

# Building Trust, Delivering Value.



**Annual Report  
2023-24**

# Full Bouquet of Investment Banking Services



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## Board of Directors



**Mr. Rakesh Sharma**  
Chairman

(DIN: 06846594)



**Mr. Arun Kumar Bansal \***  
Director

(DIN: 08425582)



**Ms. Uma Shankar \*\***  
Independent Director

(DIN: 07165728)



**Ms. Lalitha Rameswaran**  
Independent Director

(DIN: 02326309)



**Mr. Basant Seth**  
Independent Director

(DIN: 02798529)



**Mr. Arun Mehta \*\*\***  
Additional Director  
Independent Category  
(DIN: 08674360)  
w.e.f. March 22, 2024



**Mr. Kamal Kant Upadhyay**  
MD & CEO

(DIN: 01557185)

\* Resignation w.e.f. June 25, 2024

\*\* Expiry of Term as Independent Director w.e.f. May 21, 2024

\*\*\* Appointment to be ratified at the ensuing AGM.

# Committees of the Board

## Audit Committee

- Ms. Lalitha Rameswaran (Chairperson of the Committee)
- Ms. Uma Shankar\*
- Mr. Arun Kumar Bansal\*\*

## Nomination and Remuneration Committee

- Mr. Basant Seth (Chairman of the Committee)
- Ms. Lalitha Rameswaran
- Mr. Arun Kumar Bansal\*\*

## Corporate Social Responsibility Committee

- Ms. Uma Shankar (Chairperson of the Committee)\*
- Mr. Basant Seth
- MD & CEO

## Risk Management Committee

- Ms. Uma Shankar (Chairperson of the Committee)\*
- Ms. Lalitha Rameswaran
- Mr. Arun Kumar Bansal\*\*
- MD & CEO

\* Expiry of term as Independent Director w.e.f. May 21, 2024

\*\*Resignation w.e.f. June 25, 2024

## KMPs and Auditors of the Company

### Chief Financial Officer

Mr. Dattatraya Bhosale\*

Mr. Pradeep Salunke\*\*

### Chief Risk Officer

Mr. Satish Katkade

### Company Secretary

Ms. Amruta Lad

### Compliance Officer

Mr. Pushkar Vartak

### Statutory Auditors

M/s. V.C Shah & Co.  
Chartered Accountants  
205-206, Regent Chambers,  
2nd floor, Jamnalal Bajaj Road,  
208, Nariman Point  
Mumbai - 400021.

### Internal Auditors

M/s. Parekh Shah & Lodha  
Chartered Accountants  
BKC Centre, 31-E,  
Laxmi Industrial Estate,  
New Link Road,  
Andheri (West),  
Mumbai – 400 053.

## Company Information

### Bankers

IDBI Bank Limited

HDFC Bank Limited

Federal Bank Limited

Axis Bank Limited

### Registered Office

6th Floor, IDBI TOWER, World Trade Centre, Cuffe Parade, Mumbai - 400 005.

CIN: U65990MH1993GOI075578

Email id: [info@idbicapital.com](mailto:info@idbicapital.com)

Website: [www.idbicapital.com](http://www.idbicapital.com)

Trading Portal: [www.idbidirect.in](http://www.idbidirect.in)

\*Resigned w.e.f. May 15, 2024

\*\*Appointed w.e.f. May 21, 2024

# Message from the Managing Director and CEO



Dear Shareholders,

It gives me immense pleasure to place before you the highlights of your Company's performance for the financial year 2023-24, a year in which the Company successfully turned around its operations and delivered a strong performance.

The Gross Revenue earned by your Company during the year amounted to ₹123.17 crore, registering a healthy growth of 25.54% over the previous financial year. The Profit after Tax (PAT) of ₹14.38 crore, recorded during the year reflects a significant growth of 97.8% over FY 2022-23. All business segments of your Company reported operating profit during the year under report.

During FY 2023-24, the Indian Stock Market witnessed a strong rally, surging nearly 25% and marking multiple record highs. India's Sensex was one of the best performing index amongst world's major indices. The stock market rally was largely driven by relatively low float mid and small cap stocks along with a combination of improving macroeconomic indicators, declining inflation rates, strong inflows from both foreign and domestic investors. The RBI's prospective interest rate cut in Q2'FY 2024-25 is expected to further support this momentum, potentially enhancing the FII inflows, fuelling growth in Indian stock markets.

Going forward, movement in global equity indices will closely track the timing and quantum of rate cuts by major Central Banks (Fed, BoE & ECB). Besides, volatile geo-political tensions in the Middle East and the climate conditions (impacting food supply chains) may impact global commodity prices and inflation.

In the light of the above, your Company believes that outstanding workmanship, superior compliance controls, continuous development of our professional skills and focussed business efforts can only bring about the desired results and its goal of achieving higher level of customer satisfaction.

The Financial Year 2023-24 has been a rewarding year for the Company's Equity Capital Market Segment as the Company's categorisation got up-graded by two notches to A++ category (highest category) by DIPAM for empanelment as Merchant Bankers-cum-Selling Brokers (MBSBs) for the divestment mandates in CPSEs. During the year, the Company acted as left lead for the IPO of IREDA which was oversubscribed 27 times, thus becoming the second most successful PSU listing in the last 10 years. Besides, during the year, your Company acted as (i) Left Lead for the 2nd QIP round of Bank of India (₹4,500 Crs), (ii) Left Lead for the QIP of Union Bank of India (₹ 3,000 Crs), (iii) Left Lead for the 2nd tranche of QIP of Bank of Maharashtra (₹ 1,000 Crs) (iv) Sole Lead Manager to the Rights Issue of HCC Limited, (v) Selling Broker for the OFS transactions of IRCON (₹ 1,200 Crs), HUDCO (₹ 1,050 Crs) and RVNL (₹ 1,366 Crs). The Capital Market Segment continues to strengthen its business development efforts during the current year and has successfully bagged few mandates for large and mid size IPOs and QIPs and is in various stages of discussion with several corporates for getting mandates for their IPOs, QIPs, Rights Issue, Buybacks, etc.

In the M&A space, the Company completed acquisition advisory engagements for an engineering PSU and an ARC apart from undertaking 6 valuations engagements.

The Debt Syndication, Resolution & Advisory Segment secured several mandates from well rated corporates in diversified sectors like Power, EPC, Financial Services and Oil & Gas. Additionally, under the Advisory space, the Company secured several Project Financial Appraisal mandates from few large PSUs and Private clients including a complex and high fee mandate from SAIL. Under the Debt Resolution space, your company secured several mandates to act as Process Advisors on behalf of various Banks for assignment of their Debt to ARCs, which were successfully executed.

In the Debt Capital Markets Segment, your Company maintained its position at no. 11 in the Prime League Table for NCDs issuance (aggregate issuances ₹ 1,72,000 Crs) and at no. 9 (mobilized ₹ 15,000 Crs) in the Prime League Table for placement of CPs for highly rated Indian Corporates. During the year, the Group also successfully placed NCDs of few NBFCs.

Revenue of Retail Brokerage Segment grew by 40% during the year in line with the bullish market trend in Large & Mid-cap stocks. The Retail broking team is working on enhancing the client base and improving the coverage of digital offerings to the clients. Institutional Broking Segment revenue grew by 22% during the year. The team is working in collaboration with our Research team on deepening business with existing clients so as to garner larger share of business from these clients. Besides, the team is also focussing on empanelment with new clients to further increase its client base.

The Company also acts as Investment Manager and Contributor to two SEBI-registered Alternative Investment Funds (AIFs) : Maharashtra Defence and Aerospace Venture Fund (MDAVF), a Category II AIF, an on-going fund and Maharashtra Innovation and Technological Development Fund (MITDF), a Category I AIF. The initial close of the MITDF Fund was announced on Sept. 13, 2023, and investments under this fund is likely to commence in the current year.

Besides, the Company is also acting as Project Advisor for the Bharat Ratna Dr. Babasaheb Ambedkar Investment Fund. Looking ahead, IDBI Capital plans to establish a new AIF in the current financial year, aiming to expand its Assets under Management and the fee income from this segment.

Commitment to transforming challenges into opportunities and client satisfaction, forms the basis of our philosophy, our theme is Envision, Evolve and Excel. To achieve these principles, the Company is fully committed to fulfil its corporate responsibilities, including enhancing its conformity with business ethics and its aim to be a reliable and trustworthy investment banking and broking entity.

Going forward, the Company's continued and enhanced commitment towards business growth, compliance and customer service will enable it to perform even better 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. I express my special gratitude to the Company Chairman, Mr. Rakesh Sharma, for his steadfast support and motivation to reach for greater achievements.

I would also like to extend my sincere gratitude to the Comptroller and Auditor General of India (C&AG), SEBI, RBI, BSE, NSE, MCX, CDSL, NSDL and other institutions, as well as our partner banks and stakeholders, for their continued support. The Company would continue to aim at managing the mutual interests of all its stakeholders.

I also wish to thank all members of the IDBI Capital team and all our Business Associates for their contribution to the Company's success. Our colleagues at IDBI Bank also deserve recognition for their business co-operation and support. Finally and above all, our Customers/Clients remain the bedrock of our success and we are incredibly appreciative of their unwavering trust and support.

**With best wishes,  
Kamal Kant Upadhyay  
MD & CEO**

## GLIMPSES FROM THE PAST YEAR

CSR Initiative – Dignity Foundation Transport facility –Dementia Patients



CSR Initiative – Surul Suprity Society, Setting up a 15 KW On Grid Solar Power Plant



CSR Initiative – Waste Warriors five-seater four-wheeler Vehicle for solving the waste management crisis.



## GLIMPSES FROM THE PAST YEAR

Strategy Outbound Meeting



## **NOTICE OF THE THIRTY FIRST (31<sup>st</sup>) ANNUAL GENERAL MEETING**

**NOTICE** is hereby given that the Thirty First (31<sup>st</sup>) Annual General Meeting of the Members of IDBI Capital Markets & Securities Limited will be held at the Registered Office at 6<sup>th</sup> Floor, IDBI Tower, WTC Complex, Cuffe Parade, Colaba, Mumbai – 400 005, on Monday, September 30, 2024 at 12:00 Noon (IST) through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”) to transact the following business:

### **A. ORDINARY BUSINESS:**

#### **1. ADOPTION OF AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024**

To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2024, together with the Statement of Profit & Loss for the year ended on that date, Cash Flow Statement and the Reports of the Board of Directors and Auditors thereon and the comments of the Comptroller and Auditor General of India under Section 143(6) of the Companies Act, 2013 and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution with or without any modification(s):

“**RESOLVED THAT**, the Audited Financial Statements of the Company for the Financial Year ended March 31, 2024, together with the Statement of Profit & Loss for the year ended as on that date, Cash Flow Statement and the Reports of the Board of Directors and Auditors thereon and the comments of the Comptroller and Auditor General of India under Section 143(6) of the Companies Act, 2013, be and are hereby received, considered and adopted by the Members of the Company.”

#### **2. RE-APPOINTMENT OF A DIRECTOR BY ROTATION**

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 THE STATUTORY AUDITOR AND FIXING THEIR REMUNERATION FOR THE F.Y.2024-25**

To appoint the Statutory Auditor and fix their remuneration and, in that behalf, to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

"**RESOLVED THAT** appointment of M/s. V C Shah and Co. Chartered Accountants (Firm Reg. 109818W), as the 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 2024–25, be and is hereby noted.

**RESOLVED FURTHER THAT** approval of the Members of the Company be and is hereby accorded for the payment of remuneration of Rs. 8,00,000/- (Rupees Eight Lakh only) (excluding GST) to M/s. V C Shah and Co. Chartered Accountants (Firm Reg. 109818W), the Statutory Auditors for the Financial Year 2024-25.

**RESOLVED FURTHER THAT** the Board of Directors of the Company, be and are hereby authorized to revise the remuneration payable, if any to the Statutory Auditors of the Company for the Financial Year 2024–25, and to intimate the Comptroller and Auditor General of India, as may be required.”

#### **B. SPECIAL BUSINESSES:**

#### **4. APPOINTMENT OF MR. SUMIT PHAKKA (DIN: 08259618) AS DIRECTOR (DESIGNATED) OF THE COMPANY**

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

“**RESOLVED THAT** Mr. Sumit Phakka (DIN: 08259618), who was appointed as an Additional Director (Nominee of IDBI Bank) of the Company with effect from July 31, 2024 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, be and is hereby appointed as Director (Designated) 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.”

#### **5. APPOINTMENT OF MR. ARUN MEHTA (DIN: 08674360) AS INDEPENDENT DIRECTOR OF THE COMPANY:**

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

“**RESOLVED THAT** Mr. Arun Mehta (DIN: 08674360), 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, be and is hereby appointed as Director of the Company in the Independent Category.

**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. Arun Mehta (DIN: 08674360), 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 March 22, 2024 upto March 21, 2027.

