invested Rs. 344.32 crores in 20 Companies, divested and realized 53.02 Crores from 2 Companies.

Bharat Ratna Dr. Babasaheb Ambedkar Investment Fund for SC/ST

The Company continues to act as as Advisor to the Bharat Ratna Dr. Babasaheb Ambedkar Fund for SC/ST (BRBASCST).

Till date, the fund has an aggregate commitment of 80.14 Crores from Department of Industries, Government of Maharashtra. BRBASCST has committed Investment of 37.29 Crores to 12 companies out of which Investment of 36.02 Crores has already been done in 11 companies.

Maharashtra Innovation and Technological Development Fund

The Company is also acting Investment Manager of Maharashtra Innovation and Technological Development Fund (MITDF), a SEBI registered Category I AIF. The primary investment objective is to invest at an early stage in promising, innovative and high impact startups and MSMEs, which are incorporated in Maharashtra and having innovative and scalable business model, which work towards development or improvement of a product, process or service and/or have scalable business model with high potential for creation of wealth & employment.

MITDF is a sector agnostic fund which strives to generate high returns by investing in a judicious mix of growth investments opportunities and early / start up stage opportunities and is focused to attain the objective of maximizing the return on the investments. The maximum investment per Portfolio Company is expected to be in the range of 5 to 15 Crores or 10% of the effective drawable corpus, whichever is lower and the number of investments is expected to be in the range of 10 to 15 companies approximately. The target corpus of the Fund is 200 Crores.

11. FUTURE PLANS

Your Company continuously endeavours to scale new heights. All verticals have demonstrated renewed commitment and purpose. With the markets opening up and stability being restored your Company will keep exploring new avenues for scaling its business.

12. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The CSR Policy of the Company covers areas across healthcare, education, rural development, livelihood generation and socio economic empowerment.

The CSR Policy of the Company is available on the following web link: https://idbicapital.com/CSR/index.html

During the FY 2022-23, your Company contributed an amount of Rs. 22 Lakhs towards CSR activities. The CSR Activities were carried out in the following areas .

i. Sponsoring of bunk beds to a school in Madhya Pradesh which caters to underpriviledged and tribal girls
ii. Digitization of classrooms for a school in Chennai, Tamilnadu
iii. Distribution of Career Guidance Books to students in Govt Schools in Rural districts of Hyderabad

The Report on Corporate Social Responsibility (CSR) as required under the Companies, (Corporate Social Responsibility Policy) Rules, 2014 is annexed to this Report as Annexure -B.

13. PREVENTION OF INSIDER TRADING

During Financial Year 2022-23, an incident of front running was observed by the Securities and Exchange Board of India (SEBI). SEBI has passed an impounding order and show cause notice against the Chief Dealer of the Company. SEBI has also issued a show cause notice against the Company inter alia alleging violation of the Code of Conduct under SEBI (Stock Broker & Sub Brokers) Regulation. Your Company has applied for availing of the Settlement Mechanism under SEBI (Settlement Proceedings) Regulations, 2018.

Your Company on its part has engaged an external expert and is strengthening controls.

14. RISK MANAGEMENT

Your Company is strengthening the existing Risk Management Policy which provides an integrated framework for managing risks. The Policy has a holistic approach and encompasses all stages of risk management viz. Identification, Measurement, Management and Control.

15. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

As your Company is not a manufacturing company, there are no particulars to disclose pertaining to Conservation of Energy and Technology Absorption.

Further, the details of foreign exchange earnings and outgo are provided at Note No. 41 in the Notes to the Accounts. Your

Company uses information technology extensively in its day-to-day operations

16. CHANGE IN THE NATURE OF BUSINESS, IF ANY:

During the period of review, the Company continued to carry on the business of Investment Banking, Stock broking and Fund Management. There was no adverse change in the nature of its business.

17. DIRECTORS

Your Company's Board of Directors is broad-based and its constitution is governed by the provisions of the Companies Act, 2013 and the Articles of Association of your Company. The Board functions directly as well as through various Board-level Committees constituted to provide focused governance in the important functional areas of your Company.

As on the date of this report, the Board comprises of six Directors, which includes the Managing Director & CEO and five Non-Executive Directors out of which three are Independent Directors.

In accordance with the requirements of the Companies Act, 2013 and the Articles of Association of the Company, one of your Director, viz. Mr. Rakesh Sharma retires by rotation at the ensuing Annual General Meeting.

18. APPOINTMENT AND RESIGNATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL DURING F.Y. 2022 – 23

The following table describes the changes in the Board of Directors & Key Managerial Personnel during F.Y. 2022-23.

Name of Directors / KMPS	DIN	Appointment / Resignation / Cessation	Effective Date
Ms. Lalitha Rameswaran	02326309	Re-appointment as an Independent Director	September 28, 2022
Mr. Kamal Kant Upadhyay	01557185	Appointed as an Managing Director and CEO	December 01, 2022
Mr. Iswar Padhan	03560275	Ceased to be Managing Director & CEO	November 30, 2022

*Mr. Samuel Joseph J ceased to be a Director of the Company w.e.f April 5, 2023 and Mr. Arun Kumar Bansal was appointed as an Additional Director (Nominee of IDBI Bank) w.e.f. April 24, 2023.

*Appointment of Ms. Uma Shankar as Independent Director to be ratified from May 22, 2023 till date of conclusion of Annual General Meeting at the ensuing Annual General Meeting.

* The Chief Risk Officer has been designated as Key Managerial Personnel vide Resolution of the Board dated June 21, 2023.

19. BOARD MEETINGS AND ATTENDANCE OF DIRECTORS

During the financial year 2022 – 23, 6 (Six) meetings of the Board of Directors were held.

Details of the attendance of Directors are given below:

Sr. No.	Date of Meeting	Number of Directors Present	Number of Directors to whom Leave of absence was granted
1	April 22 , 2022	5/6	1
2	July 15, 2022	6/6	Not applicable
3	September 26, 2022	6/6	Not applicable
4	October 18, 2022	5/6	1
5	January 18, 2023	6/6	Not applicable
6	March 06, 2023	6/6	Not applicable

20. INDEPENDENT DIRECTORS

Pursuant to Section 149(4) of the Companies Act, 2013 read with Rule 4 of The Companies (Appointment and Qualifications of Directors) Rules, 2014, your Company is required to have minimum two Independent Directors.

As on March 31, 2023, your Company had the following 3 (Three) Independent Directors:

Sr. No.	Name of the Independent Director	DIN
1	Ms. Lalitha Rameswaran	02326309
2	Ms. Uma Shankar	07165728
3	Mr. Venkat Nageswar Chalasani	07234179

All the Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV of the Companies Act, 2013.

The Independent Directors of the Company met the criteria of 'independence' prescribed under section 149(6) of the Companies Act, 2013 and have also submitted a declaration to that effect.

Dates & Attendance of Directors at Meetings of Independent Directors held during F.Y. 2022–23

Sr. No.	Date of Meeting	Number of Directors Present	Number of Directors to whom Leave of absence was granted
1	January 18, 2023	3/3	Not applicable

21. COMMITTEES OF THE BOARD

The Board has 4 Committees to oversee various functional aspects of your Company's business and operations:

- Audit Committee
- Nomination & Remuneration Committee
- Corporate Social Responsibility Committee
- Risk Management Committee

A) *Audit Committee*

The Audit Committee of the Board (ACB) provides direction, monitors the functioning of the Internal Auditors, reviews financial statements and recommends appointment of auditors and their remuneration. The names of the members of the Audit Committee as on March 31, 2023 are as under:

Sr. No	Name of Director	Status
1	Ms. Lalitha Rameswaran	Chairperson of the Committee
2	Ms. Uma Shankar	Member
3	Mr. Samuel Joseph J.*	Member

*I) Mr. Samuel Joseph J ceased to be a Director of the Company w.e.f April 5, 2023 and consequently ceased to be Member of the Audit Committee
II) Mr. Arun Kumar Bansal was appointed as Member of the Committee w.e.f. April 24, 2023.

Dates & Attendance of Directors at Meetings of ACB held during F.Y. 2022–23

During the financial year 2022–23, 5 (Five) meetings of the Audit Committee of the Board were held.

Details of attendance of the Committee Members are given herein below:

Sr. No.	Date of Meetings	Number of Directors present	Number of Directors to whom Leave of absence was granted
1	April 21, 2022	3/3	Not applicable
2	July 15, 2022	3/3	Not applicable
3	September 26, 2022	3/3	Not applicable
4	October 18, 2022	2/3	1
5	January 18, 2023	3/3	Not applicable

B) *Nomination and Remuneration Committee (NRC)*

The Nomination and Remuneration Committee of the Board was constituted as per the provisions of section 178 and other applicable provisions of the Companies Act, 2013. As on March 31, 2023, it comprised of three members who are appointed by your Board.

The names of the members of the Nomination and Remuneration Committee as on March 31, 2023 are as under

Sr. No.	Name of Director	Status
1	Mr. Venkat Nageswar Chalasani	Chairman of the Committee
2	Ms. Lalitha Rameswaran	Member
3	Mr. Samuel Joseph J.*	Member

*I) Mr. Samuel Joseph J ceased to be a Director of the Company w.e.f April 5, 2023 and consequently ceased to be Member of the Committee
II) Mr. Arun Kumar Bansal was appointed as Member of the Committee w.e.f. April 24, 2023.

Dates & Attendance of Directors at Meetings of NRC held during FY 2022-23

During the financial year 2022-23, 3 (Three) meetings of the Nomination and Remuneration Committee of the Board were held. Details of attendance of the Committee Members are given herein below:

Sr. No	Date of Meetings	Number of Directors present	Number of Directors to whom Leave of absence was granted
1	July 15, 2022	3/3	Not applicable
2	September 26, 2022	3/3	Not applicable
3	October 18, 2022	3/3	Not applicable

C) *Corporate Social Responsibility (CSR) Committee*

The Corporate Social Responsibility Committee of the Board (CSR) was constituted as per the provisions of section 135 and other applicable provisions of the Companies Act, 2013. As on March 31, 2023, the CSR Committee comprised of three members appointed by your Board.

The names of the members of the CSR Committee as on March 31, 2023 are as under:

Sr. No	Name of Director	Status
1	Ms. Uma Shankar	Chairperson of the Committee
2	Ms. Venkat Nageswar Chalasani	Member
3	MD & CEO (Mr. Kamal Kant Upadhyay)	Member

The Committee provides advice, directions and monitors the functioning of the CSR activities of the Company as per the Companies Act, 2013.

Dates & Attendance of Directors at Meetings of CSR Committee held during F.Y. 2022 – 23

During the Financial Year 2022–23, 2(Two) meetings of the CSR Committee of the Board was held.

Details of attendance of the Committee Members are given herein below: -

Sr. No.	Date of Meetings	Number of Directors present	Number of Directors to whom Leave of absence was granted
1	July 15 , 2022	3/3	Not applicable
2	January 18, 2023	3/3	Not applicable

D) Risk Management Committee

Risk Management Committee was constituted on March 6, 2023 to oversee the operational and market risks to the Company. The names of the members of the Risk Management Committee as on March 31, 2023 are as under:

Sr. No	Name of Director	Status
1	Ms. Uma Shankar	Chairperson of the Committee
2	Ms. Lalitha Rameswaran	Member
3	Ms. Venkat Nageswar Chalasani	Member
4	MD & CEO (Mr. Kamal Kant Upadhyay)	Member

The meetings of the Risk Management Committee commenced from FY 2023-24 onwards.

22. COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Board has adopted Directors' Appointment and Evaluation Policy in terms of Section 178(3) and (4) of the Companies Act, 2013, describing the criteria for determining the qualifications, positive attributes and independence of a Director, Review and Evaluation of the performance of Directors etc.

The Company also has a Remuneration Policy for Directors, Key Managerial Personnel and other employees.

The key features of the Policies are given hereunder:

1. DETAILS OF DIRECTORS APPOINTMENT AND EVALUATION POLICY

I. Mode of Appointment of Directors

(1) Directors shall be appointed either by the Board or by Shareholders in a General Meeting.

(2) The MD & CEO may be nominated by IDBI Bank Ltd and may be on deputation from IDBI Bank Ltd or as advised by IDBI Bank Ltd or may be selected from the market based on criteria specified by the Board from time to time. Such appointment shall be subject to approval by the Company's Board of Directors.

(3) (a) The non-rotational Independent Directors to be identified by the Board of Directors shall be appointed by the shareholders at the General Meeting. While identifying the persons to be appointed as Independent Directors, the Board will ensure that such persons possess the qualifications prescribed under Section 149(6) of the Companies Act, 2013 and are also not disqualified to be a Director under the relevant provisions of the Companies Act, 2013.

(b) An Independent Director can hold office only for two consecutive terms, not exceeding a period of five years each. The appointment of the Director for the second term is subject to the approval based on a Special resolution passed at the General Meeting. Further, an Independent Director who has served two consecutive terms, if otherwise eligible, may be considered for reappointment only after completion of a three year cooling period from the date of his retirement.

(c) The vacancy of an Independent Director shall be filled up by the Board at the earliest but not later than immediate next Board Meeting or 3 months from the date of such vacancy, whichever is later.

(d) After approval of Independent Directors' appointment, a formal appointment letter with contents prescribed under Schedule IV of the Companies Act, 2013 will be issued to the Independent Directors so appointed.

Qualification of Directors

1. The candidates to be appointed on the Board should possess relevant experience as deemed fit by the Board in order to be able to guide the management of the Company.
2. Directors should not be disqualified in terms of section 164 of the Companies Act.
3. Directors should have leadership and management experience.

II. Positive Attributes of Directors

Directors appointed on the Board should inter alia have the following positive attributes:

1. Highest levels of personal and professional ethical standards and honesty.
2. Vision, imagination and foresight
3. Good interpersonal skills and the ability to communicate clearly
4. Strategic perspective and the ability to identify opportunities and threats
5. Commitment to the mission of the Company
6. Critical analysis and judgment
7. Motivation to achieve objectives and make an impact

III. Independence of Directors

Independent Directors should possess the criteria for independence as stated in section 149(6) of the Companies Act, 2013.

Independent Directors shall submit a declaration to the Company stating that they meet the prescribed criteria for independence. Further in case the Director fails to meet the criteria of Independence, such Director shall immediately inform the Company of such event.

Independent Directors shall abide by the Code for Independent Directors as stated in Schedule IV of the Companies Act, 2013.

Independent directors are required to register themselves with the Databank & shall be required to pass the online proficiency self-assessment test as applicable under(Appointment & Qualification of Directors) Rules, 2014. Any other amendments as applicable time to time.

IV. Appointment of Senior Management Personnel

"Senior Management" means Personnel of the Company who are members of its core management team (excluding Board of Directors), comprising all members of management one level below the Board of Directors, including the functional heads.

Senior Management Personnel shall be appointed in accordance with the HR Policy of the Company or may be appointed on deputation from IDBI Bank Limited.

The Senior Management Personnel shall possess qualifications and/or experience relevant to their functions.

V. Performance Evaluation of Directors by the Board

(i) In terms of the provisions of Schedule IV (Para VIII) and Section 134of the Companies Act, 2013, performance evaluation of the Independent Directors and all other individual directors shall be done annually by the Board of Directors in the last month of the Financial Year.

(ii) On the basis of the performance evaluation, it will be determined whether to extend or continue the term of appointment of Independent Directors.

(iii) The performance evaluation of individual directors by the Board shall be done on the evaluation sheet as per the format given at Annexure I to this policy.

VI. Performance Review of Non Independent Directors and the Chairperson by Independent Directors

(i) In terms of the provisions of Schedule IV (Para VII) of the Companies Act, 2013, Independent Directors shall hold an Annual Meeting in a year without the attendance of Non Independent Directors and members of the Management for the following purpose:

a. review the performance of the non independent directors and the Board as a whole
b. review the performance of the Chairperson of the Company, taking into account the views of the Executive Directors and Non-Executive Directors.
c. assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively perform its functions.

ii) The performance review of Non Independent Directors by Independent Directors shall be done on the review sheet as per the format given at Annexure II and that of Chairperson of the Company will be done on the format given at Annexure III.

VII. Performance Evaluation of the Board as a whole and Committees of the Board :

The Board shall evaluate its own performance as per the format given at Annexure- IV and that of its Committee as per the Annexure-IV, V and VI.

2. DETAILS OF REMUNERATION POLICY

I. Directors' Remuneration

The Managing Director and CEO of the Company may be appointed based on the recommendations and nomination of the parent company i.e. IDBI Bank Ltd or may be selected from the market based on criteria specified by the Board from time to time. The pay scales and Remuneration structure would be as decided by IDBI Bank Ltd or as approved by the Board/Shareholders from time to time. Provided that the same shall be subject to the applicable provisions of the Companies Act, 2013 and rules made thereunder.

Further, in terms of Article 128 of the Articles of Association of the Company, if any Director, is called upon to perform extra services or special exertion or efforts, the Board may arrange with such Director for such special remuneration for such special services or special exertions or efforts either by a fixed sum otherwise as may be determined by the Board and subject to the provisions of the Act.

Apart from the above, no other Remuneration would be payable to any other Director on the Board of IDBI Capital except the payment of sitting fees to Directors as may be determined by the Board from time to time. These rates shall be subject to the ceilings prescribed by the Act and or Rules made thereunder from time to time. Apart from the sitting fees, the expenses on

Travel, Transportation and Stay of Directors attending the Board and Board Committee Meetings would be borne or reimbursed by IDBI Capital.

II. Remuneration of Key Managerial Personnel

In terms of section 2(51) of the Companies Act, 2013, Key Managerial Personnel, in relation to the company means:"

(i) The CEO or Managing Director or the Manager;
(ii) The Whole Time Director;
(iii) The Company Secretary;
(iv) The Chief Financial Officer (CFO);
(v) Such other officer, not more than one level below the Directors who is in whole-time employment, designated as key managerial personnel by the Board; and
(vi) Such other officer as may be prescribed

The provisions related to remuneration for the Managing Director and CEO of the Company is covered under Para II of this Policy. As regards CFO and the Company Secretary, the positions are held by employees of the Company and their Pay Scales and Remuneration structure would be determined in line with the HR Policy of the Company.

III. Remuneration of Key Managerial Personnel and Employees

The Pay Scales and Remuneration structure of Employees of the Company would be finalized by the Company, in accordance with the HR Policy of the Company and would be market driven and based on the overall evaluation of the candidate on various criteria like position, roles and responsibility, qualifications, experience, suitability to the organization etc. as assessed by the Company.

Further, Remuneration structure to Officers on deputation from IDBI Bank Ltd (other than the Managing Director & CEO) would be advised by IDBI Bank Ltd from time to time and would be reimbursed to IDBI Bank Ltd upon receipt of intimation from IDBI Bank.

23. STATEMENT INDICATING THE MANNER OF FORMAL ANNUAL EVALUATION OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

In terms of Section 134(3) (p) of the Companies Act, 2013 read with Rule 8(4) of the Companies (Accounts) Rules, 2014, the details on the captioned matter are furnished herein below:

i. Independent Directors, at their meeting held on June 20, 2023 evaluated the performance of all Non-Independent Directors including the Chairman of the Board as well as the performance of the Board as a whole.
ii. The Board at its meeting held on June 21, 2023 evaluated the performance of all Directors on the Board, its own performance as well as the performance of Committees of the Board.