**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. RELATED PARTY TRANSACTION WITH IDBI INTECH LIMITED, ASSOCIATE COMPANY.**

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

**"RESOLVED THAT** pursuant to the Section 188 of the Companies Act, 2013 ('Act'), read with applicable rules, if any, the approval of the Members be and is hereby accorded to the Board of Directors of Company to continue with the existing contract with IDBI Intech Limited, an associate company, a related party of the Company for availing its services to manage IT related activities of the Company ("Services").

**RESOLVED FURTHER THAT,** the approval of the Members be and is hereby accorded to the Board of Directors of Company to enhance the annual engagement/support fees from Rs. 1.90 Crore per annum to Rs. 2.15 Crore per annum effective from October 01, 2024 to be paid to IDBI Intech Limited, an Associate Company towards the said Services.

**RESOLVED FURTHER THAT** the Board, be and is hereby authorised, to do and perform all such acts, deeds, matters and things, as may be necessary, including finalising the terms and conditions, in respect thereof and finalising and executing necessary documents, including Service level Agreement (SLA) and Master Service Agreement (MSA) and such other documents, to give effect to this resolution.

**RESOLVED FURTHER THAT** all actions taken by the Board or any person so authorized by the Board, in connection with any matter referred to or contemplated in any of the foregoing resolutions, be and are hereby approved, ratified and confirmed in all respects.”

**Place: Mumbai**

**Date: September 24, 2024**

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

**Sd/-  
Amruta Lad  
Company Secretary**

**Registered Office:**

6<sup>th</sup> Floor, IDBI Tower, WTC Complex,  
Cuffe Parade, Mumbai – 400 005.

Tel: 91 22 4069 1700

Fax: 91 22 4069 1787

CIN: U65990MH1993GOI075578

Website: <http://www.idbicapital.com>

Email: [cs@idbicapital.com](mailto:cs@idbicapital.com)

## NOTES:

- i. The Ministry of Corporate Affairs (“MCA”) has vide its general circular Nos.09/2023 dated September 25, 2023 read with circulars dated May 5, 2020, April 8, 2020 , April 13, 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](mailto: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 for FY 2023-24 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 for FY 2023-24 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. SUMIT PHAKKA (DIN: 08259618) AS DIRECTOR OF THE COMPANY

The members are informed that pursuant to IDBI Bank letter ref. no. FAD/SAIC/ICMS/2024-25/22 dated July 22, 2024, the Board of Directors of the Company at their meeting held on July 31, 2024, appointed Mr. Sumit Phakka (DIN: 08259618) as an Additional Director (Nominee of IDBI Bank Ltd.) of the Company with effect from July 31, 2024. Mr. Sumit Phakka (DIN: 08259618), 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. Sumit Phakka (DIN: 08259618) Deputy Managing Director of IDBI Bank Ltd, is B.Com, MBA in Finance & CAIIB. He is a senior banking professional with almost 30 years of experience in State Bank of India (SBI) in various capacities and geographies, viz., New Delhi, Chandigarh, Mumbai, Toronto with substantial exposure to branch banking and credit delivery to small and medium enterprises. He was working as Chief General Manager in SBI, New Delhi wherein he was primarily responsible for business growth of mid-corporate advances and ensuring portfolio quality. He had earlier worked as General Manager of Network 1 at Chandigarh where he headed the largest retail network of SBI branches (865 branches with total balance sheet size of Rs. 1.71 lakh crore) with 3 administrative and 18 regional offices spread across the state of Punjab. He has also worked in various scales in Corporate Accounts Group in Mumbai and is experienced in branch banking, mobilization of retail resources as well as credit delivery in sectors like Retail, Agriculture, MSME, Recovery, etc. He was the Vice President (credit) at SBI's Canadian Operations for five years where he managed the corporate credit portfolio of the Bank in Canada, which included marketing for new deals including bilateral deals and syndicate advances as well as India based deals and maintaining credit quality.

The other organizations where Mr. Sumit Phakka is Chairman / Director are:

Other Directorships are: Organization Name	Position Held/Nature of Interest	Shareholding	Date of which interest occurred
IDBI Bank Limited	Whole Time Director	NIL	July 15,2024

Mr. Sumit Phakka (DIN: 08259618) does not receive any remuneration, benefits, or commission from the Company, except sitting fees which are credited to IDBI Bank Ltd.

Mr. Sumit Phakka (DIN: 08259618) does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Mr. Sumit Phakka (DIN: 08259618) after his appointment as the Additional Director attended the following meetings up to September 24, 2024.

Number of Board Meetings held after appointment	Number of Board Meetings Attended*
1	1

Considering the rich experience, vast knowledge about financial industry and other areas, the Board recommends the Resolution, in relation to appointment of Mr. Sumit Phakka (DIN: 08259618) (Nominee of IDBI Bank Limited), for the approval by the Members of the Company by way of an Special Resolution as set out in Item No. 4 of this Notice.

**ITEM NO 5: APPOINTMENT OF MR. ARUN MEHTA (DIN 08674360) AS INDEPENDENT DIRECTOR OF THE COMPANY**

Mr. Arun Mehta (DIN: 08674360) was inducted as an Additional Director (Independent Category) on the Board of Directors of the Company by Resolution passed in the meeting held on March 22, 2024.

In terms of Section 161 of the Companies Act, 2013, Mr. Arun Mehta (DIN: 08674360) holds office only up to the date of this Annual General Meeting of the Company but is eligible for re-appointment as a Director (Independent Category).

A written Notice pursuant to Section 160 of the Companies Act, 2013, has been received from a member/Director signifying intention to propose Mr. Arun Mehta (DIN: 08674360) as a candidate for the office of Director of the Company.

The Board has also recommended the appointment of Mr. Arun Mehta (DIN: 08674360) as an Independent Director.

Mr. Arun Mehta (DIN: 08674360), being eligible, has offered himself for appointment as an Independent Director. The Nomination and Remuneration Committee has also recommended the appointment of Mr. Arun Mehta (DIN: 08674360) as an Independent Director.

The other organizations where Mr. Arun Mehta (DIN: 08674360) is Chairman / Director are:

Other Directorships are Organization Name	Position Held/Nature of Interest	Shareholding	Date of which interest occurred
AXIS Trustee Services Limited	Independent Director	Nil	24/06/2024

Mr. Arun Mehta (DIN: 08674360) 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. Arun Mehta (DIN: 08674360) 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. Arun Mehta (DIN: 08674360) setting out the terms and conditions of appointment would be available for inspection if demanded by the Members vide email to [cs@idbicapital.com](mailto:cs@idbicapital.com) during normal business hours on any working day, excluding Saturday.

Accordingly, the Board recommends Members to approve the appointment of Mr. Arun Mehta (DIN: 08674360), as an Independent Director.

Except Mr. Arun Mehta (DIN: 08674360) 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.5.

**ITEM NO 6: RELATED PARTY TRANSACTION WITH IDBI INTECH LIMITED, ASSOCIATE COMPANY**

The Company utilizes the services of IDBI Intech Limited, an Associate Company/ a related party, to manage its IT related activities. IDBI Intech Limited has sought revision in the annual engagement / support fees from present Rs. 1.90 crore p.a. to Rs. 2.15 crore p.a.

Accordingly, It is proposed to consider the revision in annual engagement fees from Rs.1.90 crore p.a. to Rs. 2.15 crore p.a. annually, effective from October 01, 2024.

**Place: Mumbai**

**Date: September 24, 2024**

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

**IDBI Capital Markets & Securities Limited**

**Sd/-  
Amruta Lad  
Company Secretary**

**Registered Office:**

6<sup>th</sup> Floor, IDBI Tower, WTC Complex,  
Cuffe Parade, Mumbai – 400 005.

Tel: 91 22 4069 1700 Fax: 91 22 4069 1787

CIN: U65990MH1993GOI075578

Website: <http://www.idbicapital.com>

Email: [cs@idbicapital.com](mailto:cs@idbicapital.com)

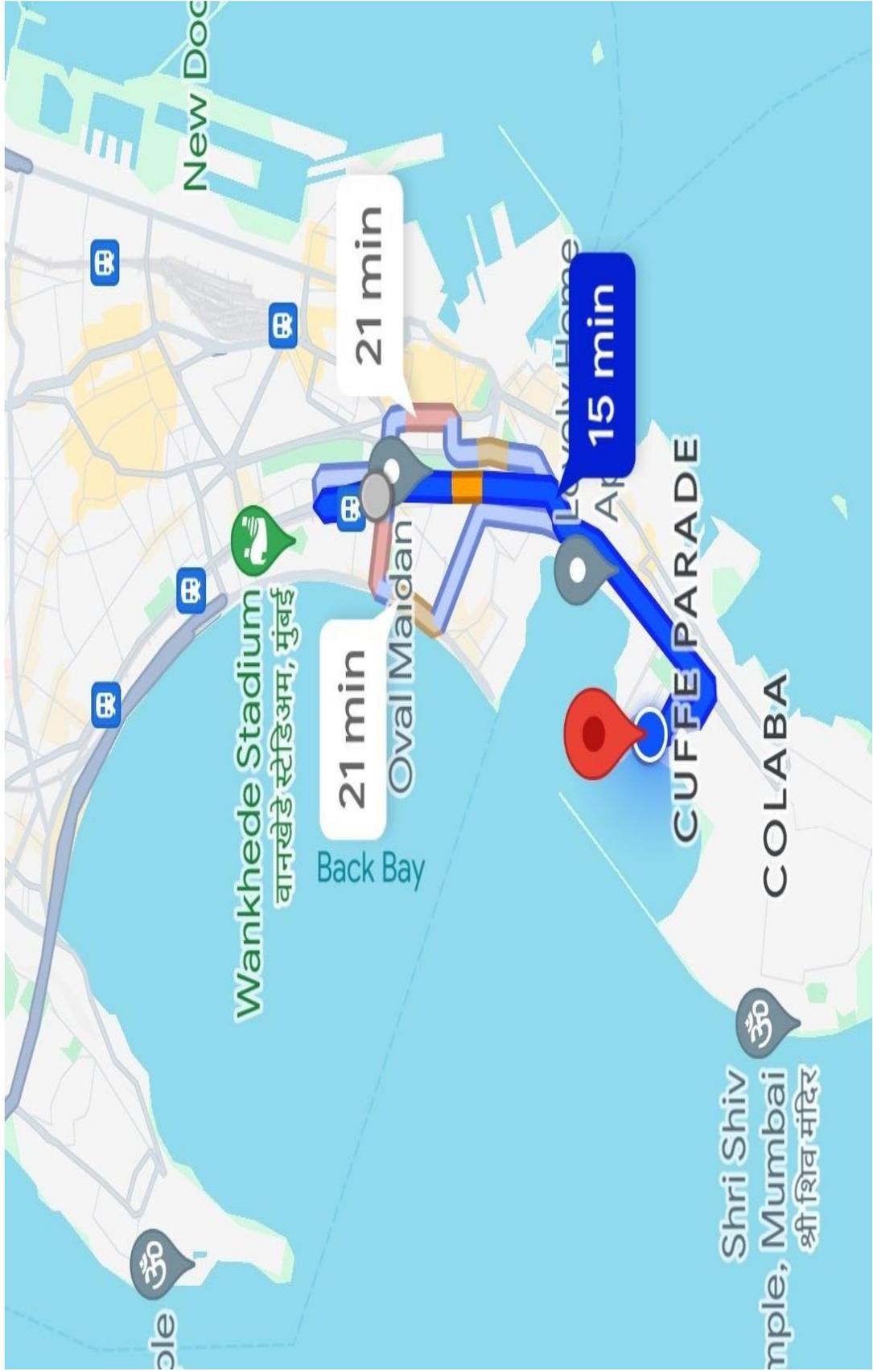
**Details of Directors (as on 31<sup>st</sup> March, 2024) seeking appointment/re-appointment as required under Secretarial Standards on General Meetings:**

<b>Name</b>	<b>Mr. Rakesh Sharma</b>	<b>Mr. Sumit Phakka</b>	<b>Mr. Arun Mehta</b>
<b>DIN</b>	06846594	08259618	08674360
<b>Date of Birth</b>	2 <sup>nd</sup> July, 1958	18 <sup>th</sup> January, 1969	10 <sup>th</sup> July 1962
<b>Age</b>	65 years	55 years	62 years
<b>Qualifications</b>	Post Graduate in Economics, CAIIB	Bcom, MBA Finance, CAIIB	Post Graduate in Economics and a Certified Associate of the Indian Institute of Bankers.
<b>Experience</b>	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	Mr. Sumit Phakka (DIN: 08259618) is Deputy Managing Director is B.Com, MBA in Finance & CAIIB. He is a senior banking professional with almost 30 years of experience in State Bank of India (SBI) in various capacities and geographies, viz., New Delhi, Chandigarh, Mumbai, Toronto with substantial exposure to branch banking and credit delivery to small and medium enterprises. He is presently working as Chief General Manager in SBI, New Delhi wherein he is primarily responsible for business growth of mid-corporate advances and ensuring portfolio quality. He had earlier worked as General Manager of Network 1 at Chandigarh where he	Mr. Arun Mehta (Independent Category) (DIN: 08674360) has 38 years of experience which includes Corporate Banking (Mid as well as Large Corporates), International Banking, Loan Syndication, Structured Finance, Equity Capital Markets and Debt Capital Markets. He is Post Graduate in Economics and a Certified Associate of the Indian Institute of Bankers. He also has considerable international Exposure due to his stint in Hong Kong, handling Loan Syndications and also having headed the Merchant Banking role (for ECBs and FCTLs) in SBI. He has held the position of MD & CEO of SBI Capital Markets, the investment

Name	Mr. Rakesh Sharma	Mr. Sumit Phakka	Mr. Arun Mehta
	<p>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 &amp; Western UP, banking operations in International Banking Group, credit assignments in specialized branches/ administrative offices, etc.</p>	<p>headed the largest retail network of SBI branches (865 branches with total balance sheet size of Rs. 1.71 lakh crore) with 3 administrative and 18 regional offices spread across the state of Punjab. He has also worked in various scales in Corporate Accounts Group in Mumbai and is experienced in branch banking, mobilization of retail resources as well as credit delivery in sectors like Retail, Agriculture, MSME, Recovery, etc. He was the Vice President (credit) at SBI's Canadian Operations for five years where he managed the corporate credit portfolio of the Bank in Canada, which included marketing for new deals including bilateral deals and syndicate advances as well as India based deals and maintaining credit quality.</p>	<p>banking arm of SBI. He was also the Non-Executive Chairman of, SBICAP Securities Ltd (Retail Broking Arm), SBICAP Ventures Ltd and SBICAP Trustee Company Limited. He was a Non-Executive Director in Investec Capital Services India Private Limited. His other senior level assignments include Financial Control (Performance, ALM and Equity/Additional Tier 1 debt raising) and Chairing the Credit Committee for Mid Corporates.</p>
Date of first appointment on Board	February 21, 2019	July 31, 2024	March 22, 2024
Shareholding in the	Nil	Nil	Nil

<b>Name</b>	<b>Mr. Rakesh Sharma</b>	<b>Mr. Sumit Phakka</b>	<b>Mr. Arun Mehta</b>
Company			
Relationship with other Directors, Manager and Key Managerial Personnel	Nil	Nil	Nil
Number of Board Meetings attended during the year 2023-24	7 of 7	Nil	1/1
Directorships held in other Companies (except Foreign Companies)	1. IDBI Bank Limited – Managing Director & CEO 2. IDBI Intech Limited – Additional Director	IDBI Bank Limited-Whole Time Director	Axis Trustee Services Limited – Independent Director
Terms and conditions of appointment / reappointment	Non-executive Director liable to retire by rotation	Non-executive Director liable to retire by rotation	Independent Director not liable to retire by rotation for a period of 3 years.

Road Map for 31<sup>st</sup> Annual General Meeting Venue of IDBI Capital Markets & Securities Limited scheduled to be held on Monday, September 30, 2024 at 12.00 P.M at the Registered office of the Company situated at 6<sup>th</sup> Floor, IDBI Tower, WTC Complex, Cuffe Parade, Mumbai – 400005



## 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, 2024.

#### 1. FINANCIAL HIGHLIGHTS

Your Company has achieved gross revenue of ₹123.17 crore as against gross revenue of ₹98.11 crore registered in FY 2022-23, registering a healthy growth of 25.54% over previous financial year. Your Company has reported Profit after Tax (PAT) of ₹14.38 crore as against PAT of ₹7.27 crore in the previous financial year, recording a significant growth of 97.8%. All business segments of the Company reported operating profit during the year under report.

The financials of the Company for the year ended March 31, 2024, with comparative figures for the previous financial year are presented in the table below :

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
	(₹ in lakh)	
Revenue from Operations	11,717	8,943
Other Income	600	868
<b>Total Income</b>	<b>12,317</b>	<b>9,811</b>
<b>Expenses</b>		
Finance Cost	406	134
Net loss on fair value changes	-	75
Impairment of Financial Instruments	788	44
Operating expenses	2,621	2,472
Employee Benefit Expenses	4,534	4,083
Depreciation & Amortisation Expenses	1,107	949
Other expenses	1,176	989
<b>Total Expenses</b>	<b>10,632</b>	<b>8,746</b>
Profit/ (Loss) before Exceptional items and Tax	1,685	1,065
Exceptional Items	-	-
<b>Profit Before Tax</b>	<b>1,685</b>	<b>1,065</b>
Total Tax Expenses	247	338
<b>Profit / (Loss) for the Year</b>	<b>1,438</b>	<b>727</b>
<b>Total Other Comprehensive Income</b>	<b>23</b>	<b>(28)</b>
<b>Total Comprehensive Income for the Year</b>	<b>1,461</b>	<b>699</b>

## **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 proposes to utilize the cash accruals towards its future business growth and hence it has not proposed any dividend for the FY 2023-24.

## **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**

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** (PART B).

## **7. FINANCIAL STATEMENTS**

The Financial Statements of your Company for the FY 2023-24 have been prepared in compliance with applicable provisions of the Companies Act, 2013 read with the Rules issued thereunder and applicable Accounting Standards.

## 8. ECONOMIC REVIEW

The global economy remained resilient in FY 2023-24 despite higher interest rates in major economies. However, challenges such as escalating geopolitical conflicts, including attacks in the Red Sea and slow international trade have hindered global economic advancement during the year. While increase in funding costs has not significantly impacted global growth, persistent inflationary pressures have caused concerns in the market. The Federal Reserve has expressed apprehension about higher inflation levels and has adopted a largely patient approach regarding expected interest rate cuts.

Against this uncertain global economic backdrop, the Indian economy sustained its robust growth trajectory in FY 2023-24, supported by enhanced economic fundamentals. Fiscal consolidation, manageable current account deficit, relatively stable exchange rate and healthy level of forex reserves, all contributed to this momentum. Additionally, notable features of the Indian economy in FY 2023-24 included significant deleveraging by major corporates, well-capitalized bank balance sheets and accelerated capital expenditure in critical sectors such as infrastructure, defence, and power.

The Indian economy expanded with an impressive growth rate of 8.2% in FY 2023-24, surpassing market expectations and outperforming the 7% growth recorded in FY 2022-23. Notably, this growth figure exceeds MOSPI's (Ministry of Statistics and Programme Implementation) second advance estimate of 7.6% released in February 2024. Throughout the year, the growth forecast saw repeated upward revisions, fuelled by stronger than anticipated quarterly growth figures. Driving this expansion were resurgent manufacturing, robust growth in construction (both sectors expanding at 9.9%), and a surge in mining activities (7.1%), despite sluggish performance in primary sectors and a slowdown in key services. India retained its position as the world's fastest-growing major economy in FY 2023-24. India's economic output reached US \$3.5 trillion, setting the stage for achieving the ambitious US \$5 trillion target in the coming years.

Despite a moderation in CPI inflation during FY 2023-24, sporadic shocks in vegetable prices led to considerable volatility in overall food inflation levels. However, consistent downward trajectory of core inflation throughout the fiscal year provided some comfort to the Central Bank. The RBI has consistently emphasized its policy objective of maintaining headline inflation at 4% on a sustained basis. As a result, following a 250 basis point hike in the policy repo rate between May, 2022 to June, 2023 the RBI maintained a steady stance, keeping the policy repo rate at 6.50% and adhering to a stance of withdrawal of accommodation throughout FY 2023-24.

India's external sector demonstrated enhanced resilience, with several indicators of external vulnerability maintaining robust positions. According to the RBI, the Indian rupee displayed exceptional stability in FY 2023-24 compared to other major economies, exhibiting low volatility over the past three years. This stability underscores India's strong macroeconomic fundamentals and improved external standing. Conversely, India's foreign exchange reserves reached a record high of US \$645.6 billion as on March 29, 2024.

In FY 2023-24, Foreign Portfolio Investors (FPIs) injected over ₹1.21 lakh crore into India's debt market, marking the highest inflow since FY 2014-15, when their contribution was ₹1.30 lakh crore. The inclusion of Indian bonds in two key indices, JP Morgan's Government Bond Index-Emerging Markets (GBI-EM) and Bloomberg Emerging Market (EM) Local Currency Government Index, has the potential to attract billions of dollars in foreign investment to the Indian Debt markets. This influx of capital could potentially lead to decrease in Indian bond yields and strengthen the rupee in the future.

## **9. INDIAN EQUITY MARKETS DURING FY 2023-24**

India's leading stock market indices, namely Sensex and Nifty, concluded FY 2023-24 with notable gains, mirroring a broader uptrend observed in global equities. Sensex surged by 24.9%, trailing only behind Nikkei (44%) and S&P 500 (27.9%). This upward trajectory was fueled by extensive buying across diverse sectors, despite challenges such as the rupee's depreciation impacting market sentiment and occasional inflationary shocks. Power, defence, railway, auto, realty and metal shares witnessed heavy buying from investors.

Domestic mutual fund investors have consistently displayed their confidence in equity schemes, maintaining net buyer positions for 36 consecutive months. Foreign Portfolio Investors (FPIs) also turned net buyers in Indian equities with investments totaling ₹2.08 lakh crore, marking the second-largest FPI inflow into Indian stocks since the rebound from the Covid-19 market downturn. In contrast, FPIs experienced net outflows of ₹43,900 crore in FY 2022-23. FPIs net inflow into India in FY 2023-24 was highest among Asian (ex-Japan) economies. Other major economies such as Germany and China witnessed net outflows during the same period. The cumulative FPI inflow into Indian capital markets for FY 2023-24 reached ₹3.39 lakh crore, encompassing equities, debt, debt VRR (Voluntary Retention Route), and hybrid investments.

All indices demonstrated positive returns in FY 2023-24. Sectors that outperformed the Sensex included Utilities, Power, Capital Goods, Realty, Auto, Defence, Railway, Telecom and Healthcare, while sectors where returns were lower than the Sensex were Banks and FMCG.

				Change over last year		Change over last year's Low	
	Mar-23	Mar-24	Year's Low	YoY	%	YoY	%
Sensex	58,992	73,651	51,360	14,660	24.9	22,291	43.4
FMCG	16,487	19,318	13,264	2,831	17.2	6,055	45.6
Healthcare	21,884	35,053	21,006	13,169	60.2	14,047	66.9
IT	28,479	35,645	27,123	7,166	25.2	8,522	31.4
Telecom	1,501	2,496	1,477	995	66.3	1,019	69.0
BSE Utilities	2,822	5,442	2,544	2,620	92.8	2,898	113.9
AUTO	28,247	49,142	23,176	20,895	74.0	25,967	112.0
BANKEX	46,032	53,515	37,608	7,483	16.3	15,908	42.3
CAPITAL GOODS	34,370	60,943	24,690	26,573	77.3	36,253	146.8
CONSUMER DURABLES	37,629	52,277	33,782	14,648	38.9	18,494	54.7
METAL	19,185	28,196	15,027	9,011	47.0	13,169	87.6
OIL & GAS	17,383	27,644	16,600	10,261	59.0	11,044	66.5
POWER	3,606	6,702	3,267	3,096	85.9	3,435	105.1
REALTY	3,102	7,108	2,952	4,007	129.2	4,157	140.8

	FII (₹ bn)	DII (₹ bn)	FII (USD Mn)	DII (USD Mn)
FY 2023	-439	2,562	-5,971	32,168
FY 2024	2,082	2,098	25,267	25,261

## 10. PERFORMANCE OF THE COMPANY

During the past year, your Company has improved its performance with all business segments recording operating profit. The performance of your Company has been detailed in the paragraphs below:

### a) INVESTMENT BANKING

The Indian stock market witnessed an exceptional rally during the FY 2023-24, surging nearly 30% and marking multiple record highs. The stock market rally was largely driven by relatively low float

stocks along with a combination of improving macroeconomic indicators, declining inflation rates, strong inflows from both foreign and domestic investors - amounting to ₹1,50,000 crore in FY 2023-24, and anticipation of interest rate cuts in FY 2024-25. Additionally, the market sentiment has been buoyed by expectations of a third consecutive term for the incumbent government.

During FY 2023-24, ECM vertical procured 9 new mandates, which includes 3 IPOs, 1 OFS, 1 Rights Issue and 4 QIPs ; of these 5 are PSU mandates. The vertical is striving towards closure of these mandates during the FY 2024-25. The vertical continues to strengthen the business development efforts and is in various stages of discussions with several companies for possible mandates for IPOs, QIPs, Buybacks, Rights Issues, etc.

In the M&A space, your Company completed acquisition advisory engagement for an engineering PSU and an ARC besides handling 6 valuations assignments.