The feedback of the Directors was sought by way of a structured questionnaire which covered the functions and performance of Directors. The Directors were satisfied with the evaluation conducted. The Director concerned being evaluated by the Board, did not participate in the meeting during the process of his/her own evaluation.

24. STATUTORY AUDITORS

Your Company falls within the purview of the provisions of Section 139 (5) of the Companies Act, 2013. Statutory Auditors are therefore appointed by the Comptroller and Auditor General of India. M/s. Shah Gupta & Co., Chartered Accountants, Mumbai, were appointed as Statutory Auditors for the F.Y. 2022 -2023.

25. COMMENTS OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA

Comments of the Comptroller & Auditor General of India (CAG) of the Companies Act, 2013 as per report dated August 31, 2023 submitted under section 143 of the Companies Act, 2013 on the accounts of the Company. The CAG has decided not to conduct the supplementary audit of the financial statements and has inter-alia advised as follows:

"On behalf of the Comptroller & Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of IDBI Capital Markets & Securities Ltd. for the year ended 31st March, 2023 under section 143(6)(a)of the Act."

26. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has adhered to the following secretarial standards:-

SS1- Secretarial standards on Board Meeting
SS2- Secretarial standards on General Meeting
SS4- Secretarial standards on Report of Board of Directors

27. SECRETARIAL AUDIT

In terms of the provisions of Section 204 of the Companies Act, 2013, M/s. Alwyn Jay & Co., Company Secretaries have been appointed as Secretarial Auditors of your Company. The Secretarial Audit Report dated July 21, 2023, is annexed to the Board's Report.

The Secretarial Auditor, in its report, has reported penalties levied on the Company by the Exchanges (BSE/NSE) during the Financial Year 2022-23. These instances of penalty are operational in nature and the Company has been taking steps to strengthen the maker checker system and enhance the systems to prevent such instances in future.

28. EXTRACT OF THE ANNUAL RETURN:

Pursuant to section 134(3)(a), the extract of the Annual Return as provided under section 92(3) of the Companies Act, 2013 is annexed herewith in Form No. MGT-9 as **Annexure-C**.

29. INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY:

The Company has established and maintained adequate internal financial controls with reference to financial statements. Such controls have been designed to provide reasonable assurance with regard to providing reliable financial and operational information. During the financial year 2022-23, such controls were operating effectively, and no material weaknesses were observed.

30. DETAILS OF FRAUD, IF ANY

During the FY 2022-23, a fraud incident was detected in July 2022 in the Company's Retail Broking Business involving the unauthorised opening of a Trading Account and illegal sale of shares without the complainants consent during earlier years. The proceeds of the sales of Rs. 75.38 lakhs have been transferred to Bank Accounts which the Complainant claims do not belong to the Complainant. The matter is under investigation by the Crime Branch (Mumbai) and the complainant has filed a writ petition seeking the reinstatement of the shares.

31. PREVENTION OF SEXUAL HARRASMENT OF WOMEN AT WORKPLACE:

In line with the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has necessary policies on prohibition of sexual harassment at workplace and has constituted an Internal Committee as required under the Act. There was 1 case filed with regards to allegations of sexual harassment by an employee in the month of March 2022 which has been appropriately resolved in the month of April, 2023.

32. PUBLIC DEPOSITS

Your Company has not invited/accepted any deposits, from the public/shareholders.

33. BOARD'S COMMENTS ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE BY THE AUDITORS OR SECRETARIAL AUDITORS IN THEIR REPORT:

There are no qualifications, reservation or adverse remarks or disclaimers either in the Statutory Auditors' Report, Reports of the Comptroller and Auditor General of India which require the Board's comments thereon in terms of Section 134(3)(f) of the Companies Act, 2013.

The Secretarial Auditor in its report has reported penalties levied on the Company by the Exchanges (BSE/NSE) during the Financial Year 2022-23. These instances of penalty are operational in nature and the Company have been taking steps to strengthen the maker checker system and enhance the systems to prevent such instances in future.

34. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The details of Loans, Guarantees or Investments under Section 186 of The Companies Act, 2013 are provided at Note No.16 in the Notes to the Accounts.

35. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES ON THE PRESCRIBED FORM

In terms of Section 134(3)(h) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, the particulars of contracts or arrangements if any, with Related Parties are given in the prescribed Form AOC -2 forming part of this Report as **Annexure – D.**

36. RECOMMENDATIONS MADE BY THE COMMITTEE ON PAPERS LAID ON THE TABLE (RAJYA SABHA) IN ITS 150TH REPORT – DETAILS TO BE PROVIDED IN THE ANNUAL REPORT.

Details to be provided in the Annual Report in terms of recommendations made by the Committee on Papers laid on the Table (Rajya Sabha) in its 150th Report is enclosed at **Annexure E**.

37. WHISTLE BLOWERS POLICY

The Company has established a Whistle Blower Policy for Directors and Employees to report their genuine concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. As a requirement of Code of Conduct, all stake-holders are provided access to Whistle Blower mechanism.

38. DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory and Secretarial Auditors including audit of Internal Financial Controls over financial reporting by the Statutory Auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's Internal Financial Controls were adequate and effective during the financial year 2022-23.

Accordingly, pursuant to the provisions of Section 134(5) of the Act, your Directors, to the best of their knowledge and belief and according to information and explanation obtained by them, confirm that:

- In the preparation of annual accounts, the applicable accounting standards have been followed
- Appropriate accounting policies have been selected and applied consistently, and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- Sufficient and proper care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the Company's assets and for preventing and detecting fraud and other irregularities; and
- Annual accounts have been prepared on a going concern basis.
- The internal financial controls as laid dawn are adequate and were operating effectively.
- Proper system has been devised to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

39. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS WHICH IMPACTS THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE.

During the period under review, there are no orders passed by the Regulators or Courts or Tribunals against the Company impacting its status as a going concern and its operations.

40. ACKNOWLEDGEMENTS

Your Directors are thankful to the Company's retail, institutional and corporate clients, Banks, Financial Institutions, Foreign Institutional Investors, Mutual Funds, and others for their continued patronage and association.

Your Directors are thankful to IDBI Bank Ltd. for the support and co-operation extended and RBI, SEBI, NSE, BSE, NSDL, CDSL and the Company's bankers for their continued support. Finally the Directors appreciate the noteworthy contribution made by the employees of the Company.

On behalf of the Board of Directors of IDBI Capital Markets & Securities Ltd.

Sd/-
Kamal Kant Upadhyay
Managing Director & CEO
DIN: 01557185

Sd/-
Rakesh Sharma
Chairman
DIN: 06846594

Date: September 27, 2023
Place: Mumbai

ANNEXURE 'A' TO BOARD'S REPORT

Form AOC-I

(Pursuant to first provision to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures.

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

1	CIN	**NOT APPLICABLE**
2	Name of the subsidiary	
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	
5	Share capital	
6	Reserves & surplus	
7	Total assets	
8	Total Liabilities	
9	Investments	
10	Turnover	
11	Profit before taxation	
12	Provision for taxation	
13	Profit after taxation	
14	Proposed Dividend	
15	% of shareholding	
	Note:	
	1. Names of subsidiaries which are yet to commence operations	N.A.
	2. Names of subsidiaries which have been liquidated or sold during the year.	N.A.

Part "B": Associates and Joint Ventures
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

1	Name of Associates/Joint Ventures	IDBI ASSET MANAGEMENT LIMITED (ASSOCIATE COMPANY)
2	Latest audited Balance Sheet Date	March 31, 2023
3	Shares of Associate held by the company on the year end	
	Number of Equity Shares	66660000
	Amount of Investment in Associates (Rs. in lacs)	6666
	Extent of Holding %	33.33%
4	Description of how there is significant influence	The Company has significant influence through holding more than 20% of the Equity Shares in the investee company in terms of Accounting Standards 23 issued by ICAI
5	Reason why the associate is not Consolidated	Exemption under MCA notification dated July 27, 2016- Companies (Accounts) Amendment Rules , 2016
6	Networth attributable to Shareholding as per latest audited Balance Sheet (Rs. in lacs)	N.A
7	Profit / Loss for the year (Rs. in lacs)	N.A
	i. Considered in Consolidation	N.A
	ii. Not Considered in Consolidation	N.A
	Note:	
	1. Names of associates which are yet to commence operations.	N.A
	2. Names of associates which have been liquidated or sold during the year.	N.A

For and on behalf of the Board

Sd/-
Kamal Kant Upadhyay
Managing Director & CEO
DIN: 01557185

Sd/-
Rakesh Sharma
Chairman
DIN: 06846594

Sd/-
Christina D'souza
Company Secretary

Sd/-
Dattatraya Bhosale
Chief Financial Officer

Place: Mumbai
Date: June 21,2023

ANNEXURE 'B' TO THE BOARD'S REPORT
ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES
(Pursuant to Section 135 of the Companies Act 2013)

1. **A brief outline of the company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programmes:**

   The key areas identified under the CSR Policy for making strategic interventions are rural infrastructure, social empowerment, education, environment, community welfare, healthcare, etc. These include, but are not limited to, collaborative long-term funding for projects designed to promote income-generating activities for tribal and the underprivileged, particularly women, across various states; infrastructure support to schools & youth training centers, rural electrification through solar street lights; financial aid for socio-economic empowerment of the blind, disabled and other under-privileged sections of society.

2. **Composition of the CSR Committee as on March 31, 2023:**

   The Corporate Social Responsibility Committee of the Board (CSR) was constituted as per the provision of the section 135 and other applicable provisions of the Companies Act, 2013. It comprises of three members who are appointed by the Board. The names of the members of the CSR Committee as on March 31, 2023 are as under:

Sr. No	Name of Director	DIN	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Ms. Uma Shankar	07165728	Chairperson (Independent Director)	2	2
2	Mr. Venkat Chalasani	07234179	Member (Independent Director)	2	2
3	Mr. Kamal Kant Upadhyay*	01557185	Member (MD & CEO)	2	1#

** Appointed as Managing Director & CEO w.e.f 01.12.2022 and attended one meeting of CSR Committee held on January 18, 2023.*
#Mr. Iswar Padhan ceased to be a Managing Director & CEO of the Company w.e.f. 30.11.2022 and attended one meeting of CSR Committee held on July 15, 2022.

3. **The web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company:** https://idbicapital.com/CSR/index.html

4. **The details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014:** Not Applicable

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:** Not Applicable

6. **Average net profit of the Company for last three financial years:**

Year	Profit before Tax (Rs in lakhs)
2019-20	-1,485
2020-21	1,238
2021-22	2,019
Total	1,772
Average Net profit	**591**

7.

(a)	Two percent of average net profit of the company as per section 135 (5)	**Rs 11.81 Lakhs**
(b)	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years	**Nil**
(c)	Amount required to be set off for the financial year, if any	**Nil**
(d)	Total CSR obligation for the financial year (7a+7b-7c)	**Rs 11.81 Lakhs**

8.(a) CSR amount spent or unspent for the financial year

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer	Name of the Fund	Amount.	Date of transfer
22,00,000/-	Not applicable		Sponsored bunk beds to Parivaar Education Society, Sehore, Madhya Pradesh	8,40,000/-	29.08.2022
			Contribution to AID INDIA for digitization of classrooms of two Eureka Schools, Chennai, Tamilnadu	6,80,000/-	17.11.2022
			Distribution of Career Guidance Books through Nirmaan Organisation in Rural districts of Hyderabad	6,80,000/-	16.03.2023

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

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

Sr No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No).	Location of the project	Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing	
				State & District			Name	CSR registration number
1	Sponsored bunk beds to Parivaar Education Society, Sehore	Education		Madhya Pradesh	8,40,000/-	Direct	-	-
2	Contribution to AID INDIA for digitization of classrooms of two Eureka Schools,	Education		Chennai, Tamilnadu	6,80,000/-	Direct	-	-
3	Distribution of Career Guidance Books through Nirmaan Organisation	Education		Hyderabad	6,80,000/-	Direct	-	-
	TOTAL				**22,00,000/-**			

(d) Amount spent in Administrative Overheads: Nil

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): 22 Lakh

(g) Excess amount for set off, if any - Nil

9. **(a) Details of Unspent CSR amount for the preceding three financial years:** Not applicable

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

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

(a)	Date of creation or acquisition of the capital asset(s)	Not Applicable
(b)	Amount of CSR spent for creation or acquisition of capital asset	Not Applicable
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Not Applicable
(d)	Details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	Not Applicable

11. **In case the Company has failed to spend the 2% of the average net profits of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report - Not Applicable**

    The Company has spent the 2% of the average net profit for the FY 2022-23.

Sd/-
Kamal Kant Upadhyay
Managing Director and CEO
DIN: 01557185

Date: September 27, 2023
Place: Mumbai

Annexure C

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2023
(Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014)

I. REGISTRATION & OTHER DETAILS:

1	CIN	U65990MH1993GOI075578
2	Registration Date	14th December, 1993
3	Name of the Company	IDBI CAPITAL MARKETS & SECURITIES LIMITED
4	Category/Sub-category of the Company	Company Limited by Shares
5	Address of the Registered office & contact details	6th Foor ,IDBI Tower, WTC Complex, Cuffe Parade, Colaba, Mumbai-400 005 TEL: +91-22-2217 1700 FAX: +91-22-2215 1787 EMAIL : info@idbicapital.com Website: www.idbicapital.com
6	Whether listed company yes/no	No
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	NSDL Database Management Limited 4th floor, Trade World, A Wing, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400013 Board Line – 0224914 2700

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Brokerage Commission and the fees	6612	90%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SR. No	NAMEAND ADDRESSOF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY /ASSOCIATE	%of shares held	Applicable Section
1	IDBI BANK LIMITED	L65190MH2004GOI148838	HOLDING	100%	2(46)
2	IDBI ASSET MANAGEMENT LTD.	U65100MH2010PLC199319	ASSOCIATE	33.33%	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2022]				No. of Shares held at the end of the year[As on 31-March-2023]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-		-	-	-		-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	128099994	6	128100000	100%	128100000	0	128100000	100%	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1):	**128099994**	**6**	**128100000**	**100%**	**128100000**	**0**	**128100000**	**100%**	-
(2) Foreign									
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b)Other– Individuals	-	-	-	-	-	-	-	-	-
c)Bodies Corp.	-	-	-	-	-	-	-	-	-
d)Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of promoters (A)=(A)(1)+(A)(2)	**12899994**	**6**	**128100000**	**100%**	**128100000**	**0**	**128100000**	**100%**	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-		-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-		–	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	–

i) Indian			-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-		-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)									
Directors and their relatives resident	-	-	-	-	-	-	-	-	-
Non-Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies – D R	-	-	-	-	-	-	-	-	-
NRI DR	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-									
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**128099994**	**6**	**128100000**	**100%**	**128099994**	**6**	**128100000**	**100%**	-

ii) Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	IDBI Bank Ltd	128100000	100%	0	128100000	100%	Nil	0

iii) **Change in Promoters' Shareholding (please specify, if there is no change)**

Sr. No.	Particulars	Shareholding at the		Cumulative Shareholding	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	NO CHANGE			
2.	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):				
3.	At the end of the year				

iv) **Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	NOT APPLICABLE			
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
3	At the end of the year				

v) **Shareholding of Directors and Key Managerial Personnel:-**

Directors and Key Managerial Personnel do not hold any share in the Company.

V) INDEBTEDNESS –

Loan outstanding as on March 31, 2023 – Rs. 21.88 Cr

Bank guarantee as on March 31, 2023 – Rs. 15 Cr

VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager per Annum (FY 22-23):

Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount
	Mr. Iswar Padhan **MD & CEO** **DIN: 03560275** **(Resigned w.e.f November 30, 2022)**	**Mr. Kamal Kant Upadhyay** **MD & CEO** **DIN: 01557185** **(Appointed w.e.f December 1, 2022)**	**(In Lacs)**
Gross Salary			
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (Including Pension)	27.03 Lacs	13.15 Lacs	40.18 Lacs

(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.11Lacs	0.62 Lacs	1.73 Lacs
(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil	Nil
Stock Option	Nil	Nil	Nil
Sweat Equity	Nil	Nil	Nil
Commission - as % of profit - others, specify...	Nil	Nil	Nil
Contribution to Provident and Pension Funds	3.32 Lacs	1.50 Lacs	4.82 Lacs
Others, please specify – (Performance Linked Variable Pay)	10 Lacs	Nil	Nil
Total (A)	**41.46 Lacs**	**15.27 Lacs**	**56.73 Lacs**

B. Remuneration to other directors

Sr. No.	Particulars	Name of the Directors			Total Amount
1	**Independent Directors**	**Ms. Uma Shankar**	**Ms. Lalitha Rameswaran**	**Mr. Venkat Chalasani**	
	Fee for attending board committee meetings	3,10,000/-	4,45,000/-	3,75,000/-	11,30,000/-
	Commission	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil
	Total (1)	**3,10,000/-**	**4,45,000/-**	**3,75,000/-**	**11,30,000/-**
	Other Non-Executive Directors	**Mr. Rakesh Sharma - Chairman (IDBI Bank)**	**Mr. Samuel Joseph (IDBI Bank)**	-	
	Fee for attending board committee meetings	3,00,000/-	4,00,000/-	-	7,00,000/-
	Commission	Nil	Nil	-	Nil
	Others, please specify	Nil	Nil	-	Nil
	Total (1)	**3,00,000/-**	**4,00,000/-**	-	**7,00,000/-**

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sr. No	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Dattatraya Bhosale (CFO)	**Ms. Christina D'souza (Company Secretary & Compliance officer)**	**Total Amt. (In Lacs)**
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	31.04 Lacs	24.90 Lacs	55.94 Lacs

	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.25 Lacs	Nil	0.25 Lacs
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
	Stock Option	Nil	Nil	Nil
	Sweat Equity	Nil	Nil	Nil
	Commission	Nil	Nil	Nil
	- as % of profit	Nil	Nil	Nil
	Others specify...	Nil	Nil	Nil
	Contribution to Provident and Pension Funds	1.39 Lacs	1.12 Lacs	2.51 Lacs
	Others, please specify- (Gratuity payment on retirement)	4.61 Lacs	4.09 Lacs	8.70 Lacs
	Total	**37.29 Lacs**	**30.11 Lacs**	**67.40 Lacs**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	Nil				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	Nil				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil				
Punishment					
Compounding					

Sd/-
Kamal Kant Upadhyay
Managing Director & CEO
DIN: 01557185

Sd/-
Rakesh Sharma
Chairman
DIN: 06846594

Date: September 27, 2023
Place: Mumbai

Annexure – D to Board's Report

FORM NO. AOC -2

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

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

1. Details of contracts or arrangements or transactions not at Arm's length basis for F.Y. 2022 - 2023.

Name (s) of the related party & nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Justification for entering into such contracts or arrangements or transactions'	Date of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in General meeting as required under first proviso to section 188
Nil							

2. Details of contracts or arrangements or transactions at Arm's length basis for F.Y. 2022 - 2023.

Name (s) of the related party & nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements /transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board	Amount paid as advances, if any
Nil					

Sd/-
Kamal Kant Upadhyay
Managing Director & CEO
DIN: 01557185

Sd/-
Rakesh Sharma
Chairman
DIN: 06846594

Date: September 27, 2023
Place: Mumbai

RECOMMENDATIONS MADE BY THE COMMITTEE ON PAPERS LAID ON THE TABLE (RAJYA SABHA) IN ITS 150TH REPORT – DETAILS TO BE PROVIDED IN THE ANNUAL REPORT.