The Debt Syndication, Resolution & Advisory Vertical secured more than 30 new mandates for syndication, debt resolution, business valuation, and other financial advisory assignments from corporates i.e., both private and PSU clients. The vertical also completed advisory assignments for SAIL, NALCO, Mahagenco and NARCL. Additionally, the vertical successfully acted as Process Advisor to the Consortium of Lenders of a large telecom company for the sale of fixed assets and successfully ran six Swiss Challenge Processes for assignment of debt on behalf of consortium of lenders. The vertical is executing two large debt syndication mandates in Port and Hydro Power sectors, which are under advance stages of execution. Besides, execution work on several other advisory assignments with GAIL, SECI and Mahagenco is in progress. The vertical also secured a large mandate for advising a PSU Resolution Applicant to acquire a large stressed Thermal Power plant in Maharashtra under the IBC.

The vertical continues to enhance your Company's business development efforts by actively engaging with several corporates for their potential debt syndication mandates and regularly scanning various tenders for opportunities to offer services in financial advisory, appraisal, and fundraising. Besides, the vertical has also been managing various mandates as Process Advisor for the sale of assets, debt restructuring advisory mandates, NCLT advisory mandates, and more.

During FY 2023-24, Debt Capital Markets (DCM) vertical has maintained their league table ranking of number 11 in Prime League Table and has been arranger of more than 70 issues by way of Private Placement of Bonds worth ₹1,75,000 crore (including Senior, Sub-ordinate and Perpetual Bonds of Banks / NBFCs). The DCM vertical is also very active in short term borrowings of the Corporates and has mobilized funds to the tune of over ₹15,000 crore by way of Commercial Papers for various reputed corporates. The vertical continues to strengthen the business development efforts and is in various stages of discussion with several companies for possible mandates.

DCM vertical has also started mobilizing funds for credit papers and successfully placed more than ₹150 crore A/A- papers to different set of investors (includes HNIs, Wealth Firms and Corporates). The vertical has also created footprint into the advisory process for transfer of in-house managed Provident Funds (PFs) to the EPFO and has successfully executed the selling process of PF portfolio for few state PSUs.

The Structured Finance Advisory vertical focuses on debt raising for mid-sized companies with viable business models, who are unable to access the bank loans on account of issues pertaining to credit

rating, end use of funds, security package, etc. During FY 2023-24, the vertical has worked with multiple clients across industries like Auto components, Renewable power, Industrials, etc and closed its first deal with an Auto component company, which was having credit rating of 'B'. The deal for ₹125 crore was structured as a combination of Non-Convertible Debentures (NCDs) and Optionally Convertible Debentures (OCDs). The funds were used for prepaying the existing term loans (without any haircut) and also for topping up the company's working capital. The deal was placed with a credit fund.

**b) PORTFOLIO MANAGEMENT SERVICES**

Your Company continues to manage funds on the debt side with Assets under Management (AUM) at the end of the Fiscal 2024 standing at ₹8,019.59 crore. The return on investment on these Funds during FY 2023-24 were 7.63% for retirement funds and 7.79% for the surplus funds. The respective benchmarks for the period stood at 7.15% and 6.50%.

**c) INSTITUTIONAL EQUITIES**

The Institutional Equities vertical saw a marked improvement during the year with revenue growth of 22%. The vertical has been able to reach out to more clients & improve execution efficiency. The vertical made significant inroads with empanelled clients that enabled your Company to improve its wallet share, both in primary and secondary market deals.

**d) RETAIL BROKING**

The Retail Brokerage vertical of your Company has grown by 39% on YOY basis during the year. New client acquisition in Retail Broking was around 27000 clients. The Company continues to enhance its system capabilities by adding new features to its Web Trading Portal and the Mobile App. This will improve the 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 for 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, 2024, MDAVF has an aggregate commitment of ₹366.67 crore. MDAVF has invested ₹397.54 crore in 22 Companies MDAVF has so far divested and realized ₹128.25 crore from 7 Companies.

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

The Company continues to act as Advisor to Bharat Ratna Dr. Babasaheb Ambedkar Investment Fund for SC/ST Entrepreneurs (BRBASCST) in the State of Maharashtra.

As on March 31, 2024, the Fund has an aggregate commitment of ₹80.14 crore from Department of Industries, Government of Maharashtra. BRBASCST has committed Investment of ₹56.72 crore to 20 Companies out of which Investment of ₹40.67 crore has already been done in 12 companies. BRBASCST has since divested and realized ₹4.72 crore from 1 Company.

### **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 crore or 10% of the effective drawable corpus, whichever is lower and the number of investments is expected to be in the range of about 10 to 15 companies. The target corpus of the Fund is ₹200 crore.

## **11. FUTURE PLANS**

Your Company continuously endeavors to scale new heights. All verticals of the Company have demonstrated renewed commitment and purpose. With the markets opening up and stability being restored, your Company will keep exploring new avenues for scaling up 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 2023-24, your Company contributed an amount of Rs. 35 lakh towards CSR activities. The CSR Activities were carried out in the following areas:

- i. Four Wheeler (Van) sponsored To M/s Dignity Foundation for Dementia Patients.
- ii. Four-Wheeler (5 Seater) Vehicle sponsored to M/s Waste Warriors Society (WWS) for managing the waste management crisis.

- iii. 15 kW Rooftop Solar Power Plant to cater to the power requirement to operate various machines set up at a Common Facility Centre by Women set up by M/s Surul Suprity Society at Sriniketan Kantha Stitch Cluster in West Bengal.
- iv. Contribution to PM CARES Fund

**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**

No instances of insider trading were reported in the FY 2023-24.

### **14. RISK MANAGEMENT**

Your Company has adopted a 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.

During the year, the Company appointed a Chief Risk Officer and also constituted an Internal Committee as well as Board level Risk Management Committee to supervise and monitor the Risk Management function of the Company.

### **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 March 31, 2024, the Board comprises of Seven Directors, which includes the Managing Director & CEO and Six Non-Executive Directors out of which four 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. 2023 – 24**

The following table describes the changes in the Board of Directors & Key Managerial Personnel during FY 2023-24 :

<b>Name of Directors / KMPS</b>	<b>DIN</b>	<b>Appointment / Resignation / Cessation</b>	<b>Effective Date</b>
Mr. J Samuel Joseph	02262530	Ceased to be Director	April 05,2023
Mr. Arun Kumar Bansal*	08425582	Appointment as Additional Director	April 24,2023
Mr. Basant Seth	02798529	Appointment as Additional Director	July 18, 2023
Ms. Uma Shankar@	07165728	Appointment as Additional Director (Independent)	October 18, 2023
Mr. Kamal Kant Upadhyay	01557185	Appointed as an Managing Director and CEO	December 01, 2022
Ms. Christina D'souza	ACS 181781	Resigned as Company Secretary	October 31, 2023
Mr. Sushant Panchal	ACS 27960	Appointed as Company Secretary (Interim Period)	November 01, 2023
Mr. Venkat Chalasani	07234179	Ceased to be Independent Director	January 17, 2024
Mr. Sushant Panchal	ACS 27960	Resigned as Company Secretary	February 29, 2024
Ms. Amruta Lad	ACS 66517	Appointed as Company Secretary	March 01, 2024
Mr. Arun Mehta	08674360	Appointed as Additional Director	March 22, 2024

\* Mr. Arun Kumar Bansal ceased to be a Director of the Company w.e.f June 25, 2024

@ Ms. Uma Shankar ceased to be a Director (Independent Category) of the Company w.e.f May 21, 2024.

## 19. BOARD MEETINGS AND ATTENDANCE OF DIRECTORS

During FY 2023-24, 8 (Eight) 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 24 , 2023	5/6	1
2.	June 21, 2023	6/6	Nil
3.	July 05, 2023	5/6	1
4.	July 18, 2023	6/6	Nil
5	September 27,2023	6/6	Nil
6.	October 18, 2023	6/6	Nil
7.	January 17, 2024	6/6	Nil
8.	March 22, 2024	7/7	Nil

## 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, 2024, your Company had the following 4 (Four) Independent Directors:

Sr. No.	Name of the Independent Director	DIN
1.	Ms. Lalitha Rameswaran	02326309
2.	Ms. Uma Shankar	07165728
3.	Mr. Basant Seth	02798529
4.	Mr. Arun Mehta	08674360

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. 2023–24**

Sr. No.	Date of Meeting	Number of Directors Present	Number of Directors to whom Leave of absence was granted
1.	June 20, 2023	3/3	Nil
2.	March 22, 2024	3/3	Nil

## 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, 2024 were as under:

Sr. No	Name of Director	Status
1	Ms. Lalitha Rameswaran	Chairperson of the Committee
2	Ms. Uma Shankar@	Member
3	Mr. Arun Kumar Bansal*	Member

@ Ms. Uma Shankar ceased to be a Director of the Company w.e.f May 21, 2024 and consequently ceased to be Member of the Audit Committee.

\* Mr. Arun Kumar Bansal ceased to be a Director of the Company w.e.f June 25, 2024 and consequently ceased to be the Member of the Audit Committee.

### Dates & Attendance of Directors at Meetings of ACB held during FY 2023–24

During FY 2023–24, 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 24, 2023	2/2	Nil
2	June 20, 2023	3/3	Nil
3	July 18, 2023	3/3	Nil
4	September 27, 2023	2/2	Nil
5	October 18, 2023	2/2	Nil
6	January 17, 2024	3/3	Nil

## **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, 2024, 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, 2024 were as under:

<b>Sr. No.</b>	<b>Name of Director</b>	<b>Status</b>
1	Mr. Basant Seth	Chairman of the Committee
2	Ms. Lalitha Rameswaran	Member
3	Mr. Arun Kumar Bansal*	Member

*\* Mr. Arun Kumar Bansal ceased to be a Director of the Company w.e.f June 25, 2024 and consequently ceased to be the Member of the Nomination and Remuneration Committee.*

### **Dates & Attendance of Directors at Meetings of NRC held during FY 2023-24**

During FY 2023-24, 7 (Seven) meetings of the Nomination and Remuneration Committee of the Board were held. Details of attendance of the Committee Members are given herein below:

<b>Sr. No</b>	<b>Date of Meetings</b>	<b>Number of Directors present</b>	<b>Number of Directors to whom Leave of absence was granted</b>
1	April 24, 2023	2/2	Nil
2	June 20, 2023	3/3	Nil
3	July 18, 2023	3/3	Nil
4	September 27, 2023	3/3	Nil
5	October 18, 2023	3/3	Nil
6	January 17, 2024	3/3	Nil
7	March 22, 2024	3/3	Nil

## **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, 2024, the CSR Committee comprised of three members appointed by your Board.

The names of the members of the CSR Committee as on March 31, 2024 were as under:

<b>Sr. No</b>	<b>Name of Director</b>	<b>Status</b>
1	Ms. Uma Shankar*	Chairperson of the Committee
2	Mr. Basant Seth	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.

*\* Ms. Uma Shankar ceased to be a Director of the Company w.e.f May 21, 2024 and consequently ceased to be Member of the Corporate Social Responsibility Committee.*

#### **Dates & Attendance of Directors at Meetings of CSR Committee held during FY 2023-24**

During FY 2023–24, 1(One) meeting of the CSR Committee of the Board was held.

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

<b>Sr. No.</b>	<b>Date of Meetings</b>	<b>Number of Directors present</b>	<b>Number of Directors to whom Leave of absence was granted</b>
1	June 20, 2023	3/3	Nil

#### **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, 2024 are as under:

<b>Sr. No</b>	<b>Name of Director</b>	<b>Status</b>
1	Ms. Uma Shankar@	Chairperson of the Committee
2	Ms. Lalitha Rameswaran	Member
3	Mr. Arun Kumar Bansal*	Member
4	MD & CEO (Mr. Kamal Kant Upadhyay)	Member

*@ Ms. Uma Shankar ceased to be a Director of the Company w.e.f May 21, 2024 and consequently ceased to be Member of the Risk Management Committee.*

*\* Mr. Arun Kumar Bansal ceased to be a Director of the Company w.e.f June 25, 2024 and consequently ceased to be the Member of the Risk Management Committee.*

#### **Dates & Attendance of Directors at Meetings of Risk Management Committee held during FY 2023-24**

<b>Sr. No.</b>	<b>Date of Meetings</b>	<b>Number of Directors present</b>	<b>Number of Directors to whom Leave of absence was granted</b>
1	June 20,2023	4/4	Nil
2	September 27, 2023	3/3	Nil
3	January 17,2024	3/4	1

## **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**

- (1) In terms of the provisions of Schedule IV (Para VIII) and Section 134 of 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.
- (2) On the basis of the performance evaluation, it will be determined whether to extend or continue the term of appointment of Independent Directors.
- (3) 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**

- (1) 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.
- (2) 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:'

- (1) The CEO or Managing Director or the Manager;
- (2) The Whole Time Director;
- (3) The Company Secretary;
- (4) The Chief Financial Officer (CFO);
- (5) 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
- (6) 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 March 22, 2024 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 March 22, 2024 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. V C Shah & Co, Chartered Accountants, Mumbai, were appointed as Statutory Auditors for the F.Y. 2023 - 2024.