I. Details to be provided in the Annual Report in terms of recommendations made by the Committee on Papers laid on the Table (Rajya Sabha) in its 150th Report are as under:-

Details of the vigilance cases for the FY 2022-23

Opening balance as on 01.04.2022	Vigilance cases received during 01.04.2022 to 31.03.2023	Disposed off	Balance
NIL	NIL	NIL	NIL

II. Status of Pending CAG Paras and Management Replies:

Sr. No.	Name of the Audit Para	Brief of the Para	Reporting status
1	Part II B of C&AG Inspection Report of 2016-17 to 2020-21 Letter no: GA /CA-I/ IR / IDBI CMSL/ 2016-17 to 2020-21 / 2021-22 / 808 Dated 04/02/2022: **Para 1**: Bad Debts Written off Rs. 3.91 crore without action for recovery	The audit observed that: 1. During 2018-19 the company has withdrawn the case before NCLT for Rs. 22.47 lakh due to non-production of claim documents before NCLT as stated by the Company. Thus the recovery chance of the same is remote. The reasons for nonproduction of claim documents before NCLT may please be stated. 2. Though the company has written of the Bad Debts of Rs. 26.20 crore the company has initiated legal action for recovery only against the claims of Rs. 24.29 crore the outcome may be stated. 3. In respect of claim of Rs.3.91 crore the company has not initiated any action to recover the amount. The reasons for non-initiating an action may be stated.	**Management Response:** *In Investment Banking, transaction comprising of advisory services income is recognized in the books as and when milestones are completed as per the agreement executed with the client (as and when the service is provided). In certain cases fee is actually received on a much later date though the payment becomes due as and when the milestone /assignment gets completed and invoices are raised. Due to this there would be receivables in the books of the company at any given point of time.* *There have been inordinate delays in certain cases for actual collection of fees particularly in case of advisory services offered in respect of corporate debt restructuring/debt resolution. Most of these cases were advisory assignments for restructuring of debt. IDBI Capital raises invoices based on the milestones agreed upon with the clients as per the mandate. Milestone may include commencement fees / submission of restructuring proposal, grant of sanction letter etc. In many cases restructuring proposal did not reach a conclusion due to non-disbursement, failure of consensus between bankers etc. Business verticals which carried out the assignments had followed up persistently with the clients for recovery of dues in respect of invoices raised. However most the companies were facing severe financial stress and the financial lenders of such companies have also proceeded legally for recovery of their dues. IDBI Capital has also resorted to legal recourse for recovery of its dues from such companies. Majority of these cases are at various stages of the NCLT proceedings. IDBI Capital has submitted its claim wherever public notice has been issued by IRP/Liquidator.*

			Case-to-case review of all receivables outstanding is carried out at the end of every quarter to analyse receivable which are difficult to recover. *In case the chances of recovery do not exist in any of the debts/receivable, and if the dues are not forthcoming despite best efforts and the debtor is willing to arrive at settlement due to genuine issues, Company may explore possibility of one time settlement by complying the broad guidelines set out in the policy.* *The amounts which were non-recoverable over and above the amount of settlement have been technically written off in the books, however follow-up / action for recovery is in process and claims have not been relinquished.*
2	**Para 2** :- Providing financial advisory services to M/s Lanco Infratech Ltd. despite non receipt of outstanding payment of Rs.398.74 lakh and poor follow up of recovery	The audit observed that: 1. The client has defaulted of commencement fees of 1st mandate itself and for 2nd and 3rd Mandate entire feed including commencement feed also was not paid. Thus, despite knowing default the company has entered into 2nd and 3rd mandate and provides the services to the clients, is not justifiable. The reasons for the same may be stated. 2. The mandate entered with client contains the clause regarding; Dispute Resolution, stipulated that, 'In all cases of dispute or disagreement between the parties hereto as to any matter arising out of or relating to engagement under this proposal and provided no understanding between the parties can be reached for the settlement of the difference, the matter shall be finally settled by arbitration as per the provision of the Indian Arbitration and conciliation act, 1996'. However, the correspondence file revealed that the company has neither exercise the Arbitration option nor initiated any legal proceeding against the client on their own, except sending the notices for demanding payment to the client. Finally the said amount was recommended for	**Management Response:** *IDBI Capital initially signed a mandate with the company in August, 2013 towards Corporate Debt Restructuring (CDR) advisory. The said assignment was completed in December 2013 and the total bill amounting to Rs. 452 lacs plus applicable tax was raised as per milestones agreed upon and the payment of the entire amount was made by the company to IDBI Capital. Continuing the relationship developed during CDR advisory, Lanco had given a second mandate to IDBI Capital dated 27th May 2015 to provide the financial advisory services towards Rectification under JLF route in terms of applicable RBI guidelines. The said assignment was also executed and completed by 31st March 2016 and invoice of Rs. 200 lacs as per the milestones agreed upon was raised out of which IDBI capital had received commencement fee of Rs. 60 Lacs and the remaining fee couldn't be realized. The matter was discussed with company officials and the company informed that there were cash flow issues. However, it was assured to us verbally that the payment would be made in due course. In the meanwhile, the company also approached us and requested for providing services towards business reorganization advisory services and thus signed the new mandate on 23rd March 2016. While finalizing this mandate it was agreed upon that the payment outstanding towards the earlier mandates would also be made along with the execution of the new mandate, although there may be delay in payment of earlier mandate because of cash flow mismatches. Accordingly, IDBI Capital, in good faith and continued satisfactory relationship, accepted the new mandate and delivered the requisite services as per the scope of work agreed upon. However, because of the continued financial constraints, the payments from Lanco were not realized.* *With regards to the filing of claim before the filling of claim before the liquidator, it is submitted that the IRP*

		write off. Has the Company initiated the arbitration or initiated legal action the company could have recovered the amount. The reasons for the same may be stated. 3. The Company has come to know about the appointment of liquidator dispose of assets of the clients through advertisement published in newspaper. Vide advertisement, the last date of submission of the application by the operational creditors was August 22, 2017, whereas the company has applied to the said liquidator only on 26.09.2018 for Rs. 398.74 lakh (including interest) receivable from the client, however no correspondence regarding, whether the said application was accepted by the Liquidator was not placed in the file. Also the progress of recovery may be stated. 4. As per the Mandate, the Company was to be receive Out of Pocket expenses, however no claim has been preferred towards the same. The Out of pocket expenses if any, whether the same has been claimed and recovered may be stated.	*had made a public announcement on 07.08.2017 towards which claim was submitted by IDBI Capital on 22.08.2017. Further Public Announcement was made by liquidator on 27.08.2018 towards which claim was submitted by IDBI Capital on 26.09.2018. (Refer Annexure 4(a)) It may be noted here that, regular follow-ups were first done with the Company for recovery of the dues and subsequently the legal recourse has been initiated.* *As per the Liquidator's List dated 5.03.2019 on the website, IDBI Capital's claim was partially accepted. Attached a copy herewith in Annexure 4(b)* *Out of Pocket expenses (OPE) - Out of Pocket expenses (OPE) generally comprises of travel tickets, accommodation and halting allowance. Cost towards travel tickets and lodging constitutes major/substantial part of OPE. The cost of air tickets and hotel accommodation are booked directly by the client, whenever outstation service is required.*
3	**Para 3** :- Entering into 2nd Advisory Services agreement despite non-payment of 1st Advisory Service and Poor follow up of outstanding of M/s Sai Wardha Power Limited for Rs. 70.53 lakh	The audit observed that: 1. The client has defaulted after the payment of inception fees and did not paid the balance advisory fees for the mandate No. 1 itself, however still the company had entered into the 2nd mandate. The reasons for entering into 2nd mandate despite non-receipt of 1st mandate fees may be stated. 2. The mandate entered with client contains vide clause 11.9 Dispute Resolution, stipulated that, *'In all cases of dispute or disagreement between the parties hereto as to any matter arising out of or relating to*	**Management Response:** *1st Mandate with Sai Wardha was entered into during Nov-2015 for flexible structuring to realign its debt obligations and the first invoice was raised on Feb-2016. It may please be noted that, in debt restructuring advisory normally there will be delay in recovery of dues as the companies are under financial stress.* *IDBI Capital had signed a mandate with Sai Wardha on 13th November 2015 to provide the financial advisory services towards Flexible Restructuring. The said assignment was executed and completed by 03rd March 2017 and invoices of Rs. 80 lacs plus taxes as per the milestones were raised out of which IDBI capital had received commencement fee of Rs. 20 Lacs plus taxes on April 07, 2016 and part payment of Rs. 6.48 out of Rs. 30 Lacs plus taxes was received on January 17, 2018. Further the matter was discussed with company*

		engagement under this proposal and provided no understanding between the parties can be reached for the settlement of the difference, the matter shall be finally settled by arbitration as per the provision of the Indian Arbitration and condition act, 1996'. However, the correspondence file revealed that the company has neither exercise the Arbitration option nor initiated any legal proceeding against the client on their own, except sending the notices for demanding payment to the client. Finally the said amount was recommended for write off. Has the Company initiated the arbitration or initiated legal action the company could have recovered the amount. The reasons for the same may be stated. 3. As per the Mandate the Company was to be received the Out of Pocket expenses, however no claim has been made towards the same. The Out of packet expenses if any, whether the same has been claimed and recovered may be stated. 4. Further, Company has applied to Interim Resolution Professional, Secunderabad, dated 22.11.2018 for recovery of Rs. 70.53 lakh including interest thereon. The outcome is awaited. The further progress of the same may be intimated to the audit.	*officials for remaining dues and the company requested for extension. However, it was assured to us verbally that the payment would be made in due course. In the meanwhile, Sai Wardha approached IDBI Capital and requested for providing services towards SDR/Outside SDR advisory services and thus signed the new mandate on 19th August, 2017. While finalizing this mandate it was verbally agreed upon that the payment outstanding towards the earlier mandate would also be made along with the execution of the new mandate.* *Out of Pocket expenses (OPE) - Out of Pocket expenses (OPE) generally comprises of travel tickets, accommodation and halting allowance. Cost towards travel tickets and lodging constitutes major/substantial part of OPE. The cost of air tickets and hotel accommodation are booked directly by the client, whenever outstation service is required.* *Regular follow-ups were first done with the Company for recovery of the dues and then subsequently the legal recourse has been initiated.* *As per the IRP's List dated 31st October 2019, IDBI Capital's claim was accepted.*
4	**Para 4** :- Non recovery of long outstanding receivables	The audit observed that: 1. Out of the total outstanding receivables of Rs.46.61 crore, ranging between 2012 to 2021 of Rs.23.72 crore is outstanding for more than 3 years and out of that Rs.22.42 crore have been provided for the year 2020-21. 2. Out of the provision made of	**Managment Response:** *Most of these cases were advisory assignments for restructuring of debt. IDBI Capital raises invoices based on the milestones agreed upon with the clients as per the mandate. Milestone may include commencement fees / submission of restructuring proposal, grant of sanction letter etc. In many cases restructuring proposal did not reach a conclusion due to non-disbursement, failure of consensus between bankers etc. Business verticals which carried out the assignments had followed up persistently*

		Rs.22.42 crore, out of that Rs. 14.89 crore which comes to 62.77 per cent are still to be recovered. 3. The unrecovered Rs. 14.89 crore includes of Rs. 5.98 crore which are outstanding ranging between 2014 to 2020, are recommended to write off. This indicates lacuna of recovery efforts. 4. The unrecovered amount includes Rs. 1.69 are outstanding for ranging between 2014 to 2016, pertains to the IDBI Bank limited itself, which is parent organization of the company. 5. The reasons for the same and recovery status of may be stated.	*with the clients for recovery of dues in respect of invoices raised. However most the companies were facing severe financial stress and the financial lenders of such companies have also proceeded legally for recovery of their dues. IDBI Capital has also resorted to legal recourse for recovery of its dues from such companies. Majority of these cases are at various stages of the NCLT proceedings. IDBI Capital has submitted its claim wherever public notice has been issued by IRP/Liquidator.* *In the past IDBI Capital also entered into mandates with IDBI Bank for advising banks customers for restucturing / syndication of debts. As per the mandate, Invoices were raised on IDBI Bank on reaching the milestones. IDBI Bank in turn collects the invoice amount from the clients and pass it over to IDBI Capital. In few instances clients account turned NPA and further recovery of invoices raised by IDBI Capital could not be made by Bank which has resulted in outstanding dues in IDBI Capital books. We are regularly following up with IDBI Bank for recovery. As soon as IDBI Bank receives fund from the respective clients due credit is given to IDBI Capital. As on 31.03.2021 outstanding amount receivable from IDBI Bank was Rs.4.35 cr towards which an amount of Rs 2.76 cr has been recovered from IDBI Bank and balance outstanding as on date is Rs 1.58 cr, which is also expected to be resolved in this financial year.*

Sd/-
Kamal Kant Upadhyay
Managing Director & CEO
DIN: 01557185

Sd/-
Rakesh Sharma
Chairman
DIN: 06846594

Date: September 27, 2023
Place: Mumbai

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
IDBI Capital Markets & Securities Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **IDBI Capital Markets & Securities Limited** (CIN: U65990MH1993GOI075578) (hereinafter called "the Company").

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts and statutory compliances to express our opinion thereon.

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

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

(i) The Companies Act, 2013 (the Act) and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder for compliance to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, **as applicable;**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') **as amended from time to time: -**

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 - **Not Applicable to the Company;**

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 - **Not Applicable to the Company;**

(e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - **Not Applicable to the Company;**

(f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - **Not Applicable to the Company;**

(h) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - **Not Applicable to the Company;**

(i) The Securities and Exchange Board of India (Stock Brokers) Regulations, 1992;

(j) The Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020;

(k) The Securities and Exchange Board of India (Research Analysts) Regulations, 2014;

(l) The Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992;

(m) The Securities and Exchange Board of India (Underwriters) (Repeal) Regulations, 2021;

(n) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

(vi) The Company has complied with the provisions of the applicable general laws, rules, regulations and guidelines.

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

(i) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India; and

(ii) SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 - **Not Applicable to the Company**

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to following observations:

1. During the period under review, National Stock Exchange of India Limited and BSE Limited have imposed penalties for operational matters on the Company (in its capacity as a Stock Broker) inter alia for short margin reporting, Client code modification, unauthorised trade, non-submission of weekly holding statement etc. These instances of penalty are operational in nature and we have been informed by the Company that steps have been taken to strengthen the maker checker system and enhance the systems to prevent such instances in future. Further representation has been made to the Exchange for waiver of the penalty levied in respect of Client Code Modification.

We further report that

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

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

The minutes of the Board Meetings and Committee Meetings have not identified any dissent by members of the Board/Committee of the Board, hence we have no reason to believe that the decisions by the Board were not approved by all the directors present. The Minutes of the Board Meetings and Committee Meetings were duly approved at the meeting by the Chairman of the Meeting.

We further report that there are adequate systems and processes in the Company commensurate with its size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. As informed, the Company has responded appropriately to communication received from various statutory / regulatory authorities including initiating actions for corrective measures, wherever found necessary.

We further report that during the audit period, no specific events/actions have taken place, having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards.

Place: Mumbai
Date: 21st June, 2023

ALWYN JAY & Co.
Company Secretaries

Office Address:
Annex -103, Dimple Arcade,
Asha Nagar, Kandivali (East),
Mumbai 400101

Sd/-
[Alwyn D'Souza, FCS.5559]
[Partner]
[Certificate of Practice No. 5137]
[UDIN: F005559E000667132]

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

Annexure A

To
The Members,
IDBI Capital Markets & Securities Limited

Our Secretarial Audit Report of even date is to be read along with this letter.

1. The compliance of provisions of all laws, rules, regulations, standards applicable to **IDBI Capital Markets & Securities Limited** (hereinafter called 'the Company') is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.

2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.

3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. Further part of the verification was done on the basis of electronic data provided to us by the Company and on test check basis to ensure that correct facts as reflected in secretarial and other records produced to us. We believe that the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.

4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

5. Wherever required, we have obtained the management representation about list of applicable laws, compliance of laws, rules and regulations and major events during the audit period.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai
Date: 21st June, 2023

ALWYN JAY & Co.
Company Secretaries

Office Address:
Annex -103, Dimple Arcade,
Asha Nagar, Kandivali (East),
Mumbai 400101

Sd/-
[Alwyn D'Souza, FCS.5559]
[Partner]
[Certificate of Practice No. 5137]
[UDIN: F005559E000667132]

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF IDBI CAPITAL MARKETS & SECURITIES LIMITED FOR THE YEAR ENDED 31 MARCH, 2023

The preparation of financial statements of IDBI Capital Markets & Securities Limited for the year ended 31st March 2023 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 21 June 2023.

I, on behalf of Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of IDBI Capital Markets & Securities Limited for the year ended 31 March 2023 under section 143(6)(a) of the Act.

Place: Mumbai
Date : 31.08.2023

For and on behalf of the,
Comptroller & Auditor General of India

Sd/-
(Guljari Lal)
Director General of Audit (Shipping),
Mumbai

INDEPENDENT AUDITOR'S REPORT

To the Members of IDBI Capital Markets & Securities Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of IDBI Capital Markets & Securities Limited ("the Company"), which comprise the balance sheet as at March 31, 2023, the statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Information Other than the Standalone Financial statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Management Overview, Board's Report including Annexures to Board's Report and Shareholder's Information but does not include the standalone financial statements and our auditor's report thereon. The Management Overview, Board's Report including Annexures to Board's Report and Shareholder's Information is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the Management Overview, Board's Report including Annexures to Board's Report and Shareholder's Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of the Management for the Standalone Financial statements

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

In preparing the standalone financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless

the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Financial statements

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

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

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

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

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

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

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 Companies Act, 2013, we give in the "Annexure A" a statement on the matters sp ecified in paragraphs 3 and 4 of the Order.
2. As required by sub-section (3) of Section 143 of the Act, we report that:
   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
   d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
   e. On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of sub-section (2) of Section 164 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, with reference to these standalone financial statements refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of sub-section (16) of Section 197 of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under sub-section (16) of Section 197 which are required to be commented upon by us; and

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

i. The Company has disclosed the impact of pending litigations as at March 31, 2023 in its standalone financial statements. Refer Note-39 to the standalone financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. Based on such audit procedures considered reasonable and appropriate in the circumstances, nothing has come to our notice that:

A) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall,

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

B) The Management has represented that, to the best of its knowledge and belief, no funds (which are either material either individually or in aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall,

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or
- provide any guarantee, security or the like from or 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 (A) and (B) contain any material misstatement.

v. The Company has not declared any dividend during the financial year, however, the Company has paid, during the financial year, dividend of Re. 0.60/- per equity share for the previous year ended March 31, 2022.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 01, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

3. As required by sub-section (5) of Section 143 of the Act and in terms of directions issued by the Comptroller and Auditor General of India during the course of audit of annual accounts of IDBI Capital Markets & Securities limited, we report that:

(a) Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated?