### **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 September 09, 2024 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, 2024 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. D.S. Momaya & Co. LLP, Practicing Company Secretaries have been appointed as Secretarial Auditors of your Company. The Secretarial Audit Report dated April 19, 2024 is annexed to the Board's Report.

The Secretarial Auditor, in its report, has reported during the audit period there were no specific events/action having major bearing on affairs of the company in pursuance of the above referred laws, rules, regulations, guidelines and standards.

## **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 2023-24, such controls were operating effectively, and no material weaknesses were observed.

## **30. DETAILS OF FRAUD, IF ANY**

There were no frauds reported in the FY 2023-24. The investigation by EOW on the fraud during the FY 2022-23 is progressing slowly.

The Company's staff and IDBI Bank staff members were called by EOW in the month of December 2023 and their individual statement were taken on record by the EOW. There is no further update from EOW in the matter.

## **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 Nil case filed with regards to allegations of sexual harassment by an employee during the financial year ended March 31, 2024, which has been appropriately resolved.

### **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 2023-24. 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 2023-24.

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 down 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 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 later issued a show cause notice against the Company inter alia alleging violation of the Code of Conduct under SEBI (Stock Broker & Sub- Brokers) Regulation. Company has applied for availing of the settlement Mechanism under SEBI (Settlement proceedings) Regulations, 2018. Settlement Application under the SEBI (Settlement Proceedings) regulation, 2018 was filed on March 16, 2023 and the Adjudicating Officer was requested to keep the matter in abeyance. IDBI Capital made the payment of ₹13,00,000/- towards the monetary part of the settlement application on March 6, 2024. SEBI issued the final settlement order on 15th March 2024 wherein the instant adjudication proceedings against IDBI Capital have been disposed of with immediate effect.

#### **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 24, 2024

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 ₹)

1	CIN	<b>NOT APPLICABLE</b>
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
1	Latest audited Balance Sheet Date	March 31, 2024
2	Shares of Associate held by the company on the year end	
	Number of Equity Shares	66,660,000
	Amount of Investment in Associates (₹ in lakh)	6,666
	Extent of Holding %	33.33%
3	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
4	Reason why the associate is not Consolidated	Exemption under MCA notification dated July 27, 2016- Companies ( Accounts) Amendment Rules , 2016
5	Net worth attributable to Shareholding as per latest audited Balance Sheet (₹ in lakh)	N.A
6	Profit / Loss for the year (₹ in lakh)	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/-

**Amruta Lad**  
**Company Secretary**

Sd/-

**Pradeep Salunke**  
**Chief Financial Officer**

Place: Mumbai

Date: September 24, 2024

**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, 2024:**

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, 2024 are as under:

<b>Sr. No</b>	<b>Name of Director</b>	<b>DIN</b>	<b>Designation/Nature of Directorship</b>	<b>Number of meetings of CSR Committee held during the year</b>	<b>Number of meetings of CSR Committee attended during the year</b>
1	Ms. Uma Shankar	07165728	Chairperson (Independent Director)	1	1
2	Mr. Basant Seth	02798529	Member (Independent Director)	1	1
3	Mr. Kamal Kant Upadhyay	01557185	Member (MD & CEO)	1	1

- 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	Net Profit u/s 198 of the Companies Act, 2013
2020-21	1238
2021-22	2019
2022-23	1161
<b>Total</b>	<b>4418</b>
<b>Average Net profit</b>	<b>1473</b>

7.

(a)	Two percent of average net profit of the company as per section 135 (5)	<b>Rs 29.46 Lakh</b>
(b)	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years	<b>Nil</b>
(c)	Amount required to be set off for the financial year, if any	<b>Nil</b>
(d)	Total CSR obligation for the financial year (7a+7b-7c)	<b>Rs 29.46 Lakh</b>

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

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent:- Nil (in ₹ Nil)				
	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
35,00,000	Not applicable		Contribution to Dignity Foundation	8,00,000/-	13.09.2023
			Contribution to Waste Warriors Society	10,00,000/-	20.12.2023

		Contribution to Surul Suprity Society	15,00,000/-	28.02.2024
		PM Cares Fund	2,00,000/-	18.03.2024

(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 ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing Agency.	
				State & District			Name	CSR registration number
1	Contribution to Dignity Foundation	Facilities for Senior Citizen		Mumbai, Maharashtra	8,00,000/-	Direct	-	-
2	Contribution to Waste Warriors Society	Environment Sustainability		Uttarakhand	10,00,000/-	Direct	-	-
3	Contribution to Surul Suprity Society	Renewable Energy / Women Empowerment		West Bengal	15,00,000/-	Direct	-	-
4	PM Cares Fund	Contribution to the Prime Minister's National Relief Fund			2,00,000/-	Direct		
	<b>TOTAL</b>				<b>35,00,000/-</b>			

(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): 35 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 more than 2% of the average net profit for the (preceding last three financial years) during FY 2023-24

Sd/-

**Kamal Kant Upadhyay**

**Managing Director and CEO**

**DIN: 01557185**

Date: September 24, 2024

Place: Mumbai

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on financial year ended on 31.03.2024**  
**{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:**

CIN	U65990MH1993GOI075578
Registration Date	14 <sup>th</sup> December, 1993
Name of the Company	IDBI CAPITAL MARKETS & SECURITIES LIMITED
Category/Sub-category of the Company	Company Limited by Shares
Address of the Registered office & contact details	6 <sup>th</sup> Floor ,IDBI Tower, WTC Complex, Cuffe Parade, Colaba, Mumbai-400 005 TEL: +91-22-4069 1700 FAX: +91-22-2215 1787 EMAIL : <a href="mailto:info@idbicapital.com">info@idbicapital.com</a> Website: <a href="http://www.idbicapital.com">www.idbicapital.com</a>
Whether listed company yes/no	No
Name, Address & contact details of the Registrar & Transfer Agent, if any.	NSDL Database Management Limited 4 <sup>th</sup> 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	NAME AND ADDRESS OF 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-2023]				No. of Shares held at the end of the year [As on 31-March-2024]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
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	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(1):</b>	<b>128099994</b>	<b>6</b>	<b>128100000</b>	<b>100</b>	<b>128100000</b>	<b>0</b>	<b>128100000</b>	<b>100</b>	<b>-</b>
<b>(2) Foreign</b>									
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other- Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>Total shareholding of promoters (A)=(A)(1)+(A)(2)</b>	<b>12899994</b>	<b>6</b>	<b>128100000</b>	<b>100</b>	<b>128100000</b>	<b>0</b>	<b>128100000</b>	<b>100</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	--	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	-	-	-	-	-	-	-	-	--
i) Indian									-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹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	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>									
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>128099994</b>	<b>6</b>	<b>128100000</b>	<b>100</b>	<b>128100000</b>	<b>0</b>	<b>128100000</b>	<b>100</b>	<b>-</b>

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 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
	At the beginning of the year	NO CHANGE			
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):				
	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.

vi. **INDEBTEDNESS –**

Loan outstanding as on March 31, 2024 – ₹45.00 Cr

Bank guarantee as on March 31, 2024 – ₹15.00 Cr

vii. **REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

A. **Remuneration to Managing Director, Whole-time Directors and/or Manager per Annum (FY 23-24):**

Particulars of Remuneration	Name of MD / WTD / Manager (In ₹)	Total Amount (In ₹)
		<b>Mr. Kamal Kant Upadhyay MD &amp; CEO DIN: 01557185 (Appointed w.e.f December 1, 2022)</b>
<b>Gross Salary</b>	46,42,389.12	46,42,389.12
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (Including Pension/PF)		
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,79,716.46	1,79,716.46
(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
Stock Option	-	-
Sweat Equity	-	-
Commission - as % of profit - others, specify...	-	-
Others, please specify – (Performance Linked Variable Pay)	-	-
<b>Total (A)</b>	<b>48,22,105.58</b>	<b>48,22,105.58</b>

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel (in ₹)		
		Mr. Dattatraya Bhosale (CFO) (01/04/23 to 31/03/24)	Satish Katkade (Chief Risk Officer) (02/05/23 to 31/03/24)	Total Amt.
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (including PF)	33,79,345.00	25,60,990.00	59,40,335.00
	<b>Total</b>	<b>33,79,345.00</b>	<b>25,60,990.00</b>	<b>59,40,335.00</b>
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
	Stock Option	-	-	-
	Sweat Equity	-	-	-
	Commission	-	-	-
	- as % of profit	-	-	-
	Others specify...	-	-	-
	Others, please specify- (Gratuity payment on retirement)	-	-	-
	<b>Total</b>	<b>33,79,345.00</b>	<b>25,60,990.00</b>	<b>59,40,335.00</b>

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel (In ₹)			Total Amt.
		Ms. Christina D'souza (CS & Compliance officer) (01/04/23 to 31/10/23)	Sushant Shantaram Panchal (CS) (01/11/23 to 29/02/24)	Amruta Sushant Lad (CS) (01/03/24 to 31/03/24)	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	21,67,985.00	9,09,901.00	1,47,475.00	32,25,361.00
	<b>Total</b>	<b>21,67,985.00</b>	<b>9,09,901.00</b>	<b>1,47,475.00</b>	<b>32,25,361.00</b>

	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
	Stock Option	-	-	-	-
	Sweat Equity	-	-	-	-
	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	Others specify...	-	-	-	-
	Others, please specify- (Gratuity payment on retirement)	6,38,037.00	-	-	6,38,037.00
	<b>Total</b>	<b>28,06,022.00</b>	<b>9,09,901.00</b>	<b>1,47,475.00</b>	<b>38,63,398.00</b>

viii. **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)
<b>A. COMPANY</b>					
Penalty			Nil		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			Nil		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			Nil		
Punishment					
Compounding					

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

**Sd/-**  
**Rakesh Sharma**  
**Chairman**  
**DIN: 06846594**

Date: September 24, 2024

Place: Mumbai

**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. 2023 - 2024.**

i. 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. 2023 - 2024.**

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 and CEO  
DIN: 01557185

Sd/-  
Rakesh Sharma  
Chairman  
DIN: 06846594

Date: September 24, 2024  
Place: Mumbai

**Annexure – E to Board’s Report**

**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 2023-24

Opening balance as on 01.04.2023	Vigilance cases received during 01.04.2023 to 31.03.2024	Disposed off	Balance
NIL	NIL	NIL	NIL

**II. Status of Pending CAG Paras and Management Replies:**

SL 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:  <b>Para 1:</b> 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 off 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	<b>Management Response:</b> <i>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.</i>  <i>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. Milestones may include commencement fees, submission of restructuring proposal, grant of sanction letter, release of sanctioned facilities, etc. In</i>

		<p>to recover the amount. The reasons for non-initiating an action may be stated.</p>	<p><i>many cases restructuring proposal did not reach a conclusion due to non-disbursement, failure of consensus amongst 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 crunch and the lenders of such companies have also proceeded legally against these companies for recovery of their dues. IDBI Capital has also resorted to legal recourse for recovery of its dues from such companies, wherever feasible. Majority of these cases are at various stages of the NCLT proceedings. IDBI Capital has submitted its claims, wherever public notice has been issued by IRP/Liquidator.</i></p> <p><i>Case-to-case review of all receivables outstanding is carried out at the end of every quarter to analyse receivables which are difficult to recover.</i></p> <p><i>In case, the chances of recovery do not exist in any of the debts/receivables, and if the dues are not forthcoming despite best efforts and the debtor is willing to arrive at settlement due to genuine difficulties, Company may explore possibility of one time settlement by complying with the broad guidelines set out in the Policy.</i></p> <p><i>The amounts which were non-recoverable over and above the amount of settlement have been technically written off in the book.</i></p>
2	<p><b>Para 2</b> :- Providing financial advisory services to M/s Lanco Infratech Ltd. despite non receipt of outstanding payment of Rs.398.74 lakh and poor follow</p>	<p>The audit observed that:</p> <ol style="list-style-type: none"> <li>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</li> </ol>	<p><b>Management Response:</b></p> <p><i>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, the company had given a</i></p>

up of recovery	<p>provides the services to the clients, is not justifiable. The reasons for the same may be stated.</p> <p>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 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.</p> <p>3. The Company has come to know about the appointment of liquidator</p>	<p><i>second mandate to IDBI Capital dated 27<sup>th</sup> 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 31<sup>st</sup> 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 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 a new mandate on 23<sup>rd</sup> March 2016. While finalizing this mandate, it was agreed upon that the payment outstanding towards the earlier mandate 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 with a view to continue the 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 the company were not realized.</i></p> <p><i>With regard to filing of claim before the liquidator, it is submitted that the IRP 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 that, regular follow-ups were first done with the Company for recovery of the dues and subsequently the legal recourse has been initiated.</i></p>
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		<p>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.</p> <p>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.</p>	<p><i>As per the Liquidator's List dated 05.03.2019 on the website, IDBI Capital's claim was partially accepted. Attached a copy herewith in Annexure 4(b)</i></p> <p><i>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 services are required.</i></p>
3	<p><b>Para 3</b> :- 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</p>	<p>The audit observed that:</p> <p>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 2<sup>nd</sup> mandate. The reasons for entering into 2<sup>nd</sup> mandate despite non-receipt of 1<sup>st</sup> mandate fees may be stated.</p>	<p><b>Management Response:</b></p> <p><i>1st Mandate with M/s 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.</i></p> <p><i>IDBI Capital had signed a mandate with Sai Wardha on 13<sup>th</sup> November 2015 to provide the financial advisory services towards Flexible Restructuring. The said assignment was</i></p>

		<p>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 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.</p> <p>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</p>	<p><i>executed and completed by 03<sup>rd</sup> 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 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 19<sup>th</sup> 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.</i></p> <p><i>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.</i></p> <p><i>Regular follow-ups were first done with the Company for recovery of the dues and then subsequently the legal recourse has been initiated.</i></p> <p><i>As per the IRP's List dated 31st October 2019, IDBI Capital's claim was accepted.</i></p>
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		<p>Out of packet expenses if any, whether the same has been claimed and recovered may be stated.</p> <p>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.</p>	
4	<b>Para 4</b> :- Non recovery of long outstanding receivables	<p>The audit observed that:</p> <ol style="list-style-type: none"> <li>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.</li> <li>2. Out of the provision made of Rs.22.42 crore, out of that Rs. 14.89 crore which comes to 62.77 % are still to be recovered.</li> <li>3. The unrecovered Rs. 14.89 crore includes Rs. 5.98 crore which are outstanding ranging between 2014 to 2020, are recommended to write off. This indicates lacuna of recovery efforts.</li> <li>4. The unrecovered amount includes Rs. 1.69 crore are outstanding for ranging between 2014 to 2016, pertains to the IDBI Bank limited itself, which is</li> </ol>	<p><b>Management Response:</b></p> <p><i>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 terms of the signed mandate. Milestones generally include commencement fees, submission of restructuring proposal, grant of sanction letter, release of sanctioned credit facilities, etc. In few cases, the restructuring proposal did not reach a conclusion due to non-disbursement, failure of consensus amongst 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 of such companies were facing severe financial crunch and the 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, wherever feasible. 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.</i></p> <p><i>In the past, IDBI Capital had signed few mandates with its parent (IDBI Bank Ltd) for advising the Bank's customers for restructuring / syndication of debt. As per the mandate,</i></p>

		<p>parent organization of the company.</p> <p>5. The reasons for the same and recovery status thereof may be stated.</p>	<p><i>Invoices were raised on IDBI Bank on reaching the milestones. IDBI Bank in turn was to collect the billed 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 IDBI Bank which resulted in outstanding dues in IDBI Capital books. IDBI Capital is regularly following up with IDBI Bank for recovery. As and when IDBI Bank receives funds from these clients, due credit is given to IDBI Capital. As on 31.03.2021, outstanding amount receivable from IDBI Bank was Rs.4.35 crore against which, an amount of Rs 2.76 crore has been recovered from IDBI Bank and balance outstanding as on date is Rs 1.58 crore, which is being followed up for recovery.</i></p>
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**Sd/-**  
**Kamal Kant Upadhyay**  
**Managing Director and CEO**  
**DIN: 1557185**

**Sd/-**  
**Rakesh Sharma**  
**Chairman**  
**DIN: 06846594**

Date: September 24, 2024  
Place: Mumbai



# DSMCO

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**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2024  
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the  
Companies (Appointment and Remuneration Personnel)  
Rules, 2014]

To,  
The Members  
**IDBI CAPITAL MARKETS & SECURITIES LIMITED**  
6th Floor, IDBI Tower, WTC Complex, Cuffe Parade,  
Colaba, Mumbai City, Mumbai, Maharashtra, India, 400005

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 (U65990MH1993GOI075578)** (hereinafter called "the Company").

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our Opinion thereon.

Based on our verification of the **IDBI CAPITAL MARKETS & SECURITIES LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31<sup>st</sup> March 2024** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31<sup>st</sup> March 2024** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;



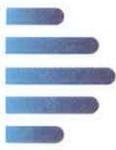
Regd. Address : Office No. 207, Building 3, Sector III, Millenium  
Business Park, Mahape, Navi Mumbai, Maharashtra 400710  
Email : divya.dsmco@gmail.com | Tel No. : +91 22 47500367

**D. S. Momaya & Co. LLP**  
Company Secretaries  
LLPIN : ABB-3110



- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings; **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 during the year**
  - (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 and amendments from time to time;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **Not Applicable during the year**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **Not Applicable during the year**
  - (f) 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 during the year**
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **Not Applicable during the year;** and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (vi) Following Laws applicable specifically to the Company
- a) The Securities and Exchange Board of India (Stock Brokers) Regulations, 1992;
  - b) The Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020;
  - c) The Securities and Exchange Board of India (Research Analysts) Regulations, 2014;
  - d) The Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992;
  - e) The Securities and Exchange Board of India (Underwriters) (Repeal) Regulations, 2021;





- f) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the 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 the penalty amounting to Rs. 3,00,000 has been waived off and for the balance amount the Company is in discussions with the Exchanges for waiver of the penalty levied in respect of Client Code Modification.

#### **We further report that**

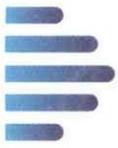
The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions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





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**We further report that** during the audit period there were no specific events / action having major bearing on affairs of the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards.

For D. S. Momaya & Co. LLP,  
Company Secretaries  
FRN: L2022MH012300



CS Abbas Jawadwala  
Designated Partner

ACS No.-40723, CP No.-24937  
UDIN: A040723F000183074

Date: April 19, 2024  
Place - Navi Mumbai

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



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## Annexure- I to Secretarial Audit Report

To,

The Members

**IDBI CAPITAL MARKETS & SECURITIES LIMITED**

6th Floor, IDBI Tower, WTC Complex, Cuffe Parade,

Colaba, Mumbai City, Mumbai, Maharashtra, India, 400005

Our Secretarial Audit Report for the Financial Year ended 31st March, 2024 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. Where ever required, we have obtained the Management Representation about the list of applicable laws, Compliance of laws, rules and regulations and happening of events during the audit period.



Regd. Address : Office No. 207, Building 3, Sector III, Millenium

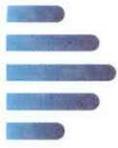
Business Park, Mahape, Navi Mumbai, Maharashtra 400710

Email : divya.dsmco@gmail.com | Tel No. : +91 22 47500367

**D. S. Momaya & Co. LLP**

Company Secretaries

LLPIN : ABB-3110



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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.

For D. S. Momaya & Co. LLP,  
Company Secretaries  
FRN: L2022MH012300



*Abbas*

CS Abbas Jawadwala  
Designated Partner

ACS No.-40723, CP No.-24937  
UDIN: A040723F000183074

Date: April 19, 2024  
Place - Navi Mumbai

**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 AND SECURITIES LIMITED FOR  
THE YEAR ENDED 31 MARCH 2024**

The preparation of financial statements of IDBI Capital Markets and Securities Limited for the year ended 31 March 2024 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 the 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 15 July 2024.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of IDBI Capital Markets and Securities Limited for the year ended 31 March 2024 under section 143(6)(a) of the Act.

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

Sd/-

(Guljari Lal)  
Director General of Audit (Shipping), Mumbai

Place: Mumbai  
Date : 09.09.2024

## **INDEPENDENT AUDITORS' 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, 2024, the statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year 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, 2024, 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 specified 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 except for the matters stated in paragraph 2(i)(vi) below in reporting under Rule 11(g) of the Companies Act (Audit and Auditors Rule, 2014) as amended.
  - 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, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of 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 maintenance of accounts and other matters connected therewith, reference is made to our remarks in para 2(b) above on reporting under Section 143(3)(b) and para 2(i)(vi) below on reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended).
  - h. 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

- i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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, 2024 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 nor paid any dividend during the year. Hence, reporting the compliance with section 123 of the Act is not applicable.
  - vi. Based on our examination, which included test checks, the Company has used accounting softwares for maintaining its books of account which have a feature of recording audit trail (edit log) facility. The audit trail feature has operated throughout the year for all relevant transactions recorded in the software. In respect of one accounting software the audit trail for direct data changes at the database level has been maintained in video recording of changes at database level and the listing of such logs for verification could not be produced, accordingly, we are unable to comment whether the audit trail feature of the aforesaid software at the database level was enabled and operated throughout the year for direct data changes for the period April 01, 2023 to March 31, 2024. Further, for accounting softwares other than the aforesaid databases, we did not notice any instance of the audit trail feature being tampered with.
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?**

Trial Balance as per new accounting presentation framework (i.e. Ind AS) is generated through IT System. However, various calculations in accordance with the requirements of Ind AS such as 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 System.

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. 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).**

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 (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 cases of deviation.**

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

**For V. C. Shah & Co.**

Chartered Accountants

ICAI Firm Registration Number: 109818W

Sd/-

**Viral J. Shah**

Partner

Membership No.: 110120

UDIN: 24110120BKFWQE3811

Place : Mumbai

Date : July 15, 2024

## ANNEXURE A TO THE INDEPENDENT AUDITORS' 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, 2024:

- 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:

(Rs. In lakhs)

Sr.	Loans in nature of MTF	to Subsidiaries, JVs and Associates	to Other parties
(1)	Net aggregate (repayment received) during the year	-	(4,307) <sup>#</sup>
(2)	Balance outstanding as at March 31, 2024	-	7,780

<sup>#</sup> The amount represents difference between amount outstanding at March 31, 2024 and March 31, 2023 (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 loans are 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, no amount is overdue for more than 90 days as at 31 march 2024.
- (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 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, 2024 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, 2024 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	544.60	FY 2022-23	Commissioner of Income Tax Appeals, Mumbai
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	798.23	FY 2017-18 to FY 2021-22	Commissioner of GST-Audit

- 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, 2024. 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.
  - (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) There are no unspent amounts towards Corporate Social Responsibility (CSR) on any ongoing projects requiring a transfer to a special account in compliance with sub-section (6) of Section 135 of the said Act. Hence, reporting under clause (xx)(b) of paragraph 3 of the Order is not applicable for the year to the Company.
- xxi. The reporting under clause 3(xxii) 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 V. C. Shah & Co.**

Chartered Accountants

ICAI Firm Registration Number: 109818W

Sd/-

**Viral J. Shah**

Partner

Membership No.: 110120

UDIN: 24110120BKFWQWE3811

Place : Mumbai

Date : July 15, 2024

## **ANNEXURE B TO THE INDEPENDENT AUDITORS' 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, 2024 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 of 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, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note 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 V. C. Shah & Co.**

Chartered Accountants

ICAI Firm Registration Number: 109818W

Sd/-

**Viral J. Shah**

Partner

Membership No.: 110120

UDIN: 24110120BKFQWE3811

Place : Mumbai

Date : July 15, 2024

**IDBI Capital Markets & Securities Limited**  
**Balance Sheet as at March 31, 2024**

(Amount in INR lakhs, unless otherwise stated)

Particulars	Notes	As at	As at
		March 31, 2024	March 31, 2023
<b>ASSETS</b>			
<b>(1) Financial Assets</b>			
(a) Cash and cash equivalents	4	2,200	4,619
(b) Bank balances other than cash and cash equivalents	5	9,111	9,395
(c) Receivables			
(i) Trade receivables	6	2,257	2,168
(d) Loans	7	7,780	3,472
(e) Investments	8	16,888	14,002
(f) Other financial assets	9	879	1,195
<b>Total Financial Assets</b>		<b>39,115</b>	<b>34,851</b>
<b>(2) Non-Financial assets</b>			
(a) Current tax assets (net)	10	2,431	1,552
(b) Deferred tax asset (net)	11	14	175
(c) Property, plant and equipment	12	3,936	4,000
(d) Other Intangible assets	12	196	134
(e) Intangible assets under development	12	87	73
(f) Right-of-use assets	13	2,895	637
(g) Other non-financial assets	14	354	551
<b>Total Non-Financial Assets</b>		<b>9,913</b>	<b>7,122</b>
<b>Total Assets</b>		<b>49,028</b>	<b>41,973</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
<b>(1) Financial Liabilities</b>			
(a) Payables			
Trade payables			
(i) Total outstanding dues of micro enterprises and small enterprises	15	1	2
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	15	3,030	1,907
(b) Borrowings	16	4,500	2,188
(c) Deposits	17	104	118
(d) Lease liabilities	18	2,949	721
(e) Other financial liabilities	19	447	175
<b>Total Financial Liabilities</b>		<b>11,031</b>	<b>5,111</b>
<b>(2) Non-Financial Liabilities</b>			
(a) Provisions	20	429	594
(b) Other non-financial liabilities	21	218	379
<b>Total Non-Financial Liabilities</b>		<b>647</b>	<b>973</b>
<b>Total Liabilities</b>		<b>11,678</b>	<b>6,084</b>
<b>Equity</b>			
(a) Equity share capital	22	12,810	12,810
(b) Other equity	23	24,540	23,079
<b>Total Equity</b>		<b>37,350</b>	<b>35,889</b>
<b>Total Liabilities and Equity</b>		<b>49,028</b>	<b>41,973</b>

Company Overview and material accounting policies

1-3

The accompanying notes are an integral part of the financial statements.