During the financial year 2019-20, pursuant to the notification dated March 30, 2016 issued by the Ministry of Corporate Affairs for applicability of Indian Accounting Standards ('Ind AS') to Non-banking Financial Companies, the Company's books of account have been converged by applying principles of the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS'). Transition to the Ind AS has impact on various accounting and operational functions. This requires design of appropriate controls in operational procedure as well as IT systems. Accordingly, we recommend design for controls in operational procedure and IT controls in respect of Following:

- Generation of Trial Balance as per new accounting presentation framework (i.e. Ind AS) through IT System.
- Various calculations in accordance with the requirements of Ind AS such Amortised cost using effective interest rate, fair value of financial instruments and computation of expected credit loss (ECL) matrix needs to be processed through IT

- Presently, said working have been maintained manually and verified by us.

(b) ***Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.***

Based on our examination of relevant records of the Company and the information and explanations received from the Management, there were no cases of restructuring of an existing loan or cases of waiver/write off of debts/loans / interest by any of the lenders of the Company due to inability to repay the loan.

(c) ***Whether funds received/receivable for specific schemes from central/state agencies were properly accounted for/utilized as per its term and conditions? List cases of deviation.***

The Company has not received funds from specific schemes from central/ state agencies during the year.

For **SHAH GUPTA & Co.**
Chartered Accountants
Firm Registration No.: 109574W

Vedula Prabhakar Sharma
Partner
Membership No.: 123088
UDIN: 23123088BGVVVF7235

Place: Mumbai
Date: June 21, 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the standalone financial statements of the Company for the year ended March 31, 2023:

i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) According to the information and explanations given to us and the records of the Company examined by us, the Company has maintained proper records showing full particulars of intangible assets.

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

(c) In our opinion and according to information and explanations given to us and on the basis of an examination of the records of the Company, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed
in Note 12 to the standalone financial statements, are held in the name of the Company.

(d) According to the information and explanations given to us and the records examined by us, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Consequently, the provisions of clause 1 (d) of the Order are not applicable to the Company.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 and Rules made thereunder. Consequently, the provisions of clause 1 (e) of the Order are not applicable to the Company.

ii. (a) The Companies business does not involve inventories. Accordingly, reporting under paragraph 3(ii) of the Order is not applicable to the Company.

(b) As disclosed in Note 16 to the financial statements, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from bank on the basis of security of current assets. Based on the information and explanation provided to us and based on our audit procedures undertaken, we have not come across any material difference between the information submitted in the quarterly returns / statements filed by the Company with such banks when compared with the books of account and other relevant information provided by the Company.

iii. (a) (A) During the year the Company has not granted any loans, advances in nature of loans and guarantees or security to subsidiaries, joint ventures and associates.

(B) As per the information provided by the Company, its principal business activity includes offering loans referred to as margin trading funding (MTF). The Company has also described the MTF in its object clause specified in Memorandum of Association. The Company's MTF loan portfolio for the financial year aggregating the net (repayments received) is as under:

in lakhs

Sr.	Loans in nature of MTF	to Subsidiaries, Jvs and Associates	to Other parties
1	Net aggregate (repayment received) during the year	-	(111)#
2	Balance outstanding as at March 31, 2023	-	3,472

The amount represents the difference between amount outstanding at March 31, 2023 and March 31, 2022. (Refer Note 7)

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the terms and conditions of the unsecured loans granted during the year are, prima facie, not prejudicial to the Company interest.

(c) According to the information and explanations given to us, in case of loans given in the nature of margin trading funding MTF, the schedule of payment of interest has been stipulated but the schedule of repayment of such loansare not stipulated. Further, the Company has not given any advances in the nature of loans to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, details of overdue amount for more than ninety days in respect of 157 loans which are MTF is amounting to Rs. 16,00 Lakhs which comprises of principal and interest amount. Reasonable steps have been taken by the Company to recover the overdue amount.

(e) The Company is in the business of providing loans which are MTF. According to the explanations and representations given to us by the Company, this is one of the principal business of the Company which is also described in its object clause specified in Memorandum of Association. Accordingly, clause (iii)(e) is not applicable to the Company.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment

iv. According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013. The

Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013. The Company has complied with the provisions of Sections 186 of the Act in respect of grant of loans and making investments. The Company has not provided any guarantees and securities. Accordingly, para 3(iv) of the Order is not applicable to that extent.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit or amounts which are deemed to be deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the books of account and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Goods and Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other material statutory dues applicable to the Company with the appropriate authorities.
According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2023 for a period of more than six months from the date on which they become payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Provident Fund, Employees' State Insurance, Income-Tax, Cess, Goods and Service Tax, Value Added Tax, Excise Duty, Custom Duty and other material statutory dues which have not been deposited as at March 31, 2023 on account of any dispute, except as mentioned below:

Name of the statute	Nature of Dues	Rs. in Lakhs	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	28.58	FY 2014-15	Commissioner of Income Tax Appeals, Mumbai
		56.62	FY 2018-19	
Finance Act, 1994	Service Tax	936.84	FY 2010-11 to FY 2017-18	Commissioner of Central Excise (Appeals)
Goods & Service Tax Act 2017	GST	793.45	FY 2017-18 to FY 2019-20	Commissioner of GST-Audit I

viii. According to the information and explanations given to us and the records of the Company examined by us, there is no income surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

ix. (a) According to information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared a Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not availed any term loans accordingly, reporting under paragraph 3(ix)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its associate company (as defined under the Act). The Company does not hold any investment in any subsidiary, or joint venture (as defined in the Act) during the year ended March 31, 2023. Accordingly, clause 3(ix)(f) of the Order is not applicable.

x. (a) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company.

(b) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management except a fraud case where a fraud incident was detected in July'22 in the Company's Retail Broking Business involving the unauthorized opening of a Trading Account and illegal sale of shares without the complainant's consent during earlier year's. The proceeds of Rs. 75.38 lakhs

have been transfered to Bank Accounts which the complainant claims do not belong to complainant. The matter is under investigation by the Crime Branch (Mumbai), and the complainant has filed a Writ Petition seeking the reinstatement of the shares.

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, was not required to be filed. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Consequently, the provisions of clause 4(xii) of the Order are not applicable to the Company.

xiii. Transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone financial statements as required by applicable accounting standards.

xiv. (a) Based on the information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b)The reports of the Internal Auditor for the period under audit have been considered by us.

xv. Based upon the audit procedures performed and the information and explanations given by the management, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

xvi. (a) In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) The Company is a part of a group in which there are no CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable to the Company.

xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable to the Company.

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

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

(b) In respect of ongoing projects, the Company has transferred unspent CSR amounts as at the end of the previous financial year, to a Special account within a period of 30 days from the end of said financial year in compliance with the provisions of sub-section (6) of section 135 of the Act.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For **SHAH GUPTA & Co.**
Chartered Accountants
Firm Registration No.: 109574W

Vedula Prabhakar Sharma
Partner
Membership No.: 123088
UDIN: 23123088BGVVVF7235

Place: Mumbai

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls with reference to standalone financial statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

(The Annexure referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls over financial reporting with reference to standalone financial statements of **IDBI Capital Markets & Securities Limited** ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, to the best our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to standalone financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

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 (The "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ("the Act").

Auditor's 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 and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

For **SHAH GUPTA & Co.**
Chartered Accountants
Firm Registration No.: 109574W

Vedula Prabhakar Sharma
Partner
Membership No.: 123088
UDIN: 23123088BGVVVF7235

Place: Mumbai
Date: June 21, 2023

CORRIGENDUM TO INDEPENDENT AUDIT REPORT

Shah Gupta & Co.
Chartered Accountants

38, Bombay Mutual Building,
2nd Floor, Dr. D N Road, Fort,
Mumbai – 400 001

Tel: + 91(22) 2262 3000
+ 91(22) 4085 1000
Email: contact@shahgupta.com
Web: www.shahgupta.com

Mr. Dattatraya Bhosale,
Chief Finance Officer,
IDBI Capital Markets & Securities Ltd
5th & 6th Floor, IDBI Tower, WTC Complex
Cuffe Parade Mumbai- 400005

Dear Sir,

Sub: Corrigendum for audit report

With reference to our Independent Auditors' Report dated June 21, 2023 for FY 2022-23 addressed to the members of IDBI Capital Markets & Securities Ltd, the questions at Sr. No. (b) and (c) of Directions/ Sub directions under "point no. 3" in paragraph "**Report on Other Legal and Regulatory Requirements**" to the Independent Auditors' Report were incomplete which should be read as follows:

(b)	**Existing**	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.
	To be read as	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. **Whether such cases are properly accounted for? (In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company).**
(c)	**Existing**	Whether funds received/receivable for specific schemes from central/state agencies were properly accounted for/utilized as per its term and conditions? List cases of deviation.
	To be read as	Whether funds **(grants/subsidy etc.)** received/receivable for specific schemes from Central/State **Government or its** agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.

The aforesaid does not modify our opinion/report on the directions and all other contents of the Independent Auditors' Report for FY 2022-23 remains unchanged.

Yours faithfully,

For SHAH GUPTA & Co.
Chartered Accountants
Firm Registration No.: 109574W

SHAH GUPTA & CO. MUMBAI FRN : 109574W CHARTERED ACCOUNTANTS

Vedula Prabhakar Sharma
Partner
Membership No.: 123088
UDIN: 23123088BGVVWC7410

Place: Mumbai
Date: August 25, 2023

IDBI Capital Markets & Securities Limited
Standalone Balance Sheet as at March 31, 2023

(Amount in INR lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
(1) Financial Assets			
(a) Cash and cash equivalents	4	4,619	9,831
(b) Bank balances other than cash and cash equivalents	5	9,395	7,697
(c) Receivables			
(i) Trade receivables	6	2,168	1,915
(d)Loans	7	3,472	3,583
(e) Investments	8	14,002	9,522
(f) Other financial assets	9	1,195	344
Total Financial Assets		34,851	32,892
(2) Non-Financial assets			
(a) Current tax assets (net)	10	1,552	3,345
(b) Deferred tax asset (net)	11	175	160
(c) Property, plant and equipment	12	4,000	3,525
(d) Other Intangible assets	12	134	93
(e) Intangible assets under development	12	73	47
(f) Right-of-use assets	13	637	1,152
(g) Other non-financial assets	14	551	447
Total Non-Financial Assets		7,122	8,769
Total Assets		41,973	41,661
LIABILITIES AND EQUITY			
Liabilities			
(1) Financial Liabilities			
(a) Payables			
Trade payables			
(i) Total outstanding dues of micro enterprises and small enterprises		2	2
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	15	1,907	2,890
(b) Borrowings	16	2,188	0
(c) Deposits	17	118	127
(d) Lease liabilities	18	721	1,281
(e) Other financial liabilities	19	175	430
Total Financial Liabilities		5,111	4,730

(2) Non-Financial Liabilities			
(a) Provisions	20	594	574
(b) Other non-financial liabilities	21	379	398
Total Non-Financial Liabilities		973	972
Total Liabilities		6,084	5,702
Equity			
(a) Equity share capital	22	12,810	12,810
(b) Other equity	23	23,079	23,149
Total Equity		35,889	35,959
Total Liabilities and Equity		41,973	41,661
Company Overview and significant accounting policies	1-3		
The accompanying notes are an integral part of the standalone financial statements.	33-48		

As per our report of even date

For and on behalf of the Board of Directors

sd/-

Rakesh Sharma
Chairman
DIN: 06846594

sd/-

Kamal Kant Upadhyay
Managing Director & CEO
DIN: 01557185

For Shah Gupta & Co
Chartered Accountants
Firm Registration No: 109574W

sd/-

Vedula Prabhakar Sharma
Partner
Membership No. 123088
UDIN: 23123088BGVVVF7235

sd/-

Dattatraya Bhosale
Chief Financial Officer

sd/-

Christina D'souza
Company Secretary
M.No. : ACS18781

Place: Mumbai
Date: June 21, 2023

IDBI Capital Markets & Securities Limited
Standalone Statement of Profit and Loss for the year ended March 31, 2023

(Amount in INR lakhs, unless otherwise stated)

	Particulars	Notes	Year ended March 31, 2023	Year ended March 31, 2022
A.	**Revenue from Operations**	24	8,943	10,781
B.	**Other income**	25	868	216
C.	**Total income (A+B)**		**9,811**	**10,997**
D.	**Expenses**			
(i)	Finance cost	26	134	143
(ii)	Net loss on fair value changes	27	75	-
(ii)	Impairment on financial instruments	28	44	326
(iii)	Operating expenses	29	2,472	2,626
(iv)	Employee benefits expense	30	4,083	3,926
(v)	Depreciation & amortisation expenses	31	949	905
(vi)	Other expenses	32	989	671
	Total expenses		**8,746**	**8,597**
	Profit before exceptional items and tax (C-D)		**1,065**	**2,400**
	Exceptional items		-	-
	Profit before tax		**1,065**	**2,400**
	Tax expense			
	(1) Current tax		269	562
	(2) Tax for previous years		75	-
	(3) Deferred tax		(6)	(78)
	Total Tax expense		**338**	**484**
	Profit for the year		**727**	**1,916**
	Other comprehensive income			
	Items that will not be reclassified to profit or loss			
	Re-measurement gains/ (losses) on defined benefit plans		(37)	(26)
	Income tax relating to item that will not be reclassified to profit or loss		9	7
	Total Other comprehensive income for the year		**(28)**	**(19)**
	Total comprehensive income for the year		**699**	**1,897**
	Earnings per share (Face Value INR. 10/-per share)			
	Basic		0.57	1.50
	Diluted		0.57	1.50
	Company Overview and significant accounting policies	1-3		
	The accompanying notes are an integral part of the standalone financial statements.	33-48		

As per our report of even date

For Shah Gupta & Co
Chartered Accountants
Firm Registration No: 109574W

sd/-

Vedula Prabhakar Sharma
Partner
Membership No. 123088
UDIN: 23123088BGVVVF7235

Place: Mumbai
Date: June 21, 2023

For and on behalf of the Board of Directors

sd/-

Rakesh Sharma
Chairman
DIN: 06846594

sd/-

Kamal Kant Upadhyay
Managing Director & CEO
DIN: 01557185

sd/-

Dattatraya Bhosale
Chief Financial Officer

sd/-

Christina D'souza
Company Secretary
M.No. : ACS18781

IDBI Capital Markets & Securities Limited
Standalone Statement of Cash Flow for the year ended March 31, 2023

(Amount in INR lakhs, unless otherwise stated)

Particulars	Year ended March 31,2023	Year ended March 31,2022
Cash flow from operating activities		
Profit before exceptional items and tax	1,065	2,400
Adjustments for:		
Non-Operating Items		
Income from mutual fund redemptions	(66)	(80)
Profit on sale of investments	10	(117)
Profit on sale of assets	(1)	
Interest received on bonds/fixed deposits	(536)	(376)
Interest received on income tax refund	(620)	-
Reversal of Impairment of financial instruments	(137)	-
Depreciation and amortization expenses	949	905
Recovery from written off accounts	(3)	-
Net (gain) / loss on fair value changes	75	(443)
Excess provision written back	(3)	-
Expected credit loss on trade receivables	44	326
Bad debts written off	-	72
Finance cost	65	102
Operating profit before working capital changes	**842**	**2,789**
Changes in working capital		
(Decrease) in trade payables	(980)	(599)
(Decrease) / increase in other financial liabilities	(264)	334
Increase in provisions	20	320
(Decrease) / increase in other non-financial liabilities	(56)	34
(Increase)/ Decrease in trade receivables	(295)	197
Decrease / (increase) in Loans	248	(655)
(Increase) /Decrease in other financial assets	(851)	1,159
(Increase) /Decrease in other non financial assets	(447)	917
Cash generated / (used) in operations	**(1,783)**	**4,496**
Income taxes paid	1,793	(789)
Net cash flows generated from operating activities (A)	**10**	**3,707**
Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets	(806)	(143)
Proceeds from sale of property, plant and equipment	1	6
Intangible asset under development	(26)	0
Investment in fixed deposits	(1,698)	22
Investments	(4,555)	(594)
Interest received on fixed deposits	536	376
Interest received on income tax refund	620	-
Profit / (loss) on sale of investments	(10)	117
Income from mutual fund redemptions	66	80
Net cash flow used in investing activities (B)	**(5,872)**	**(136)**
Cash flow from Financing activities		
Borrowing in OD	2,188	(951)
Dividend paid	(769)	-
Repayment of lease liabilities	(769)	(754)
Net cash flow generated / (used) from financing activities (C)	**650**	**(1,705)**
Net increase in cash and cash equivalents (A+B+C)	(5,212)	1,866
Cash and cash equivalents at the beginning of the year	9,831	7,965
Cash and cash equivalents at the end of the year	**4,619**	**9,831**
Cash and cash equivalents comprise (Refer note 4)		
Cash on hand	9	8
Balances with banks		
On current accounts	4,110	5,521
Fixed deposits with maturity of less than 3 months	500	-
Current investments (Highly Liquid)	-	4,302
Total cash and bank balances at end of the year	**4,619**	**9,831**

IDBI Capital Markets & Securities Limited
Standalone Statement of Cash Flow for the year ended March 31, 2023

(Amount in INR lakhs, unless otherwise stated)

Particulars	Year ended March 31,2023	Year ended March 31,2022

Reconciliation forming part of cash flow statement

Particulars	31st March 2022	Cash flows (net)	Deletion	New leases	31st March 2023
Lease Liabilities	1,281	(704)	15	159	721

Particulars	31st March 2021	Cash flows (net)	Deletion	New leases	31st March 2022
Lease Liabilities	1,822	(652)	1	112	1,281

1. The above cash flow statement has been prepared under the 'indirect method' as set out in Ind AS-7 "Statement of cash flows".
2. Figures in brackets indicate cash outflow
3. Previous year figures have been regrouped or reclassified wherever required

Company Overview and significant accounting policies	1-3
The accompanying notes are an integral part of the standalone financial statements.	33-48

For and on behalf of the Board of Directors

As per our report of even date

sd/-

Rakesh Sharma
Chairman
DIN: 06846594

sd/-

Kamal Kant Upadhyay
Managing Director & CEO
DIN: 01557185

For Shah Gupta & Co
Chartered Accountants
Firm Registration No: 109574W

sd/-

Vedula Prabhakar Sharma
Partner
Membership No. 123088
UDIN: 23123088BGVVVF7235

sd/-

Dattatraya Bhosale
Chief Financial Officer

sd/-

Christina D'souza
Company Secretary
M.No. : ACS18781

Place: Mumbai
Date: June 21, 2023

IDBI Capital Markets & Securities Limited
Statement of changes in equity for the year ended March 31, 2023

(Amount in INR lakhs, unless otherwise stated)

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
(A) Equity share capital				
Equity shares of INR. 10/- each issued, subscribed and fully paid				
Opening	12,81,00,000	12,810	12,81,00,000	12,810
Add: issue during the year				
Closing	**12,81,00,000**	**12,810**	**12,81,00,000**	**12,810**

Current reporting period

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
12810	0	12810	0	12810

Previous reporting period

Balance at the beginning of the previous reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year	Balance at the end of the previous reporting period
12810	0	12810	0	12810

(B) Other equity

Particulars	Reserve and surplus			Total
	Capital Redemption Reserve	General reserve	Retained earnings	
Balance as at April 1, 2021	7,190	11,250	2,812	21,252
Changes in accounting policy or prior period errors	-	-	-	-
Restated Balance as of April 1, 2021	**7,190**	**11,250**	**2,812**	**21,252**
Profit for the year			1,916	1,916
Items of OCI for the year, net of tax:				
Remeasurement benefit of Defined Benefit Plans			(19)	(19)
Total comprehensive income for the year	-	-	**1,897**	**1,897**
Balance as at March 31, 2022	**7,190**	**11,250**	**4,709**	**23,149**

Particulars	Reserve and surplus			Total
	Capital Redemption Reserve	General reserve	Retained earnings	
Balance as at April 1, 2022	7,190	11,250	4,709	23,149
Changes in accounting policy or prior period errors	-	-	-	-
Restated Balance as of April 1, 2022	**7,190**	**11,250**	**4,709**	**23,149**
Profit for the year			727	727
Items of OCI for the year, net of tax:				
Remeasurement benefit of Defined Benefit Plans			(28)	(28)
Total comprehensive income for the year	-	-	**699**	**699**
Dividend	-	-	(769)	**(769)**
Balance as at March 31, 2023	**7,190**	**11,250**	**4,639**	**23,079**

Company Overview and significant accounting policies 1-3
The accompanying notes are an integral part of the standalone financial statements. 33-48

For and on behalf of the Board of Directors

As per our report of even date

sd/-

For Shah Gupta & Co
Chartered Accountants
Firm Registration No: 109574W

sd/-

Vedula Prabhakar Sharma
Partner
Membership No. 123088
UDIN: 23123088BGVVVF7235

Place: Mumbai
Date: June 21, 2023

sd/-

Rakesh Sharma
Chairman
DIN: 06846594

sd/-

Kamal Kant Upadhyay
Managing Director & CEO
DIN: 01557185

sd/-

Dattatraya Bhosale
Chief Financial Officer

Christina D'souza
Company Secretary
M.No. : ACS18781

Significant Accounting Policies

1 General Information

IDBI Capital Markets & Securities Limited (IDBI Capital) ("the Company") was incorporated on December 14, 1993, and is a wholly owned subsidiary of IDBI Bank Limited. The company is registered as a merchant banker, stockbroker, depository participant, portfolio manager and research entity with the Securities and Exchange Board of India (SEBI). The company offers to its client's services ranging from investment banking, corporate advisory services, retail and institutional stock broking, distribution of financial products, portfolio management and research services.

2 Significant accounting policies

Significant accounting policies adopted by the company are as under:

2.1 Basis of Preparation of Financial Statements

(a) Statement of Compliance with Ind AS

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015. For all periods up to and including the year ended 31 March 2019, the Company prepared its standalone financial statements in accordance with requirements of the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP"). The company drawn its financial statement as per Division III to Schedule III to the Companies Act, 2013 being applicable to Non-Banking Financial Company (NBFC) having Merchant Banking operations in pursuance to MCA notification GSR 365(E) dated October 10, 2018.

(b) Basis of preparation

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its Standalone Financial Statements as per the Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act.

The financial statements have been prepared using the significant accounting policies and measurement bases summarized as below. 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.

(c) Preparation of financial statements

The Company is covered in the definition of Non-Banking Financial Company as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. As per the format prescribed under Division III of Schedule III to the Companies Act, 2013 on 11 October 2018 (as amended), the Company presents the Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the order of liquidity. A maturity analysis of recovery or settlement of assets and liabilities within 12 months after the reporting date and more than 12 months after the reporting date is presented in note 44.

(d) Historical cost convention

The standalone financial statements have been prepared on a historical cost convention on accrual basis, except for the following items that have been measured at fair value as required by relevant Ind AS: -

I) Certain financial assets and liabilities measured at fair value (refer accounting policy 2.7 on financial instruments)
ii) Derivative financial instruments
iii) Defined benefit and other long-term employee benefits

Fair value is the price that would be received on sell of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116 and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized within the fair value hierarchy into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

•Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the

measurement date;

- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest Lakhs except when otherwise stated.

(e) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years if the revision effects such periods. Also, key sources of estimation uncertainty are mentioned below:

i. Useful lives of property, plant and equipment and intangible assets:
As described in the significant accounting policy, the Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period.

ii. The fair value measurements and valuation processes:
Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or liability, the Company uses market-observable data to the extent it is available. Where level 1 input are not available, the Company engages third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs, used in determining the fair value of various assets and liabilities are disclosed in notes to financial statements.

iii. Actuarial valuation:
The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognized in the statement of profit or loss and in other comprehensive income. Such valuation depends upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to financial statements.

iv. Determining whether an arrangement contains a lease
The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgment in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option.

2.2. Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable taking into account contractually defined terms. Amounts disclosed as revenue are excluding taxes collected on behalf of government, net of trade allowances, rebates and cash discount.

The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the company and specific criteria have been met for each of the company activities as described below.

(a) Fee based Income.

Revenue from a contract to provide services is recognized as follows:
Revenue from issue management, debt syndication, financial advisory services etc is recognised based on the stage of completion of assignments and terms of agreement with the client.

(b) Interest Income

Interest income from financial assets is recognized when it is probable that 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, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

Interest income is recognized using the effective interest rate method.

Interest is recognised on delayed payments from customers on a time proportion basis in relation to the loans relating to the Margin Trading Funding provided to customers taking into account the amount outstanding from customers and the rates applicable.

(c) Brokerage income:

Brokerage income in relation to stock broking activity is recognized on a trade date basis.

(d) Sale of Securities
Gains and losses on the sale of securities are recognized on trade date. The cost of Securities is taken on weighted average method.

(e) Commission Income
Commission income in relation to public issues / other financial products is recognized based on mobilization and intimation received from clients / intermediaries or over the period of service as applicable.

(f) Dividend Income
Dividend income from investments is recognized when the shareholder's right to receive payment has been established.

The Company recognizes revenue on accrual basis when the significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured. The method of recognizing the revenues depends on the nature of the services rendered. Revenue is recognized when no significant uncertainty exists as to its realization or collection.

The amount recognized as revenue in its Statement of Total Comprehensive Income is exclusive of Service Tax and Goods and Services Tax (GST) since they are amount collected on the behalf on third parties.

(g) Depository services income
Revenue from depository services on account of annual maintenance charges have been accounted for over the period of the performance obligation.

Revenue from depository services on account of transaction charges is recognized point in time when the performance obligation is satisfied.

2.3. Property, Plant and Equipment
Property, Plant and Equipment are stated at cost of acquisition less accumulated depreciation and impairment losses, if any. The cost thereof comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost for bringing the asset to its working condition for its intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the Statement of Profit or Loss. Property, plant and equipment are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation methods, estimated useful lives
Depreciation provided on property, plant and equipment is calculated on a straight-line basis using the rates arrived at as per the useful life prescribed in the Schedule II to the Companies Act 2013 or lower as estimated by the management as follows:

Property, plant and equipment	Useful Life
Buildings	60 years
Computers	3 years
Servers and Networks	5 years
Furniture & Fixtures	10 years
Office Equipment's	5 years
Vehicles	5 years

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as change in accounting estimates.

All Property plant and equipment having individual value of less than Rs.5,000, in the year of acquisition and assets retired from active use are fully depreciated.

Transition to Ind AS
The Company has elected to measure items of property, plant and equipment and intangible assets at its carrying value at the transition date except for certain class of assets (i.e. Buildings) which are measured at fair value as deemed cost.

- Optional Exemptions in FTA-Accounting Policy:-
  a. Fair value as deemed cost exemption:
     The Company has elected to measure items of property, plant and equipment and intangible assets at its carrying value at the transition date except for certain class of assets (i.e. Buildings) which are measured at fair value as deemed cost.

  b. Investments in subsidiaries, associates and joint ventures:-
     The management has elected to measure all of its investments in associates at deemed cost i.e. their Indian GAAP carrying value at the date of transition.

2.4. Intangible assets and amortization

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost of acquisition less accumulated amortization and impairment, if any.

The Company amortized intangible assets over their estimated useful lives using the straight-line method. The estimated useful lives of intangible assets are as follows:

Intangible Assets	Useful Life
Computer Software	3 years
Web Trading Portal	3 years
Bombay Stock Exchange Card	21 years

Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of schedule II of the Companies Act, 2013.

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Company has an intention and ability to complete and use or sell the software and the costs can be measured reliably. The costs which can be capitalized include the cost of material, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use. Research and development costs and software development costs incurred under contractual arrangements with customers are accounted as expenses in the Statement of Profit and Loss.

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with effect of any changes in estimate being accounted for on a prospective basis.

2.5. Taxation

Tax expense for the year comprises of current tax and deferred tax.

(a) Current tax

Current income tax is the amount of expected tax payable based on taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of Income Tax Act, 1961.

(b) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary difference can be utilised. 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. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

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

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

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

Current and Deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they are relating to items that are recognised in the other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

2.6. Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Company.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The management determines the policies and procedures for both recurring fair value measurement. For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.3. Financial instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss (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 fair value through profit and loss are recognised immediately in Statement of Profit and Loss.

A. Financial Assets:

a)

a. Recognition and initial measurement

The Company initially recognises loans and advances, deposits and debt securities purchased on the date on which they originate. Purchases and sale of financial assets are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument.

All financial assets are recognised initially at fair value. In the case of financial assets not recorded at FVTPL, transaction costs that are directly attributable to its acquisition of financial assets are included therein.

b. Classification of financial assets

On initial recognition, a financial asset is classified to be measured at –
- Amortised cost; or
- Fair Value through Other Comprehensive Income (FVTOCI) – debt investment; or
- Fair Value through Other Comprehensive Income (FVTOCI) – equity investment; or
- Fair Value through Profit or Loss (FVTPL)

i. Financial assets at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met:
- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

ii. Debt instruments at FVTOCI

A debt instrument is measured at fair value through other comprehensive income if both of the following conditions are met:
- the objective of the business model is achieved by both collecting contractual cash flows and selling financial assets and
- the asset's contractual cash flow represents solely payments of principal and interest (SPPI) on the principle amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the Other Comprehensive Income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

iii. Equity instruments at FVTOCI

All equity instruments in scope of Ind AS 109 are measured at fair value. Equity instruments held for trading is classified as FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividend are recognized in OCI which is not subsequently recycled to statement of profit and loss.

iv. Financial assets at FVTPL

FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL.

In addition, the Company may elect to designate the financial asset, which otherwise meets amortized cost or FVTOCI criteria, as FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency. The Company has not designated any financial asset as FVTPL. Financial assets included within the FVTPL category are measured at fair values with all changes in the statement of profit and loss.

(b) De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the company balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
- When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognize the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.
- Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

(c) Impairment of Financial Assets

The company recognizes impairment loss applying the expected credit loss (ECL) model on the financial assets measured at amortized cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual right to receive cash or other financial asset and financial guarantee not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights.

The company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a 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 months expected credit losses.

For trade receivables or any contractual right to receive cash or another financial assets that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the company applies 'simplified approach' permitted by Ind AS 109 Financial Instruments. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

(d) Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL and Interest income is recognized in profit or loss.

(e) Reclassification of financial assets

Original Classification	Revised Classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in Statement of Profit and Loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.

Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to Statement of Profit and Loss at the reclassification date.

B. 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-for-trading, or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the Statement of Profit and Loss.

Other financial liabilities:
Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities:
The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Offsetting of financial instruments:
Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

2.8. Leases

As a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether:

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

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the company recognizes the lease payments as an operating expense on a

straight-line basis over the term of the lease.

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

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

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the company changes its assessment if whether it will exercise an extension or a termination option.
Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

2.9. Provisions and contingent liabilities

Provisions involving substantial degree of estimation in measurement are recognised when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A Contingent Liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events that may, but probably will not, require an outflow of resources.

Both provisions and contingent liabilities are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognized but are disclosed in the notes. A contingent asset is disclosed in the Financial Statements, where an inflow of economic benefits is probable.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

2.10. Cash and cash equivalents

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

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effect 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 associate with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

2.11. Borrowing Costs

Borrowing costs includes interest. Interest expenses are accrued on a time basis, by reference to the principal outstanding and at the interest rate applicable. The interest is amortised as an expense over the relevant period.

2.12. Employee benefits

(a) Short-term obligations

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees

is recognized in the year during which the employee rendered the services. These benefits comprise compensated absences such as paid annual leave and performance incentives.

(b) Other long-term employee benefit obligations

i. Defined contribution plan

The Company has defined contribution plans for post-employment benefits in the form of provident fund, pension fund (NPS) and superannuation fund in India which are administered through Government of India and/or Life Insurance Corporation of India (LIC).

ii. Defined benefit plans

Gratuity: The Company has defined benefit plans for post-employment benefits in the form of gratuity for its employees in India. The gratuity scheme of the Company is administered through Life Insurance Corporation of India (LIC). Liability for defined benefit plans is provided on the basis of actuarial valuations, as at the Balance Sheet date, carried out by an independent actuary. The actuarial valuation method used by independent actuary for measuring the liability is the projected unit credit method. Actuarial gains and losses are recognized immediately in the Other Comprehensive Income (OCI) as income or expense (net of taxes).

Compensated absences: The employees of the Company are also entitled for other long-term benefit in the form of compensated absences as per the policy of the Company. Leave encashment vests to employees on an annual basis for leave balance above the upper limit as per the Company's policy. At the time of retirement, death while in employment or on termination of employment leave encashment vests equivalent to salary payable for number of days of accumulated leave balance subject to an upper limit as per the Company's policy. Liability for such benefit is provided on the basis of actuarial valuations, as at the Balance Sheet date, carried out by an independent actuary. The leave encashment scheme of the company is administered through Life Insurance Company (LIC). The actuarial valuation method used by independent actuary for measuring the liability is the projected unit credit method. Actuarial gains and losses are recognized immediately in the Profit and Loss Statement as income or expense.

2.13. Segment Reporting

The company identifies operating segments based on the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

The accounting policies adopted for segment reporting are in line with the accounting policies of the company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

2.14. Earnings per share (EPS)

Basic earnings per share (EPS) are calculated by dividing the net loss / profit after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by adjusting the number of shares used for basic EPS with the weighted average number of shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. The diluted potential equity shares have been adjusted for the proceeds receivable had the shares been actually issued at fair value i.e. average market value of outstanding shares.

The number of shares and potentially dilutive shares are adjusted for share splits and bonus shares, as appropriate. In calculating diluted earnings per share, the effects of anti-dilutive potential equity shares are ignored. Potential equity shares are anti-dilutive when their conversion to equity shares would increase earnings per share or decrease loss per share.

2.15. Cash Flow Statement

The Cash Flow Statement is prepared by the indirect method set out in Indian Accounting Standard 7 on Cash Flow Statements and presents the cash flows by operating, investing and financing activities of the Company.

Cash and Cash equivalents presented in the Cash Flow Statement consist of cash on hand and demand deposits with banks.

2.16. Foreign currency transactions

The financial statements are prepared in Indian Rupees. The Indian Rupee is the functional currency of the Company. Translation of foreign currency into Indian Rupees has been carried out as under:

- Both monetary and non-monetary foreign currency assets and liabilities including contingent liabilities are translated at closing exchange rates as at the Balance Sheet date.
- Income and expenditure of transactions are translated at the rate on the date of transaction.
- All resulting exchange differences on translation are taken directly to the Statement of Profit and Loss.

2.17. Contributed equity.

- Equity shares are classified as equity share capital.
- Incremental costs directly attributable to the issue of new shares are shown in other equity under securities premium as a deduction, net of tax, from the proceeds.

2.18. Cash flow hedge or Transactions in future, Options and Interest rate swaps

The company designates certain foreign exchange forward and options contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of derivative is recognized immediately in the net profit in the statement of profit and loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective, remains in the cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the net profit in the statement of profit and loss upon the occurrence of the related forecasted transactions.

If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified to net profit in the statement of profit and loss.

Derivatives are carried at fair value. Derivatives includes foreign currency forward contracts and interest rate swaps. Fair valued of foreign currency forward contracts are determined using the fair value reports provided by respective merchant bankers. Fair value of interest rate swaps are determined with respect to current market rate of interest.

2.19. Rounding off amounts

All amounts disclosed in financial statements and notes have been rounded off to the nearest lakhs as permitted in Schedule III of the Act, unless otherwise stated.

2.20. Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

3. Recent Accounting Pronouncements

3.1. The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31st March 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1st April 2023, as below:

(a) Ind AS 1 – Presentation of Financial Statements – The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements.

(b) Ind AS 12 – Income Taxes – The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the initial recognition exemption of Ind AS 12 so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. Accordingly, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on transactions such as initial recognition of a lease and a decommissioning provision.

(c) Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors – The definition of a "change in accounting estimates" has been replaced with a definition of "accounting estimates". Accounting estimates are defined as "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

The Company is in the process of evaluating the impact of these amendments.