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As per our report of even date

For and on behalf of the Board of Directors

Sd/-

Sd/-

For V C Shah & Co

Chartered Accountants

Firm Registration No: 109818W

Rakesh Sharma

Chairman

DIN: 06846594

Kamal Kant Upadhyay

Managing Director & CEO

DIN: 01557185

Sd/-

Sd/-

Viral J. Shah

Partner

Membership No. 110120

UDIN: 24110120BKFWQE3811

Pradeep Salunke

Chief Financial Officer

Amruta Lad

Company Secretary

M.No. : ACS66517

Place: Mumbai

Date: July 15, 2024

IDBI Capital Markets & Securities Limited  
Statement of Profit and Loss for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

Particulars	Notes	Year ended March 31, 2024	Year ended March 31,2023
<b>A. Revenue from Operations</b>	24	11,717	8,943
<b>B. Other income</b>	25	600	868
<b>C. Total income (A+B)</b>		<b>12,317</b>	<b>9,811</b>
<b>D. Expenses</b>			
(i) Finance cost	26	406	134
(ii) Net loss on fair value changes	27	-	75
(ii) Impairment on financial instruments	28	788	44
(iii) Operating expenses	29	2,621	2,472
(iv) Employee benefits expense	30	4,534	4,083
(v) Depreciation & amortisation expenses	31	1,107	949
(vi) Other expenses	32	1,176	989
<b>Total expenses</b>		<b>10,632</b>	<b>8,746</b>
<b>Profit before exceptional items and tax (C-D)</b>		<b>1,685</b>	<b>1,065</b>
Exceptional items		-	-
<b>Profit before tax</b>		<b>1,685</b>	<b>1,065</b>
<b>Tax expense</b>			
(1) Current tax		158	269
(2) Tax for previous years		(65)	75
(3) Deferred tax		154	(6)
<b>Total Tax expense</b>		<b>247</b>	<b>338</b>
<b>Profit for the year</b>		<b>1,438</b>	<b>727</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Re-measurement gains/ (losses) on defined benefit plans		30	(37)
Income tax relating to item that will not be reclassified to profit or loss		(7)	9
<b>Total Other comprehensive income for the year</b>		<b>23</b>	<b>(28)</b>
<b>Total comprehensive income for the year</b>		<b>1,461</b>	<b>699</b>
Earnings per share (Face Value INR. 10/-per share)			
Basic		1.12	0.57
Diluted		1.12	0.57
Company Overview and material accounting policies	1-3		
The accompanying notes are an integral part of the financial statements.	33-48		

As per our report of even date

**For V C Shah & Co**  
Chartered Accountants  
Firm Registration No: 109818W

Sd/-

**Viral J. Shah**  
Partner  
Membership No. 110120  
UDIN: 24110120BKFQWE3811

Place: Mumbai  
Date: July 15, 2024

For and on behalf of the Board of Directors

Sd/-

**Rakesh Sharma**  
Chairman  
DIN: 06846594

Sd/-

**Pradeep Salunke**  
Chief Financial Officer

Sd/-

**Kamal Kant Upadhyay**  
Managing Director & CEO  
DIN: 01557185

Sd/-

**Amruta Lad**  
Company Secretary  
M.No. : ACS66517

**IDBI Capital Markets & Securities Limited**  
**Statement of Cash Flow for the year ended March 31, 2024**

(Amount in INR lakhs, unless otherwise stated)

Particulars	Year ended	Year ended
	March 31, 2024	March 31, 2023
<b>Cash flow from operating activities</b>		
Profit before exceptional items and tax	1,685	1,065
<b>Adjustments for:</b>		
<b>Non-Operating Items</b>		
Income from mutual fund redemptions	(24)	(66)
Profit on sale of investments	(97)	10
Profit on sale of assets	(0)	(1)
Interest received on bonds/ fixed deposits	(939)	(536)
Interest received on income tax refund	(450)	(620)
Reversal of Impairment of financial instruments	(5)	(137)
Depreciation and amortization expenses	1,107	949
Recovery from written off accounts	(4)	(3)
Gain on Lease Modifications	(5)	-
Net (gain) / loss on fair value changes	(966)	75
Excess provision written back	-	(3)
Expected credit loss on trade receivables	788	44
Bad debts written off	113	-
Finance cost on lease liabilities	89	65
<b>Operating profit before working capital changes</b>	<b>1,292</b>	<b>842</b>
<b>Changes in working capital</b>		
(Decrease) / increase in trade payables	1,123	(980)
(Decrease) / increase in other financial liabilities	258	(264)
Increase in provisions	(165)	20
(Decrease) / increase in other non-financial liabilities	(132)	(56)
(Increase)/ Decrease in trade receivables	(987)	(295)
Decrease / (Increase) in Loans	(4,302)	248
(Increase) / Decrease in other financial assets	316	(851)
(Increase) / Decrease in other non financial assets	104	(447)
<b>Cash generated / (used) in operations</b>	<b>(2,493)</b>	<b>(1,783)</b>
Income taxes paid	(879)	1,793
<b>Net cash flows generated from / (used in) from operating activities (A)</b>	<b>(3,372)</b>	<b>10</b>
<b>Cash flow from Investing activities</b>		
Purchase of property, plant and equipment and intangible assets	(451)	(806)
Proceeds from sale of property, plant and equipment	11	1
Intangible asset under development	(14)	(26)
Investment in fixed deposits	284	(1,698)
Investments	(1,919)	(4,555)
Interest received on fixed deposits	939	536
Interest received on income tax refund	450	620
Profit / (loss) on sale of investments	97	(10)
Income from mutual fund redemptions	24	66
<b>Net cash flow used in investing activities (B)</b>	<b>(579)</b>	<b>(5,872)</b>
<b>Cash flow from Financing activities</b>		
Borrowing in OD	2,312	2,188
Dividend paid	-	(769)
Repayment of lease liabilities	(780)	(769)
<b>Net cash flow generated from financing activities (C)</b>	<b>1,532</b>	<b>650</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(2,419)</b>	<b>(5,212)</b>
Cash and cash equivalents at the beginning of the year	4,619	9,831
Cash and cash equivalents at the end of the year	<b>2,200</b>	<b>4,619</b>
<b>Cash and cash equivalents comprise (Refer note 4)</b>		
Cash on hand	4	9
Balances with banks		
On current accounts	2,196	4,110
Fixed deposits with maturity of less than 3 months	-	500
<b>Total cash and bank balances at end of the year</b>	<b>2,200</b>	<b>4,619</b>

(Amount in INR lakhs, unless otherwise stated)

Particulars	Year ended	
	March 31, 2024	March 31, 2023

**Reconciliation forming part of cash flow statement**

Particulars	31st March 2023	Cash flows (net)	Deletion	New leases	31st March 2024
Lease Liabilities	721	(691)	8	2,927	2,949

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

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 material accounting policies

1-3

The accompanying notes are an integral part of the financial statements.

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

As per our report of even date

Sd/-

Sd/-

**For V C Shah & Co**

**Chartered Accountants**

Firm Registration No: 109818W

**Rakesh Sharma**

**Chairman**

DIN: 06846594

**Kamal Kant Upadhyay**

**Managing Director & CEO**

DIN: 01557185

Sd/-

Sd/-

Sd/-

**Viral J. Shah**

**Partner**

Membership No. 110120

UDIN: 24110120BKFQWE3811

**Pradeep Salunke**

**Chief Financial Officer**

**Amruta Lad**

**Company Secretary**

M.No. : ACS66517

Place: Mumbai

Date: July 15, 2024

(Amount in INR lakhs, unless otherwise stated)

	As at March 31, 2024		As at March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
<b>(A) Equity share capital</b>				
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	<b>12,81,00,000</b>	<b>12,810</b>	<b>12,81,00,000</b>	<b>12,810</b>

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

Particulars	Reserve and surplus			Total
	Capital Redemption Reserve	General reserve	Retained earnings	
Balance as at April 1, 2023	7,190	11,250	4,639	23,079
Changes in accounting policy or prior period errors	-	-	-	-
<b>Restated Balance as of April 1, 2023</b>	<b>7,190</b>	<b>11,250</b>	<b>4,639</b>	<b>23,079</b>
Profit for the year			1,438	1,438
Items of OCI for the year, net of tax:				
Remeasurement benefit of Defined Benefit Plans			23	23
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>1,461</b>	<b>1,461</b>
Dividend	-	-	-	-
<b>Balance as at March 31, 2024</b>	<b>7,190</b>	<b>11,250</b>	<b>6,100</b>	<b>24,540</b>

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

For and on behalf of the Board of Directors

As per our report of even date

Sd/-

Sd/-

**For V C Shah & Co**  
**Chartered Accountants**  
Firm Registration No: 109818W

**Rakesh Sharma**  
**Chairman**  
DIN: 06846594

**Kamal Kant Upadhyay**  
**Managing Director & CEO**  
DIN: 01557185

Sd/-

Sd/-

Sd/-

**Viral J. Shah**  
**Partner**  
Membership No. 110120  
UDIN: 24110120BKQWE3811

**Pradeep Salunke**  
**Chief Financial Officer**

**Amruta Lad**  
**Company Secretary**  
M.No. : ACS66517

Place: Mumbai  
Date: July 15, 2024

## **IDBI Capital Markets & Securities Limited**

### **Notes forming part of the Financial Statements for the year ended March 31, 2024**

#### **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 Material accounting policies information**

Material accounting policies information adopted by the company are as under:

##### **2.1 Basis of Preparation of Financial Statements**

###### **(a) Statement of Compliance with Ind AS**

The 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 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 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 material accounting policies information 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 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 material 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:

<b>Property, plant and equipment</b>	<b>Useful Life</b>
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.

#### **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:

<b>Intangible Assets</b>	<b>Useful Life</b>
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.

##### **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.

#### **(a) 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.

## 2.7. 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.

#### **(b) 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.

#### **(c) 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.

**(d) 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.

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.

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

#### **2.11. Borrowing Costs**

Borrowing costs include 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. 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.

#### **2.16. 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.

#### **2.17. 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.

#### **2.18. 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.

#### **2.19 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**

There are no new standards or amendments that are notified and not yet effective as on date.

(Amount in INR Lakhs, unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023
<b>Financial Assets:</b>		
<b>4 Cash and cash equivalents:</b>		
Cash on hand	4	9
Balances with banks		
In current accounts	2,196	4,110
Fixed deposits with maturity of less than 3 months	-	500
<b>Total cash and cash equivalents</b>	<b>2,200</b>	<b>4,619</b>
<b>5 Bank balances other than Cash and cash equivalents:</b>		
Fixed Deposit with maturity less than 12 months (Refer 5.1)	8,403	1,156
Fixed Deposit with maturity more than 12 months (Refer 5.1)	314	7,967
Interest accrued on Fixed Deposits	394	272
	<b>9,111</b>	<b>9,395</b>
<b>5.1 Breakup of Deposits</b>		
Fixed deposits under lien with stock exchanges**	5,483	6,569
Fixed deposits against credit facilities with Banks	2,340	1,666
Fixed deposits for bank guarantees	894	888
** The above fixed deposits are under lien with stock exchange as security deposits and minimum base capital requirements		
<b>6 Trade receivables:</b>		
Unsecured		
-Considered good	1,958	1,872
-Considered doubtful & credit impaired	3,811	3,020
Less: Impairment loss allowance (Refer note 28)	(3,512)	(2,724)
<b>Total</b>	<b>2,257</b>	<b>2,168</b>
Further classified as:		
Receivable from related parties (Refer note 37)	183	158
Receivable from others	2,074	2,010
<b>Total</b>	<b>2,257</b>	<b>2,168</b>

\* 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, 2024

Particulars	Outstanding for following periods from date of Invoice					Total
	Less than 6 months	6 month to 1 year	1-2 years	2-3 years	More than 3 Years	
Undisputed Trade receivables- considered good	722	579	155	70	457	1,983
Undisputed Trade Receivables- which have significant increase in credit risk	5	66	213	469	1,165	1,918
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	59	742	-	36	1,031	1,868
<b>TOTAL</b>	<b>786</b>	<b>1,387</b>	<b>368</b>	<b>575</b>	<b>2,653</b>	<b>5,769</b>