(Amount in INR lakhs, unless otherwise stated)

		As at March 31, 2023	As at March 31, 2022
Financial Assets :			
4	**Cash and cash equivalents:**		
	Cash on hand	9	8
	Balances with banks		
	In current accounts	4,110	5,521
	Fixed deposits with maturity of less than 3 months	500	-
	Current Investments (Highly Liquid)		
	IDBI Liquid Fund - Growth - Direct	-	4,302
	Units: March 31, 2023: NIL (March 31, 2022: 1,87,886.424 nos)		
	Total cash and cash equivalents	**4,619**	**9,831**
5	**Bank balances other than Cash and cash equivalents:**		
	Fixed Deposit with maturity less than 12 months (Refer 5.1)	1,156	3,940
	Fixed Deposit with maturity more than 12 months (Refer 5.1)	7,967	3,558
	Interest accrued on Fixed Deposits	272	199
		9,395	**7,697**
5.1	**Breakup of Deposits**		
	Fixed deposits under lien with stock exchanges**	6,569	5,129
	Fixed deposits against credit facilities with Banks	1,666	990
	Fixed deposits for bank guarantees	888	1,379
	** The above fixed deposits are under lien with stock exchange as security deposits and minimum base capital requirements		
6	**Trade receivables:**		
	Unsecured		
	-Considered good	1,872	1,825
	-Considered doubtful & credit impaired	3,020	2,770
	Less: Impairment loss allowance (Refer note 28)	(2,724)	(2,680)
	Total	**2,168**	**1,915**
	Further classified as:		
	Receivable from related parties (Refer note 37)	158	163
	Receivable from others	2,010	1,752
	Total	**2,168**	**1,915**

* Trade Receivables are subject to confirmations

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

Credit risk management regarding trade receivables has been described in note number 43.4

Trade receivable ageing schedule for the year ended on March 31, 2023

Particulars	Less than 6 months	6 month to 1 year	1-2 years	2-3 years	More than 3 Years	Total
Undisputed Trade receivables- considered good	1,098	341	-	135	298	**1,872**
Undisputed Trade Receivables- which have significant increase in credit risk	7	35	296	222	7	**567**
Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-
Disputed Trade Receivables considered good	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	7	10	6	165	2,265	**2,453**
TOTAL	**1,112**	**386**	**302**	**522**	**2,570**	**4,892**

Trade receivable ageing schedule for the year ended on March 31, 2022

Particulars	Less than 6 months	6 month to 1 year	1-2 years	2-3 years	More than 3 Years	Total
Undisputed Trade receivables- considered good	1,177	214	135	109	190	**1,825**
Undisputed Trade Receivables- which have significant increase in credit risk	7	43	196	269	338	**853**
Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-
Disputed Trade Receivables considered good	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	2	47	28	30	1,810	**1,917**
TOTAL	**1,186**	**304**	**359**	**408**	**2,338**	**4,595**

(Amount in INR lakhs, unless otherwise stated)

		As at March 31, 2023	As at March 31, 2022
6.1	Movement of impairment loss allowance		
	Balance at the beginning of the year	2,680	2,498
	Impairement loss recognized/(reversed)	44	182
	Balance at the end of the year	**2,724**	**2,680**
7	**Loans:**		
	At Amortised Cost		
	Margin Trading Funding*	3,506	3,754
	Less: Allowance for Impairment Loss	(34)	(171)
	Total	**3,472**	**3,583**

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

(Amount in INR lakhs, unless otherwise stated)

		As at March 31, 2023	As at March 31, 2022
8	**Investments**		
A.	**Investment in Associate Company - Unquoted (Investments measured at deemed cost)**		
	In equity shares - fully paid-up		
	IDBI Asset Management Limited		
	6,66,60,000 (31 March 2022: 6,66,60,000) equity shares of INR 10 each	6,666	6,666
	Extent of holding: Current year 33.33% (31 March 2022: 33.33%)		
B.	**Other investments quoted**		
Sl. No	**Equity Shares - Quoted, Fully paid up (At fair value through profit and loss (fully paid))**		
1	Bajaj Hindustan Sugar Ltd	1	1
2	BSE Ltd	130	284
3	DLF Ltd	62	65
4	NHPC Ltd	-	139
5	NTPC Ltd	-	24
6	Opal Luxury Time Products Ltd	-	-
7	Reliance ETF Nifty BeES*	0	-
8	Reliance Infrastructure Ltd	9	7
9	The India Cements Ltd	-	81
10	VTX Industries Ltd	-	-
11	Arshiya Ltd*	0	3
	Equity Shares - Unquoted, Fully paid up (At fair value through profit and loss (fully paid))		
1	Chennai Super Kings Cricket Ltd*	19	-
	Investments in Debentures or Bonds , Quoted, Fully paid up (At amortized cost (fully paid))		
1	NTPC Limited Sr - 54 8.49 NCD 25MR25 FVRS 10	2	2
	Investments in Alternative Investment Fund, Unquoted, Fully paid up (At fair value through profit and loss ,fully paid)		
1	Maharashtra Defence and Aerospace Venture Fund	3,137	2,250
	Investment in Equity Instruments, Quoted, Fully paid up (At fair value through profit and loss (fully paid))		
1	Opal Luxury Time Products Ltd **	-	-
	Investments in Debentures or Bonds , Quoted, Fully paid up (At fair value through profit and loss (fully paid))		
	(a) Non-convertible debentures:-		
1	8.90 TATA CAPITAL FINANCIAL SERVICES LIMITED SR-D NCD PERPETUAL (26-03-2028)	515	-
2	ZCB MANAPPURAM HOME FINANCE LIMITED SR MLD2022 TR 1 (21-11-2024)	403	-
3	9.90 L&T FINANCE LIMITED SR-X RR BD PERPETUAL (27-08-2025)	3,058	-
	Total	**14,002**	**9,522**
	*The following table represents the absolute figures for the value above		
	Reliance ETF Nifty BeES	43	43
	Chennai Super Kings Cricket Ltd	-	3,883
	Arshiya Ltd	43,404	-

(Amount in INR lakhs, unless otherwise stated)

			As at March 31, 2023	As at March 31, 2022
8.B.1. Details of Quoted Investments measured at FVTPL:				
	Particulars	**Face Value (Rs)**	**Number of units**	**Number of units**
	Equity Shares - Quoted, Fully paid up			
1	Bajaj Hindustan Sugar Ltd	1	8,758	8,758
2	BSE Ltd	2	30,141	30,141
3	DLF Ltd	2	17,140	17,140
4	NHPC Ltd	10	-	5,00,000
5	NTPC Ltd	10	-	18,000
6	Opal Luxury Time Products Ltd	10	3,01,000	3,01,000
7	Reliance ETF Nifty BeES	10	0	0
8	Reliance Infrastructure Ltd	10	5,964	5,964
9	The India Cements Ltd	10	-	38,825
10	VTX Industries Ltd	10	29,92,850	29,92,850
11	Arshiya Ltd	2	8,858	8,858
	Equity Shares - Unquoted, Fully paid up			
1	Chennai Super Kings Cricket Ltd	0.1	38,825	38,825
	Investment in Equity Instruments, Quoted, Fully paid up			
1	Opal Luxury Time Products Ltd **	10	1,21,000	1,21,000
	Investments in Debentures or Bonds			
1	NTPC Limited Sr - 54 8.49 NCD 25MR25 FVRS 10	10	15,000	15,000
2	8.90 TATA CAPITAL FINANCIAL SERVICES LIMITED SR-D NCD PERPETUAL (26-03-2028)	1000000	50	-
3	ZCB MANAPPURAM HOME FINANCE LIMITED SR MLD2022 TR 1 (21-11-2024)	1000000	40	-
4	9.90 L&T FINANCE LIMITED SR-X RR BD PERPETUAL (27-08-2025)	1000000	300	-

** Company had acquired the shares of Opal Luxury Time Products Ltd from the market as part of market making activity

Note : There are no investment made outside India during Current year and Previous year.

(Amount in INR lakhs, unless otherwise stated)

		As at March 31, 2023	As at March 31, 2022
9	**Other Financial Assets**		
	Unsecured, considered good		
	i) Security Deposits		
	Earnest Money Deposits	44	45
	Premises	67	62
	ii) Deposits with Exchanges / Depositories*	231	237
	iii) Early Pay-in Account	678	-
	iv) Interest Accrued on Debenture or Bonds	175	-
	Total	**1,195**	**344**
	* Initial margin placed with the exchanges towards capital in the form of cash: March 31, 2023: INR 214 lakhs (March 31, 2022: INR 220 lakhs)		
Non-Financial Assets:			
10	**Current tax assets**		
	Advance income tax (net of income tax provision amounting (March 31, 2023: INR 899 lakhs, March 31, 2022: INR 1,529 lakhs))	1,552	3,345
	Total	**1,552**	**3,345**
11	**Deferred Tax:**		
(a)	**Deferred tax relates to the following:**		
	Deferred tax assets		
	On impairment of trade receivables	372	397
	On Inadmissable expenses u/s 43B of I.T. Act	89	69
	On fair valuation of Investments	458	466
	On Depreciation on expired assets		
	On fair valuation of leases	21	32
		940	**964**
	Deferred tax liabilities		
	On timing differences - Depreciation	(50)	(33)
	On fair valuation of Buildings	(715)	(771)
		(765)	**(804)**
	Deferred tax asset, net	**175**	**160**
(b)	**Reconciliation of deferred tax assets/ (liabilities) (net):**		
	Opening balance	160	75
	Tax (liability)/asset recognized in Statement of Profit and Loss	6	78
	Tax (liability)/asset recognized in OCI		
	On re-measurements gain/(losses) of post-employment benefit obligations	9	7
	Closing balance	**175**	**160**
(c)	Income tax expense		
	- Current tax taxes	269	562
	- Deferred tax charge / (income)	(6)	(78)
	Total	**263**	**484**
(d)	Reconciliation of tax charge		
	Profit before tax	1,065	2,400
	Income tax expense at tax rates applicable	269	604
	Tax effects of:		
	- Expenses not deductible for tax	26	117
	-Impact of reclassification of employee benefit liabilities	9	7
	- Others	(41)	(244)
	Income tax expense	**263**	**484**

(Amount in INR lakhs, unless otherwise stated)

12 Property, plant and equipment and Other Intangible Assets

Particulars	Tangible Assets						Other Intangible Assets				Total C
	Buildings	Computers	Furniture & Fixtures	Vehicles	Office Equipments	Total (A)	Web Trading Portal	Software	Stock Exchange Membership Card	Total (B)	C= (A)+(B)
Gross Carrying amount (At Cost or deemed cost)											
As at April 1, 2021	3,672	332	108	41	90	4,243	-	302	8	310	4,553
Additions	-	70	1	-	10	81		62		62	143
Sales/ Adjustments				8		8				-	8
As at March 31, 2022	3,672	402	109	33	100	4,316	-	364	8	372	4,688
Additions	-	628	13	38	22	701		105	-	105	806
Sales/ Adjustments		319	-	8	9	336	-	-	-	-	336
As at March 31, 2023	3,672	711	122	63	113	4,681	-	469	8	477	5,158
Depreciation/ Amortisation											
As at April 1, 2021	255	258	35	15	51	614	-	198	8	206	820
Depreciation for the year	85	60	11	7	16	179		73		73	252
Sales/ Adjustments				2		2				-	2
As at March 31, 2022	340	318	46	20	67	791	-	271	8	279	1,070
Depreciation for the year	85	101	12	10	18	226	-	64	-	64	290
Sales/ Adjustments		319	-	8	9	336	-		-	-	336
As at March 31, 2023	425	100	58	22	76	681	-	335	8	343	1,024
Net Carrying amounts											
Balance at March 31, 2022	3,332	84	63	13	33	3,525	-	93	0	93	3,618
Balance at March 31, 2023	3,247	611	64	41	37	4,000	-	134	0	134	4,134

Note:

i) The company confirms that the title deed of immovable properties are held in the name of the company.

ii) Intangible assets under development:

(a) Intangible Asset under development ageing schedule for the year ended on March 31, 2023

Intangible Asset under development	Amount in intangible asset under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	25	31	17	-	73

Intangible Asset under development ageing schedule for the year ended on March 31,2022

Intangible Asset under development	Amount in intangible asset under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	47	-	-	47

(b) Intangible Asset under development completion schedule for the year ended on March 31,2023

Intangible Asset under development	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project 1	25	31	17	-	73

Intangible Asset under development completion schedule for the year ended on March 31,2022

Intangible Asset under development	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project 1	-	47	-	-	47

(Amount in INR lakhs, unless otherwise stated)

		As at March 31, 2023	As at March 31, 2022
13	**Right-of-Use Assets**		
	Building		
	Gross Block		
	As at beginning of the year	3,274	3,164
	Addition during year	159	110
	Deduction during year	(14)	(0)
	As at the end of the year	**3,419**	**3,274**
	Accumulated Depreciation		
	As at beginning of the year	2,122	1,469
	Depreciation for the year	660	653
	Deduction during year	-	-
	As at the end of the year	**2,782**	**2,122**
	Net Block at the end of the year	**637**	**1,152**
14	**Other Non-Financial assets**		
a)	Capital Advance	14	3
	Less : Provision made during the year	(3)	-
		11	**3**
b)	Advance recoverable in kind		
	Advances to Service providers	45	15
	Prepaid Expenses	123	110
	Statutory dues recoverable from government authorities (Refer note 39)		
	Goods and Service Tax receivable	309	275
	Others	63	44
		540	**444**
	Total	**551**	**447**

(Amount in INR lakhs, unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
Financial Liabilities :		
15 Payables		
Trade payables		
i) Total outstanding dues of micro enterprises and small enterprises	2	2
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises*	1,907	2,890
Total Trade Payables	**1,909**	**2,892**

Refer note 33 (information required under MSMED Act 2006)

Trade Payables ageing schedule for the year ended on March 31,2023

Particulars	Unbilled	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
MSME	-	2	-	-	-	**2**
Others	-	1,885	9	4	9	**1,907**
Disputed Dues- MSME	-	-	-	-	-	-
Disputed Dues- Others	-	-	-	-	-	-
Total	**-**	**1,887**	**9**	**4**	**9**	**1,909**

Trade Payables ageing schedule for the year ended on March 31,2022

Particulars	Unbilled	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
MSME	-	2	-	-	-	**2**
Others	298	2,558	4	19	11	**2,890**
Disputed Dues- MSME	-	-	-	-	-	-
Disputed Dues- Others	-	-	-	-	-	-
Total	**298**	**2,560**	**4**	**19**	**11**	**2,892**

16 Borrowings		
Overdraft Facility from Bank **	2,188	0
	2,188	**0**

**Secured against hypothecation of book debts & lien on fixed deposit

Rate of interest is ranging from 8.10% to 8.50%.

During the year, the Company had made quarterly submissions to banks or financial institutions; however there were no material discrepancies noted between the quartely statements/returns filied and the financial statements of the respective quarter.

During the financial year, the company has not defaulted in repayment of principal and interest.

17 Deposits		
At amortised cost		
i) Security Deposits	113	111
ii) Margin Money Deposits	5	16
Total Deposits	**118**	**127**
18 Lease liability		
Balance at the beginning of the year	1,281	1,822
Additions	159	112
Finance cost accrued during the period	65	102
Deletions	(15)	(1)
Cash Outflow	(769)	(754)
Total Lease liabilities as at the end of the year	**721**	**1,281**
Maturity analysis of Lease Liabilities		
Less than 1 year	441	15
1 to 2 years	28	1,067
2 to 3 years	51	60
3 to 4 years	116	-
4 to 5 years	65	139
More than 5 years	20	-
Total	**721**	**1,281**

Refer note 36

(Amount in INR lakhs, unless otherwise stated)

		As at March 31, 2023	As at March 31, 2022
19	**Other Financial Liabilities**		
	i) Employee related payables	112	337
	ii) Client's settlement dues	63	93
	Total Other Financial Liabilities	**175**	**430**
Non Financial Liabilities :			
20	**Provisions**		
	i) Provision for employee benefits (Refer note 35)	279	276
	ii) Provision for expenses		
	Balance at the beginning	298	-
	Additions during the year	4,034	1,422
	Reversals during the year	(4,017)	(1,124)
	Total Other Provisions	315	298
	Total Provisions	**594**	**574**
21	**Other Non-Financial Liabilities**		
	i) Statutory Liabilities	379	398
	Total Other Non-Financial Liabilities	**379**	**398**

(Amount in INR lakhs, unless otherwise stated)

	As at March 31, 2023		As at March 31, 2022	
22 Equity share capital				
The Company has only one class of equity share capital having a face value of INR 10 per share, referred to herein as equity shares.				
Authorized	Number of shares	Amount	Number of shares	Amount
Equity Shares of INR 10 each	20,00,00,000	20,000	20,00,00,000	20,000
Total	**20,00,00,000**	**20,000**	**20,00,00,000**	**20,000**
Issued, subscribed and paid up	Number of shares	Amount	Number of shares	Amount
Equity shares of INR 10 each fully paid	12,81,00,000	12,810	12,81,00,000	12,810
Total	**12,81,00,000**	**12,810**	**12,81,00,000**	**12,810**

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

	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	12,81,00,000	12,810	12,81,00,000	12,810
Add: Issued during the year	-	-	-	-
Less: Bought Back during the year	-	-	-	-
Outstanding at the end of the year	**12,81,00,000**	**12,810**	**12,81,00,000**	**12,810**

(b) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at March 31, 2023		As at March 31, 2022	
	Number of shares	% of Holding	Number of shares	% of Holding
Equity shares of INR 10 each fully paid				
IDBI Bank Ltd (Holding Company) along with its nominee shareholders	12,81,00,000	100%	12,81,00,000	100%
	12,81,00,000	**100%**	**12,81,00,000**	**100%**

(c) Shareholding of Promoter

Details of shares held by promoters in the Company :

	As at March 31, 2023			As at March 31, 2022		
	Number of shares	% of total shares	% Change during the year	Number of shares	% of total shares	% Change during the year
IDBI Bank Ltd (Holding Company) along with its nominee shareholders	12,81,00,000	100%	-	12,81,00,000	100%	-
	12,81,00,000	**100%**	-	**12,81,00,000**	**100%**	-

(d) No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

(Amount in INR lakhs, unless otherwise stated)

		As at March 31, 2023	As at March 31, 2022
23	**Other equity**		
	Reserves & Surplus		
(a)	**Capital Redemption Reserve**		
	Opening Balance	7,190	7,190
	Add: Current Year Transfer	-	-
	Less: Written Back in Current Year	-	-
	Closing Balance	**7,190**	**7,190**
(b)	**General reserve**		
	Opening Balance	11,250	11,250
	Add: Current Year Transfer	-	-
	Less: Written Back in Current Year	-	-
	Closing Balance	**11,250**	**11,250**
(c)	**Retained Earnings**		
	Balance at the beginning of the year	4,709	2,812
	Add: Net Profit For the current year	727	1,916
	Add: Remeasurement gains/ losses on gratuity	(28)	(19)
	Less: Appropriations		
	Final Dividend	(769)	-
	Balance at the end of the year	**4,639**	**4,709**
	Total other equity	**23,079**	**23,149**

Nature and purpose of reserves

(i) **Capital redemption reserve:** The Company has recognised Capital redemption reserve on buy back of equity shares from its general reserve. The amount in capital redemption reserve is equal to nominal amount of equity shares bought back.

(ii) **General reserve:** This represents accumulation of profits retained by Company to meet future (known/ unknown) obligations.

(iii) **Retained earnings:** Retained earnings are profits that Company has earned till date, less transfer to general reserve, dividends or other distributions paid to shareholders. It also includes actuarial gains and losses on defined benefit plans recognized in other comprehensive income (net of taxes).

(iv) **Dividend:** During the year ended March 31 2023, final dividend declared and paid as distribution to equity shareholders was Rs. 0.60 (Previous Year Rs. Nil) for the previous year ended March 31, 2022. The dividend was proposed by Board of Directors in the meeting dated September 26, 2022 and approved by shareholders in the Annual General Meeting dated September 28, 2022.

(Amount in INR lakhs, unless otherwise stated)

		Year ended March 31,2023	Year ended March 31,2022
24	**Revenue from Operations**		
	(i) Interest Income		
	Interest on Margin Trade Funding	594	601
	Interest on Debentures / Bonds / Govt. Securities	115	38
	Interest on Fixed Deposits with Banks	421	338
	Total Interest Income	**1,130**	**977**
	(ii) Dividend Income	**8**	**12**
	(iii) Fees and Commission income		
	Brokerage Income & Allied Services (primary & secondary)	3,605	5,017
	Arrangers, Advisory and Other Fees	4,121	4,223
	Income from Depository Operations	63	72
	Portfolio Management fees	16	37
	Total Fees and Commission income	**7,805**	**9,349**
	(iv) Net gain on fair value changes		
	-profit on investments (net) at fair value through profit or loss	-	443
	Total net gain / (loss) on fair value changes	**-**	**443**
	Fair value changes:		
	- Realised	-	-
	- Unrealised	-	443
	Total	**-**	**443**
	Total Revenue from operations	**8,943**	**10,781**
25	**Other income**		
	Income from Mutual fund redemptions	66	80
	Profit on Sale of Investments	-	117
	Profit on Sale of Assets	1	0
	Interest Received on Income Tax Refund	620	-
	Recovery from Written off Accounts	3	-
	Income from Foreign Exchange fluctuation	(0)	0
	Gain on Lease Terminations	0	-
	Reversal of Impairment on financial instruments	137	-
	Miscellaneous Income	38	19
	Excess provision written back	3	-
	Total other income	**868**	**216**
26	**Finance Cost**		
	On financial liabilities measured at Amortised Cost:		
	(a) Interest expense on Bank Overdraft	47	23
	(b) Bank guarantee & Commission charges	13	18
	(c) Other finance cost	9	-
	(d) Interest on lease liabilities	65	102
		134	**143**

(Amount in INR lakhs, unless otherwise stated)

		Year ended March 31,2023	Year ended March 31,2022
27	**Net loss on fair value changes**		
	-Loss on investments (net) at fair value through profit or loss	75	-
	Total net gain / (loss) on fair value changes	**75**	-
	Fair value changes:		
	- Realised	-	-
	- Unrealised	75	-
	Total	**75**	-
28	**Impairment on financial instruments**		
	(A) On financial instruments measured at fair value through OCI:	-	-
	(B) On financial instruments measured at amortised cost:		
	(a) Loans	-	144
	(b) On trade receivables	44	182
		44	**326**
29	**Operating expenses**		
	Brokerage Paid	350	565
	Operating Charges	260	279
	Computer Maintenance Expenses	325	305
	Marketing Expenses	131	164
	Professional Charges	584	564
	Franking/Stamp Expenses	29	32
	Manpower Hire Charges	776	715
	Loss on Error Trade	17	2
	Total Operating expenses	**2,472**	**2,626**
30	**Employee benefit expense**		
	Salaries, Wages & Allowances	3,751	3,543
	Contribution to Provident and other funds(Refer Note 35)	296	245
	Provision for Gratuity and Leave Encashment (Refer Note 35)	(30)	85
	Other benefits	66	53
	Total Employee benefit expenses	**4,083**	**3,926**
31	**Depreciation & Amortisation Expenses**		
	Depreciation on Property Plant equipment	226	179
	Amortisation of Intangible assets	63	73
	Depreciation & Amortisation of Right of Use	660	653
	Total Depreciation & Amortisation expenses	**949**	**905**
32	**Other Expenses**		
	Rent (Refer note 36)	31	31
	Electricty Charges	16	15
	Rates & taxes	255	91
	Insurance	11	13
	Repairs & Maintenance	117	84
	Travelling & Conveyance	176	81
	Communication Expenses	127	149

(Amount in INR lakhs, unless otherwise stated)

	Year ended March 31,2023	Year ended March 31,2022
Printing & Stationery	48	37
Sitting fees to directors	19	26
Legal Expenses	12	4
Contribution towards CSR (Refer note 40)	22	8
Bad Debts Written Off	-	72
Payment to Auditors		
Audit Fees	8	8
Tax Audit Fees	1	1
Others	5	4
Prior Period Adjustments	-	1
Loss on Sale of Investments	10	-
Miscellaneous expenses	131	46
Total other expenses	**989**	**671**

33. Disclosure pertaining to Micro, Small and Medium Enterprises (as per information available with the Company):

Based on the intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and on the basis of the information and records available with the management, the following disclosures are made for the amounts due to the Micro, Small and Medium enterprises, which have registered with the competent authorities.

Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022
1	Principal amount due outstanding as at 31st March	2.16	2.14
2	Interest due on (1) above and unpaid as at 31st March	-	-
3	Interest paid to the supplier	-	-
4	Payments made to the supplier beyond the appointed day during the year	-	-
5	Interest due and payable for the period of delay	-	-
6	Interest accrued and remaining unpaid as at 31st March	-	-
7	Amount of further interest remaining due and payable in succeeding year	-	-

34. Earnings per share

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit/(Loss) attributable to Equity shareholders (INR in lakhs)(A)	727	1,916
Weighted average number of Equity shares for basic EPS (B)	12,81,00,000	12,81,00,000
Effect of Dilution:		
Weighted average number of Equity shares adjusted for the effect of dilution (C)		
Basic EPS (Amount in INR) (A/B)	0.57	1.50
Diluted EPS(Amount in INR) (A/C)	0.57	1.50

35. Employee Benefits

Sr No	Particulars	As at March 31, 2023	As at March 31, 2022
(A)	**Defined Contribution Plans**		
	During the year, the Company has recognized the following amounts in the Statement of Profit and Loss - (Refer note 29)		
	Contribution to provident fund	135	107
	Contribution to national pension scheme	-	45
	Contribution to group mediclaim insurance	35	19

Sr No	Particulars	As at March 31, 2023	As at March 31, 2022
	Contribution to superannuation fund	4	0
	Contribution to employees state insurance	1	1
	Contribution to labour welfare fund	0	0
	Total	**175**	**173**
(B)	**Defined benefit plans**		
	a) Gratuity payable to employees	-	-
	b) Compensated absences for Employees	-	-
i)	Actuarial assumptions		
	Discount rate (per annum)	6.41%	6.06%
	Rate of increase in Salary	5%	5%
	Expected average remaining working lives of employees (years)	-	-
	Attrition rate	15%	15%
	Employee's gratuity fund		
ii)	**Changes in the present value of defined benefit obligation**		
	Present value of obligation at the beginning of the year	286	267
	Interest cost	18	16
	Current service cost	41	35
	Benefits paid	(20)	(57)
	Actuarial (gain)/ loss on obligations	36	26
	Present value of obligation at the end of the year*	**361**	**286**
iii)	**Change in fair value of assets**		
	Fair value of plan assets - opening	276	263
	Interest income	17	16
	Remeasurement due to actual return on planned assets less interest on planned assets		-
	Benefits paid from the fund	(20)	(57)
	Employer's contribution	43	55
	Actuarial gain/(loss)	0	0
	Fair value of plan assets - closing	**316**	**276**
iv)	**Expense recognized as Employee benefits expense in the Statement of Profit and Loss**		
	Current Service Cost	41	35
	Past Service Cost	-	-
	Administrative Expenses	-	-
	Interest on net defined benefit Liability / (Asset)	0	0
	(Gains) / losses on settlement	-	-
	Total expenses recognized in the Statement Profit and Loss	**41**	**35**
v)	**Expense / (income) recognized as OCI in the Statement of Profit and Loss**		
	Remeasurements during the year due to:	-	-
	Acturial (gains) / Losses on obligation for the period	37	26
	Return on planned assets, excluding interest income	(0)	(0)
	Change in Asset ceiling	-	-
	Total	37	26

Sr No	Particulars	As at March 31, 2023	As at March 31, 2022
vi)	**Assets and liabilities recognized in the Balance Sheet:**		
	Present value of funded obligation as at the end of the year	(361)	(286)
	Fair value of plan assets	315	276
	Net asset / (liability) recognized in Balance Sheet*	(46)	(10)
	*Included in provision for employee benefits (Refer note 19)	-	-
vii)	**Expected contribution to the fund in the next year**		
	Gratuity	92	51
	Total	92	51
viii)	**Sensitivity Analysis**		
	Impact on defined benefit obligation		
	Discount rate		
	1% increase	(13)	(12)
	1% decrease	14	13
	Rate of increase in salary		
	1% increase	14	13
	1% decrease	(13)	(12)
ix)	Maturity profile of defined benefit obligation		
	Year from the date of reporting		
	1st Following Year	74	48
	2nd Following Year	48	37
	3rd Following Year	46	36
	4th Following Year	41	34
	5th Following Year	45	30
	Sum of Years 6 To 10	153	127
	Sum of Years 11 and above	96	83
(C)	**Defined benefit plans - leave encashment**		
i)	**Changes in the present value of defined benefit obligation**		
	Present value of obligation at the beginning of the year	444	393
	Interest cost	28	24
	Current service cost	69	62
	Benefits paid	(59)	(65)
	Actuarial (gain)/ loss on obligations	(17)	31
	Present value of obligation at the end of the year*	**465**	**444**
ii)	**Expense recognized as Employee benefits expense in the Statement of Profit and Loss**		
	Current service cost	69	62
	Interest on net defined benefit liability / (asset)	17	11
	Actuarial (gain) / loss on obligations	(22)	31
	(Gains) / losses on settlement	-	-
	Total expenses recognized in the Statement Profit and Loss	**64**	**105**
iii)	**Liabilities recognized in the Balance Sheet:**		
	Opening Balance	266	187
	Expenses Recognised	64	105

Sr No	Particulars	As at March 31, 2023	As at March 31, 2022
	Contribution/Benefit paid by the company	(97)	(26)
	Net liability recognised in Balance Sheet	**233**	**266**
iv)	**Assets and liabilities recognized in the Balance Sheet:**		
	Present value of funded obligation as at the end of the year	(465)	(444)
	Fair value of plan assets	232	178
	Net asset / (liability) recognized in Balance Sheet*	**(233)**	**(266)**

36. Leases

Lease Liabilities

The Company has entered into lease transactions mainly for leasing of office premise for a period between 3 to 9 years. The terms of lease include terms of renewal, increase in rents in future periods, which are in line with general inflation, and terms of cancellation.

The details of the right-of-use asset held by the Company is as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Right-Of-Use Asset recognised in Balance Sheet	3,419	3,274
Total	**3,419**	**3,274**

Depreciation on right-of-use asset is as follows:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation on Right-of-Use Asset	2,782	2,122
Total	**2,782**	**2,122**

Lease Liability is as follows:

Particulars	As at March 31, 2023	As at March 31, 2023
Lease Liability recognised in Balance Sheet	721	1,281
Total	**721**	**1,281**

Finance Cost

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest expenses recognised during the year	65	102
Total	**65**	**102**

The Company incurred INR 31.36 lakhs for the year ended March 31, 2023, towards expenses relating to short-term leases and leases of low-value assets. The total cash outflow for leases is INR 800.31 lakhs for the year ended March 31, 2023, including cash outflow for short term and low value leases. The Company has lease term extension options that are not reflected in the measurement of lease liabilities. Lease contracts entered by the Company majorly pertains for buildings taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

37. Related Party Disclosures:

(A). Names of related parties and description of relationship as identified and certified by the Company:

Name of the Related Party	Relationship
Life Insurance Corporation of India	Promoter of Holding Company
IDBI Bank Limited	Holding Company
IDBI Intech Limited	Fellow Subsidiary
IDBI Asset Management Limited	Associate company
IDBI Trusteeship Services Limited	Fellow Subsidiary
LIC Mutual Fund Asset Management Limited	Entity under common control of the promoter of holding company
LIC Mutual Fund Trustee Private Limited	Entity under common control of the promoter of holding company
LIC Pension Fund Ltd	Entity under common control of the promoter of holding company

(B) Other related parties with whom the Company had transactions during the year

List of key management personnel:

Iswar Padhan (Managing Director & CEO) up to 30.11.2022
Kamal Kant Upadhyay, Managing Director & CEO w.e.f. 01.12.2022
V. Gopinath (Chief Financial Officer) - upto 31.05.2021
Dattatraya Bhosale (Chief Financial Officer) - from 01.06.2021
Christina D'souza (Company Secretary)

(C) Details of transactions with related party in the ordinary course of business for the year ended:

SL No	Particulars	During the year		Outstanding during the year	
		Year ended March 31, 2023	Year ended March 31, 2022	As at March 31, 2023	As at March 31, 2022
(i)	**Holding Company:**				
	IDBI Bank Limited				
	Interest received	63.13	87.95	54.07	20.65
	Brokerage earned	2.08	8.94	-	-
	Advisory Fees Income	47.26	8.50	158.40	162.53
	Rent paid	692.64	692.60	15.87	7.62
	Electricity Charges paid	1.51	1.28	-	-
	Repairs & maintenance	0.55	0.46	-	-
	Brokerage Paid	208.32	282.43	31.87	34.77
	Sitting Fees	7.00	10.30	-	-
	Other Expenses	7.91	3.70	-	-
	Staff on deputation (in IDBI Rolls)	52.10	53.20	3.80	5.30
	Interest paid on overdraft	46.58	-	-	-
	Fixed Deposit - Invested	2702.53	-	2,248.34	1,068.59
	Fixed Deposit - matured	1522.77	-	-	-
	Bank Balances - Overdraft Facility	-	-	2188.04	-
	Bank Balances – in current accounts	-	-	3712.65	4,978.85
	Share Capital held by IDBI Bank	-	-	12,810.00	12,810.00

SL No	Particulars	During the year		Outstanding during the year	
		Year ended March 31, 2023	Year ended March 31, 2022	As at March 31, 2023	As at March 31, 2022
(ii)	Entity under common control*				
	a) IDBI Intech Limited				
	Professional Charges	200.63	219.84	0.77	1.29
	Advisory Fees Income	-	5.00	-	-
	b) IDBI Trusteeship Services Limited				
	Brokerage earned	53.68	86.28	-	-
	Brokerage Paid	0.12	0.12	-	2.75
	Professional charges paid	4.50	2.55	-	-
	Other Charges paid	0.06	-	-	-
	c) IDBI Asset Management Limited				
	Staff on deputation (ICMS Rolls)	1.58	-	-	-
	Investment in Equity Share Capital *	-	-	6,666.00	6,666.00
	d) Life Insurance Corporation of India				
	Advisory Fees Income	119.53	38.68	56.35	15.05
	Brokerage earned	48.99	141.75	-	-
	e) LIC Mutual Fund Asset Management Limited				
	Brokerage earned	15.55	7.37	-	-
	f) LIC Pension Fund Ltd				
	Brokerage earned	2.04	2.29	-	-
(iii)	**Key Management Personnel (KMP)**				
	Compensation of key management personnel				
	Remuneration to Key Management Personnel (includes pay, allowances and reimbursements)	123.77	101.94	3.80	-
	Perquisites & benefits	1.82	1.76	-	4.75
	Pension scheme contribution & Provident Fund	6.96	6.90	-	-

*In IDBI Asset Management Ltd, a subsidiary of IDBI Bank Ltd, the total holding of the company as on 31.03.2023 is 33.33 % (P.Y.31 March 2022: 33.33%). (Refer Note 8)

(D) Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2022: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

38. Segment reporting

The Company follows Ind AS 108, 'Segment Reporting' which requires disclosure of segment information for the operating segments of the Company. The Company has identified geographic segments as its operating segments viz. Investment Banking, Institutional Broking, Retail broking and others. Hence no separate segment information has been furnished herewith.

	Year ended March 31, 2023	Year ended March 31, 2022
Segment Revenue		
Investment Banking	4,199	4,254
Institutional Broking	599	804
Retail Broking	3,665	4,953
Others*	1348	984
Total	**9811**	**10,995**
Segment Result		
Investment Banking	980	1,173
Institutional Broking	(66)	167
Retail Broking	(668)	473
Others*	819	587
Total	**1065**	**2,400**
Income Taxes	338	484
Net Profit	**727**	**1,916**

	As at March 31, 2023	Year ended March 31, 2022
Segment Assets		
Investment Banking	2083	1,760
Institutional Broking	22	27
Retail Broking	3,535	3,712
Others*	23630	21,323
Unallocated Assets	12703	14,840
Total	**41973**	**41,661**
Segment Liabilities		
Investment Banking	-	-
Institutional Broking	-	-
Retail Broking	3,504	3,931
Others*	-	-
Unallocated Liabilities	2,580	1,771
Total	**6,084**	**5,702**

There are no significant non-cash expenses, included in segment expenses, other than depreciation and amortization expenses in respect of segment assets.

*Figures shown in others includes non-operative income and exceptional items

Information about Major customers:
No customer individually accounted for more than 10% of the revenues in the year ended March 31,2022 and March 31,2023.

Secondary Segment (Geographical)
The Company's operations are located in India, and its overseas operations does not meet the criteria required of reportable segment, and hence has not been disclosed. All other assets and liabilities of the Company are located in India.

39. Contingent Liability

	As at March 31, 2023	As at March 31, 2022
Contingent Liability		
Claims against the company not acknowledged as debt	201.95	20.84
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	297.26	106.97

Note:

a) Disputed Income Tax Matter

Assessment Year	Disputed Tax Amount(Rs in lakhs)	
	As on March 31, 2023	As on March 31, 2022
2013-14	-	1,079.10
2014-15	28.58	25.03
2018-19	56.62	257.62
Total	**85.20**	**1,361.75**

Disputed Income Tax matters as above are pending before various Appellate Authorities. The Company has also been advised by its legal counsel that the tax demand against the company is untenable and likelihood of demand being upheld is low. Accordingly no provision in respect thereof has been made.

In respect of Assessment Years 2006-07 and 2008-09, the Income Tax Dept. has gone in appeal before High Court pertaining to some of the expenses allowed to the Company in appellate proceedings. However there were no tax demands on the company due to adjustment of carried forward losses/admitted tax under MAT. In respect of Assessment Year 2012-13 (Financial Year 2011-12) Dept. has filed an appeal in High Court against the order of ITAT. This appeal before the High Court is pending for admission as on March 31, 2023 and Company has taken necessary steps to defend its position.

b) **Disputed Service Tax Matter**

Show cause notices have been raised by the Service Tax Dept. for the following financial years based on the findings during the Service Tax Audit conducted by the Department.

Financial Year	Statute	Disputed Service Tax Amount (Rs in lakhs)	
		As on March 31,2023	**As on March 31,2022**
2010-11	Service Tax	0.60	-
2011-12	Service Tax	201.00	-
2012-13	Service Tax	117.62	319.22
2013-14	Service Tax	177.81	177.98
2014-15	Service Tax	186.93	186.92
2015-16	Service Tax	176.20	176.54
2016-17	Service Tax	65.27	65.60
2017-18	Goods & Service Tax	154.61	11.65
2018-19	Goods & Service Tax	369.16	-
2019-20	Goods & Service Tax	281.08	-
TOTAL		**1730.29**	**937.91**

All the show cause notices and demand raised have been contested by the Company and are pending before the respective authorities.

c) An incident of fraud was detected in the Retail Broking Business of the Company in the month of July, 2022. The Complainant has alleged that a Trading Account has been opened by the Company in the name of the Complainant without the Complainant's consent using fraudulent and manipulated documents. The said Trading account has been mapped to an existing Demat Account of the Complainant with IDBI Bank and the shares in the said demat account have been illegally sold without the consent of the Complainant. The proceeds of the sale have been transferred to Bank Accounts which the Complainant claims do not belong to the Complainant. (Value of proceeds transferred was Rs. 75.38 lakhs. The complaint submitted by the Company to the Economic Offences Wing (Mumbai) has been accepted and the matter is under investigation by the Crime Branch (Mumbai). Further the Complainant has filed a Writ Petition before the High Court of Bombay against the Company and Others inter alia seeking reinstatement of the shares which have sold without the consent of the Complainant.

d) An incident of front running was detected in the Institutional Broking business of the Company. The Securities and Exchange Board of India (SEBI) had alleged that an Institutional Equities Dealer of the Company has front run the trades of Big Institutional Clients of the Company by executing trades in his sister's account. SEBI had issued Impounding Order-cum-Show Cause Notice dated December 19, 2022 against the Dealer and his sister impounding an amount of Rs. 1,67,70,060/- being the total unlawful gain earned from the alleged front running activities.

The services of the Dealer with the Company have been terminated on February 9, 2023. SEBI has also issued a Show Cause Notice dated February 16, 2023 under Rule 4 (1) of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 against the Company in the said matter alleging violation of the Code of Conduct under the under Regulation 9(f) of the SEBI (Stock Brokers) Regulations. The Company has filed an application for settlement under the SEBI (Settlement Proceedings) Regulations, 2018. Further the Company has also appointed a top audit firm to advise the Company on strengthening of processes.

40. Expenditure towards Corporate Social Responsibility (CSR) Activities –

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

	Year ended March 31, 2023	Year ended March 31, 2022
Amount required to be spent u/s 135 of the Companies Act, 2013	11.81	1.38
Total expenditure towards CSR Activities		
a) Construction/acquisition of any asset	Nil	Nil
b) On purpose other than (a) above	22.00	7.75
c) The amount of shortfall at the end of the year out of the amount required to be spent by the Company during the year	Nil	Nil
d) The total of previous years' shortfall amount	Nil	Nil
e) Reason for above shortfall	NA	NA
f) The nature of CSR activities undertaken by the Company -		
Particulars	**Amount**	**Date of Payment**
PARIVAAR EDUCATION SOCIETY	8.40	29.08.2022
AID INDIA	6.80	17.11.2022
NIRMAAN ORGANIZATION	6.80	16.03.2023
Total	**22.00**	

41. Earnings and expenditure in foreign currency

	Year ended March 31, 2023	Year ended March 31, 2022
(i) Earnings in foreign currency		
Advisory Services	2.81	32.94
(ii) Expenditure in foreign currency		
Travelling	31.50	4.05
(iii) Exchange Rate differences recognised in P&L A/c	(0.10)	0.22

42. There has been no material change in the controls or processes followed in the closing of the financial statements of the Company. The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on its operations and its assets including the value of its investments and trade receivables as at March 31, 2023. Changes in market conditions due to on-going pandemic may have an impact on the operations of the Company. SEBI regulated entities have been declared as an essential service and accordingly, the Company has been in operation consistently with permitted staff. Accordingly, as of March 31, 2023, based on the facts and circumstances existing as of that date, the Company does not anticipate any material uncertainties which affect its liquidity position. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration.

43. Financial Instruments

43.1. Capital Management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholders value. The Company's objective, when managing Capital, is to safeguard the ability of the Company to continue as a going concern. The Company's capital management strategy is to effectively determine, raise and deploy capital so as to maximize the shareholder's value.

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board. The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity, operating cash flows generated and short term debt. The Company is not subject to any externally imposed capital requirements.

43.2. Categories of Financial Instruments:

Particulars	As at March 31, 2023		
	Amortised Cost	At Fair Value Through Profit & Loss	Total
Financial Assets			
(a) Cash and cash equivalents	4,619		4,619
(b) Bank balances other than cash and cash equivalents	9,395		9,395
(c) Receivables			
(i)Trade receivables	2,168		2168
(d) Loans	3,472		3,472
(e) Investments	6,666	7,336	14,002
(f) Other financial assets	1,195		1,195
Total Assets	**27,515**	**7,336**	**34,852**
Financial Liabilities			
(a) Trade Payables	1,909		1,909
(b) Borrowings	2,188		2,188
(c) Deposits	118		118
(d) Lease liabilities	721		721
(e) Other financial liabilities	175		175
Total Liabilities	**5,111**	-	**5,111**

Particulars	As at March 31, 2022		
	Amortised Cost	At Fair Value Through Profit & Loss	Total
Financial Assets			
(a) Cash and cash equivalents	9,831		9,831
(b) Bank balances other than cash and cash equivalents	7,697		7,697
(c) Receivables			
(i) Trade receivables	1,915		1,915
(d) Loans	3,583		3,583
(e) Investments	6,666	2,856	9,522
(f) Other financial assets	344		344
Total Assets	**30,037**	**2,856**	**32,893**
Financial Liabilities			
(a) Trade Payables	2,892		2,892
(b) Borrowings	0		0
(c) Deposits	127		127
(d) Other financial liabilities	1,281		1,281
(e) Lease liabilities	430		430
Total Liabilities	**4,730**	-	**4,730**

43.3.Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. The Company evaluates the significance of financial instruments and material accuracy of the valuations incorporated in the financial statements as they involve a high degree of judgement and estimation uncertainty in determining the carrying values of financial assets and liabilities at the balance sheet date. Fair value of financial instruments is determined using valuation techniques and estimates which, to the extent possible, use market observable inputs, but in some cases use nonmarket observable inputs. Changes in the observability of significant valuation inputs can materially affect the fair values of financial instruments. In determining the valuation of financial instruments, the Company makes judgements on the amounts reserved to cater for model and valuation risks, which cover both Level 2 and Level 3 instruments, and the significant valuation judgements in respect of Level 3 instruments.

Fair Value Hierarchy

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as explained below.

Assets and liabilities carried at fair value or for which fair values are disclosed have been classified into three levels according to the observability of the significant inputs used to determine the fair values. Changes in the observability of significant valuation inputs during the reporting period may result in a transfer of assets and liabilities within the fair value hierarchy. The Company recognises transfers between levels of the fair value hierarchy when there is a significant change in either its principal market or the level of observability of the inputs to the valuation techniques as at the end of the reporting period.

Level 1: Fair value measurements are those derived from unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2: Fair value measurements are those with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

Level 3: Fair value measurements are those where at least one input which could have a significant effect on the instrument's valuation is not based on observable market data.

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

Particulars	As at 31, March 2023	As at 31, March 2022	As at 31, March 2021	Fair Value Hierarchy
Financial Assets				
Liquid fund	-	4,302	3,500	Level 1
Equity Shares - Quoted	221	604	414	Level 1
Equity Index Funds	-	-	-	Level 1
Investments in Alternative Investment Fund	3,137	2,250	1,404	Level 2

There were no transfers between Level 1, Level 2 and Level 3 during the year.

Valuation Techniques

Equity instruments

The equity instruments that are actively traded on public stock exchanges are valued at readily available active prices on a regular basis. Such instruments are classified as Level 1.

Units held in funds having quoted market price are fair valued at Level 1. Others which are measured based on their net asset value (NAV) as on reporting date, taking into account redemption and/or other restrictions. Such instruments are generally Level 3.

Equity instruments in non-listed entities included investment in private equity funds are initially recognised at transaction price and re-measured (to the extent information is available) and valued on a case-by-case basis and classified as Level 2.

Valuation adjustments and other inputs and considerations

A one percentage point change in the unobservable inputs used in fair valuation of Level 3 financial assets does not have a significant impact in its value.

No valuation adjustments have been made to the prices/yields provided for valuation.

Other Financial Assets and Liabilities

With respect to Bank Balances and Cash and Cash Equivalents, Other Financial Assets, Trade Payables and Other Financial Liabilities, the carrying value approximates the fair value.

The fair value of other current financial assets, cash and cash equivalents, trade receivables, investments trade payables and other financial liabilities approximate the carrying amounts because of the short-term nature of these financial instruments. The amortized cost using effective interest

rate (EIR) of non-current financial assets consisting of security and term deposits are valued considering present value of expected payments and discounted using an appropriate discounting rate. Financial assets that are neither past due nor impaired include cash and cash equivalents, security deposits, term deposits, and other financial assets.

43.4. Financial Risk Management

Whilst risk is inherent in the Company's activities, it is managed through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating, regulatory and competition risks.

Risk Management Framework
The Company has a formal risk assessment program to proactively identify the risks and ensure all possible strategies to control & mitigate in pursuit of achieving the Company's objective. Every department is responsible for identification of their risks and putting it in their Risk Registers. The consolidated Risk Register is analysed at a Committee Level.

At present, the risks faced by the Company are broadly categorized as below:-
Credit Risk
Liquidity Risk
Market Risk

(A) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of our investments. Thus, our exposure to market risk is a function of investing and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

Interest rate risk
Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

(B) Liquidity risk

The Company's current assets aggregate to INR 17,954 (March 31, 2022 - INR 17,528) including current investments, cash and cash equivalents and bank balances against aggregate current liability INR 4,390 (March 31, 2022 INR 3,449) and non-current liabilities amounting to INR 721 (March 31, 2022 INR 1,281) on the reporting date. While the Company's total equity stands at INR 35,889 (March 31, 2022 INR 35,959), it has borrowing amounting to INR 2188 (March 31, 2022 - Nil). Hence liquidity risk or risk that the Company may not be able to settle or meet its obligations as they become due does not exist.

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at March 31, 2023

Particulars	Less than 3 Months	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years	Total carrying Value
Financial Assets						
(a) Cash and cash equivalents	4,619	-	-	-	-	4,619
(b) Bank balances other than cash and cash equivalents	3,084	2,199	2,941	1,171	-	9,395
(c) Receivables						
(i) Trade receivables	1,011	89	341	726	-	2,168
(d) Loans	3,472	-	-	-	-	3,472
(e) Investments	3,977	-	-	3,139	6,887	14,002
(f) Other financial assets	175	-	-	-	1,020	1,195
Total	**16,338**	**2,288**	**3,282**	**5,036**	**7,907**	**34,852**
Financial Liability						
(a) Trade payables	2	-	1,907	-	-	1,909
(b) Borrowings	2,188	-	-	-	-	2,188
(c) Deposits	-	-	-	118	-	118
(d) Lease liabilities	-	-	-	721	-	721
(e) Other financial liabilities	-	-	175	-	-	175
Total	**2,190**	**-**	**2,082**	**839**	**-**	**5,111**

(C) Credit risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash and cash equivalents, time deposits, and accounts receivables. The Company maintains its cash and cash equivalents, time deposits, with banks having good reputation, good past track record, and who meet the minimum threshold requirements under the counterparty risk assessment process, and reviews their credit-worthiness on a periodic basis. Accounts receivables of the Company are typically unsecured. As there is no independent credit rating of the customer available with the Company, Management reviews the creditworthiness of customers based on their financial position, past experience and other factors. The Company perform ongoing credit evaluations of their customers' financial condition and monitor the creditworthiness of their customers to which they grant credit terms in the normal course of business.

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of dealing with creditworthy counter parties as a means of mitigating the risk of financial loss from defaults. The exposure is continuously monitored.

Impairment Assessment

The references below show where the Company's impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the Summary of significant accounting policies. The Company has followed simplified method of ECL in case of Trade receivables and the Company recognises lifetime expected losses for all trade receivables that do not constitute a financing transaction. At each reporting date, the Company assesses the impairment requirements.

The Company recognised lifetime expected credit losses for financial instruments for which there have been significant increase in credit risk since initial recognition considering all reasonable and supportable information, including that of forward looking.

Definition of default
Based on the industry practices and business environment in which the entity operates, management considers that the trade receivables are in default if the payment is 180 days overdue.

Probability of Default
Probability of Default (PD) is an estimate of the likelihood of a default over a given time horizon.

Exposure at Default (EAD)
Exposure at Default (EAD) is the expected outstanding balance of the receivable at the point of default.

Loss given Default
Loss given Default (LGD) is the amount that would be lost in the event of a default.

Forward looking information
Considering this fact and considering that the inflation seems to be on the decline, the Company has assumed three scenarios as follows with the respective weights.

Scenario	As at 31, March 2023	Fair Value Hierarchy
1	2%	2%
2	0%	0%
3	10%	10%

Scenario 1: For each and every receivable all the buckets are bumped down by 2% and the ECL is computed as mentioned in the previous sections to arrive at the ECL. This scenario is given a weight of 10%.
Scenario 2: ECL computed without any change in any of the buckets. This scenario is given a weight of 50%.
Scenario 3: For each and every receivables all the buckets are bumped up by 5%/10% and the ECL is computed as mentioned in the previous sections to arrive at the ECL. This scenario is given a weight of 40%.

Expected credit loss is then computed based on all the three scenarios. ECL is adjusted with the appropriate weights assigned for each scenario and the weighted average ECL is arrived at as the ECL for the year. Further, due to uncertainty related to COVID-19, the company had recognized additional provision for ECL during FY 2019-20, FY 2020-21 & FY 2021-22 which is no longer considered necessary and reversed as part of the ECL model. As a result of the model uncertainties and the current uncertain macroeconomic situation, the Company have applied a management overlay approach to embed the expected impact that is not fully captured by the ECL models.

Write off policy
Financial Assets are written off either partially or in their entirety only when the company has no reasonable expectation of recovery.

Movement of Gross Exposures and impairment provision of the Financial Instruments

Particulars	Gross debtors	Provision
As at 31, March 2022	4,095	2,334
As at 31, March 2023	4,427	2,344

Definition of default
Based on the industry practices and business environment in which the entity operates, management considers that the trade receivables are in default if the payment is 180 days overdue.

Probability of Default
Probability of Default (PD) is an estimate of the likelihood of a default over a given time horizon.

Exposure at Default (EAD)
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Scenario	As at 31, March 2023	Fair Value Hierarchy
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2	0%	0%
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Expected credit loss is then computed based on all the three scenarios. ECL is adjusted with the appropriate weights assigned for each scenario and the weighted average ECL is arrived at as the ECL for the year. Further, due to uncertainty related to COVID-19, the company had recognized additional provision for ECL during FY 2019-20, FY 2020-21 & FY 2021-22 which is no longer considered necessary and reversed as part of the ECL model. As a result of the model uncertainties and the current uncertain macroeconomic situation, the Company have applied a management overlay approach to embed the expected impact that is not fully captured by the ECL models.

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Movement of Gross Exposures and impairment provision of the Financial Instruments

Particulars	Gross debtors	Provision
As at 31, March 2022	4,095	2,334
As at 31, March 2023	4,427	2,344

44. Maturity Analysis of Assets and Liabilities:

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

As on March 31, 2023

Particulars	Upto 12 Months	More than 12 Months	Total
Financial Assets			
(a) Cash and cash equivalents	4,619		4,619
(b) Bank balances other than cash and cash equivalents	8,224	1,171	9,395
(c) Receivables			-
(i) Trade receivables	1,442	726	2,168
(d) Loans	3,472		3,472
(e) Investments	3,977	10,025	14,002
(f) Other financial assets	175	1,020	1,195
Non-Financial Assets			-
(a) Current tax assets (net)		1,552	1,552
(b) Deferred tax asset (net)		175	175
(c) Property, plant and equipment		4,000	4,000
(d) Right of use		134	134
(e) Intangible assets under development		73	73
(f) Other Intangible assets		637	637
(g) Other non-financial assets	540	11	551
Total Assets	**22,449**	**19,524**	**41,973**
Financial Liabilities			
(a) Trade Payables	1,909	-	1,909
(b) Borrowings	2,188	-	2,188
(c) Deposits	118	-	118
(d) Lease liabilities	-	721	721
(e) Other financial liabilities	175	-	175
Non-Financial Liabilities			
(a) Provisions	594	-	594
(b) Other non-financial liabilities	379	-	379
Total Liabilities	**5,363**	**721**	**6,084**
Net	**17,086**	**18,803**	**35,889**

As at March 31, 2022

Particulars	Upto 12 Months	More than 12 Months	Total
Financial Assets			
(a) Cash and cash equivalents	9,831		9,831
(b) Bank balances other than cash and cash equivalents	7,697		7,697
(c) Receivables			
(i) Trade receivables	1,187	728	1,915
(d) Loans	3.584		3,584

Particulars	Upto 12 Months	More than 12 Months	Total
(e) Investments		9,522	9,522
(f) Other financial assets		344	344
Non-Financial Assets			
(a) Current tax assets (net)		3,345	3,345
(b) Deferred tax asset (net)		160	160
(c) Property, plant and equipment		3,525	3,525
(d) Right of use		1,152	1,152
(e) Intangible assets under development		47	47
(f) Other Intangible assets		93	93
(g) Other non-financial assets	3,583	-3,136	447
Total Assets	**25,882**	**15,779**	**41,661**
Financial Liabilities			
(a) Trade Payables	2,892	-	2,892
(b) Borrowings	0		0
(c) Deposits	-	127	127
(d) Other financial liabilities		1,281	1,281
(e) Lease liabilities	337	93	430
Non-Financial Liabilities			
(a) Provisions	298	276	574
(b) Other non-financial liabilities	398	-	398
Total Liabilities	**3,925**	**1,777**	**5,702**
Net	**21,957**	**14,002**	**35,959**

45. Struck off companies' details:

(Rs. In lakhs)

Name of the Struck off Company	Nature of transactions with Stuck off Company	Balance Outstanding as on 31.03.2023	Relationship with the struck off company, if any, to be disclosed
BP FOODS PRODUCTS PVT LTD	Receivables	6.80	-

46. With regard to the new amendments under "Division III of Schedule III" under "Part I – Balance Sheet - General Instructions for preparation of Balance Sheet" clauses WA, WB (i),(ii),(iii),(iv),(v),(vi),(viii),(x),(xii),(xiii),(xiv),(xv), (xvi), and Part II- Statement of Profit and Loss, under the heading "General Instructions for Preparation of Statement of Profit and Loss", clauses (v), (vii) the Company does not have any data/ information to disclose.

47. Code on Social Security, 2020:

The Code on Social Security, 2020 ('the Code') received presidential assent on 28th September, 2020. The Ministry of Labour and Employment, released the draft rules of the Code on 13th November, 2020, however, the date on which the Code will come into effect has not yet been notified. The Company will assess and record the financial impact of the Code in the period(s) when it becomes effective.

48. Previous year figures have been regrouped/ reclassified to confirm presentation as per Ind AS as required by Schedule III of the Act. The amounts reflected as "0" in the financial information are values with less than rupees one lakh.

As per our audit attached report of even date
For Shah Gupta & Co
Chartered Accountants
Firm Registration No: 109574W

Vedula Prabhakar Sharma
Partner
M. No. 123088
UDIN: 23123088BGVVVF7235

Place: Mumbai
Date: June 21, 2023

For and on behalf of the Board

Rakesh Sharma
Chairman
DIN: 06846594

Kamal Kant Upadhyay
Managing Director & CEO
DIN: 01557185

Dattatraya Bhosale
Chief Financial Officer

Christina D'Souza
Company Secretary
M. No. ACS18781

Maharashtra Defence and Aerospace Venture Fund

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NSDL DP id : IN300079. ARN No : 0893, CIN no.:U65990MH1993GOI075578

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