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

Particulars	Outstanding for following periods from date of Invoice					Total
	Less than 6 months	6 month to 1 year	1-2 years	2-3 years	More than 3 Years	
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
<b>TOTAL</b>	<b>1,112</b>	<b>386</b>	<b>302</b>	<b>522</b>	<b>2,570</b>	<b>4,892</b>

(Amount in INR lakhs, unless otherwise stated)

		As at	As at
		March 31, 2024	March 31, 2023
<b>6.1</b>	<b>Movement of impairment loss allowance</b>		
	Balance at the beginning of the year	2,724	2,680
	Impairment loss recognized/(reversed)	788	44
	Balance at the end of the year	<u>3,512</u>	<u>2,724</u>
<b>7</b>	<b>Loans:</b>		
	At Amortised Cost		
	Margin Trading Funding*	7,808	3,506
	Less: Allowance for Impairment Loss	(28)	(34)
	<b>Total</b>	<u>7,780</u>	<u>3,472</u>

\* 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, 2024	As at March 31, 2023
<b>8 Investments</b>		
<b>A. Investment in Associate Company - Unquoted (Investments measured at deemed cost)</b>		
In equity shares - fully paid-up		
<b>IDBI Asset Management Limited</b>		
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>B. Other investments quoted</b>		
<b>Sl. Equity Shares - Quoted, Fully paid up</b>		
<b>No (At fair value through profit and loss (fully paid))</b>		
1 Bajaj Hindustan Sugar Ltd	0	1
2 BSE Ltd	758	130
3 DLF Ltd	154	62
4 Opal Luxury Time Products Ltd	-	-
5 Reliance ETF Nifty BeES*	0	0
6 Reliance Infrastructure Ltd	16	9
7 VTX Industries Ltd***	-	-
8 Arshiya Ltd*	1	0
9 State Bank of India	2	-
<b>Equity Shares - Unquoted, Fully paid up</b>		
<b>(At fair value through profit and loss (fully paid))</b>		
1 Chennai Super Kings Cricket Ltd*	21	19
<b>Investments in Debentures or Bonds , Quoted, Fully paid up</b>		
<b>(At amortized cost (fully paid))</b>		
1 NTPC Limited Sr - 54 8.49 NCD 25MR25 FVRS 10	1	2
<b>Investments in Alternative Investment Fund, Unquoted, Fully paid up</b>		
<b>(At fair value through profit and loss ,fully paid)</b>		
1 Maharashtra Defence and Aerospace Venture Fund	3,573	3,137
2 Maharashtra Innovation and Technologies Development Fund	100	-
<b>Investment in Equity Instruments, Quoted, Fully paid up</b>		
<b>(At fair value through profit and loss (fully paid))</b>		
1 Opal Luxury Time Products Ltd **	-	-
<b>Investments in Debentures or Bonds , Quoted, Fully paid up</b>		
<b>(At fair value through profit and loss (fully paid))</b>		
(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
4 10.90 Satin Creditcare 2025	2,175	-
5 ZCB SK Finance Ltd	1,749	-
6 Manappuram Home Finance Ltd	1,672	-
<b>Total</b>	<b>16,888</b>	<b>14,002</b>
*The following table represents the absolute figures for the value above		
Reliance ETF Nifty BeES	43	43
Arshiya Ltd	54,366	43,404
<b>CATEGORY-WISE INVESTMENT</b>		
Measured at Cost	16,888	14,002
Measured at Fair value through Other Comprehensive Income (FVTOCI)	-	-
<b>Total Investments</b>	<b>16,888</b>	<b>14,002</b>
Aggregated amount of Unquoted Investments	10,360	9,822
Aggregated amount of impairment in value of investments	-	-

(Amount in INR lakhs, unless otherwise stated)

	As at		
	March 31, 2024	March 31, 2023	
<b>8.B.1. Details of Quoted Investments measured at FVTPL:</b>			
<b>Particulars</b>	<b>Face Value (Rs)</b>	<b>Number of units</b>	<b>Number of units</b>
<b>Equity Shares - Quoted, Fully paid up</b>			
1 Bajaj Hindustan Sugar Ltd	1	-	8,758
2 BSE Ltd	2	30,141	30,141
3 DLF Ltd	2	17,140	17,140
4 Opal Luxury Time Products Ltd	10	3,01,000	3,01,000
5 Reliance ETF Nifty BeES	10	0	0
6 Reliance Infrastructure Ltd	10	5,964	5,964
7 VTX Industries Ltd	10	29,92,850	29,92,850
8 Arshiya Ltd	2	8,858	8,858
9 State Bank of India	1	242	-
<b>Equity Shares - Unquoted, Fully paid up</b>			
1 Chennai Super Kings Cricket Ltd	0.1	38,825	38,825
<b>Investment in Equity Instruments, Quoted, Fully paid up</b>			
1 Opal Luxury Time Products Ltd **	10	1,21,000	1,21,000
<b>Investments in Alternative Investment Fund, Unquoted, Fully paid up</b>			
1 Maharashtra Defence and Aerospace Venture Fund	100000	2,844	2,848
2 Maharashtra Innovation and Technologies Development Fund	1000	10,000	-
<b>Investments in Debentures or Bonds</b>			
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
5 10.90 Satin Creditcare 2025	1000000	2,200	-
6 ZCB SK Finance Ltd	100000	150	-
7 Manappuram Home Finance Ltd	1000000	150	-

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

\*\*\*Company had acquired the shares of VTX Industries Ltd as part of underwriting and the same has been impaired fully of Rs. 2992 lakhs as on March 31, 2024 (PY March 31,2023 Rs. Rs. 2992 lakhs)

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, 2024	As at March 31, 2023
<b>9 Other Financial Assets</b>		
Unsecured, considered good		
i) Security Deposits		
Earnest Money Deposits	71	44
Premises	65	67
ii) Deposits with Exchanges / Depositories*	659	231
iii) Early Pay-in Account	-	678
iv) Interest Accrued on Debenture or Bonds	84	175
<b>Total</b>	<b>879</b>	<b>1,195</b>
* Initial margin placed with the exchanges towards capital in the form of cash: March 31, 2024: INR 214 lakhs (March 31, 2023: INR 214 lakhs )		
<b>Non-Financial Assets:</b>		
<b>10 Current tax assets</b>		
Advance income tax (net of income tax provision amounting (March 31, 2024: INR 1003 lakhs, March 31, 2023: INR 899 lakhs))	2,431	1,552
<b>Total</b>	<b>2,431</b>	<b>1,552</b>
<b>11 Deferred Tax:</b>		
<b>(a) Deferred tax relates to the following:</b>		
<b>Deferred tax assets</b>		
On impairment of trade receivables	345	372
On Inadmissible expenses u/s 43B of I.T. Act	93	89
On fair valuation of Investments	335	458
On Depreciation on expired assets		
On fair valuation of leases	14	21
	<b>787</b>	<b>940</b>
<b>Deferred tax liabilities</b>		
On timing differences - Depreciation	(76)	(50)
On fair valuation of Buildings	(697)	(715)
	<b>(773)</b>	<b>(765)</b>
<b>Deferred tax asset, net</b>	<b>14</b>	<b>175</b>
<b>(b) Reconciliation of deferred tax assets/ (liabilities) (net):</b>		
Opening balance	175	160
Tax (liability)/asset recognized in Statement of Profit and Loss	(154)	6
<u>Tax (liability)/asset recognized in OCI</u>		
On re-measurements gain/(losses) of post-employment benefit obligations	(7)	9
<b>Closing balance</b>	<b>14</b>	<b>175</b>
<b>(c) Income tax expense</b>		
- Current tax taxes	158	269
- Deferred tax charge / (income)	154	(6)
<b>Total</b>	<b>312</b>	<b>263</b>
<b>(d) Reconciliation of tax charge</b>		
Profit before tax	1,685	1,065
Income tax expense at tax rates applicable	424	269
Tax effects of:		
- Expenses not deductible for tax	26	26
- Impact of reclassification of employee benefit liabilities	(7)	9
- Others	(131)	(41)
<b>Income tax expense</b>	<b>312</b>	<b>263</b>



**IDBI Capital Markets & Securities Limited**

**Notes forming part of the Financial Statements for the year ended March 31, 2024**

**(Amount in INR lakhs, unless otherwise stated)**

	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
<b>13 Right-of-Use Assets</b>		
<b>Building</b>		
<b>Gross Block</b>		
As at beginning of the year	3,418	3,274
Addition during year	2,927	159
Deduction during year	(4)	(14)
As at the end of the year	<b>6,341</b>	<b>3,419</b>
<b>Accumulated Depreciation</b>		
As at beginning of the year	2,782	2,122
Depreciation for the year	664	660
Deduction during year	-	-
As at the end of the year	<b>3,446</b>	<b>2,782</b>
<b>Net Block at the end of the year</b>	<b>2,895</b>	<b>637</b>
<b>14 Other Non-Financial assets</b>		
a) Capital Advance	3	14
Less : Provision made during the year	(3)	(3)
	<b>0</b>	<b>11</b>
b) Advance recoverable in kind		
Advances to Service providers	3	45
Prepaid Expenses	160	123
Statutory dues recoverable from government authorities (Refer note 39)		
Goods and Service Tax receivable	118	309
Others	73	63
	<b>354</b>	<b>540</b>
<b>Total</b>	<b>354</b>	<b>551</b>

(Amount in INR lakhs, unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023
<b>Financial Liabilities :</b>		
<b>15 Payables</b>		
<b>Trade payables</b>		
i) Total outstanding dues of micro enterprises and small enterprises	1	2
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises*	3,030	1,907
<b>Total Trade Payables</b>	<b>3,031</b>	<b>1,909</b>

\*Refer note 33 ( information required under MSMED Act 2006)

**Trade Payables ageing schedule for the year ended on March 31,2024**

Particulars	Unbilled	Outstanding for following periods from date of transaction				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
MSME	-	1	-	-	-	1
Others	-	3,008	1	-	21	3,030
Disputed Dues- MSME	-	-	-	-	-	-
Disputed Dues- Others	-	-	-	-	-	-
<b>Total</b>	-	<b>3,009</b>	<b>1</b>	-	<b>21</b>	<b>3,031</b>

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

Particulars	Unbilled	Outstanding for following periods from date of transaction				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
MSME	-	2	-	-	-	2
Others	-	1,885	9	4	9	1,907
Disputed Dues- MSME	-	-	-	-	-	-
Disputed Dues- Others	-	-	-	-	-	-
<b>Total</b>	-	<b>1,887</b>	<b>9</b>	<b>4</b>	<b>9</b>	<b>1,909</b>

**16 Borrowings**

Overdraft Facility from Bank **	4,500	2,188
	<b>4,500</b>	<b>2,188</b>

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

Rate of interest is ranging from 8.50% to 9.00%

During the year, the Company had made quarterly submissions to banks or financial institutions; however there were no material discrepancies noted between the quarterly statements/returns filed 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	78	113
ii) Margin Money Deposits	26	5
<b>Total Deposits</b>	<b>104</b>	<b>118</b>

**18 Lease liability**

Balance at the beginning of the year	721	1,281
Additions	2,927	159
Finance cost accrued during the period	89	65
Deletions	(8)	(15)
Cash Outflow	(780)	(769)
<b>Total Lease liabilities as at the end of the year</b>	<b>2,949</b>	<b>721</b>

**Maturity analysis of Lease Liabilities**

Less than 1 year	8	441
1 to 2 years	37	28
2 to 3 years	79	51
3 to 4 years	53	116
4 to 5 years	14	65
More than 5 years	2,758	20
<b>Total</b>	<b>2,949</b>	<b>721</b>

Refer note 36

(Amount in INR lakhs, unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023
<b>19 Other Financial Liabilities</b>		
i) Employee related payables	366	112
ii) Client's settlement dues	81	63
<b>Total Other Financial Liabilities</b>	<b>447</b>	<b>175</b>
<b>Non Financial Liabilities :</b>		
<b>20 Provisions</b>		
i) Provision for employee benefits (Refer note 35)	78	279
ii) Provision for expenses		
Balance at the beginning	315	298
Additions during the year	3,823	4,034
Reversals during the year	(3,787)	(4,017)
Total Other Provisions	351	315
<b>Total Provisions</b>	<b>429</b>	<b>594</b>
<b>21 Other Non-Financial Liabilities</b>		
i) Statutory Liabilities	218	379
<b>Total Other Non-Financial Liabilities</b>	<b>218</b>	<b>379</b>

	As at		As at		
<b>22 Equity share capital</b>					
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.					
<b>Authorized</b>	<b>Number of shares</b>	<b>Amount</b>	<b>Number of shares</b>	<b>Amount</b>	
Equity Shares of INR 10 each.	20,00,00,000	20,000	20,00,00,000	20,000	
<b>Total</b>	<b>20,00,00,000</b>	<b>20,000</b>	<b>20,00,00,000</b>	<b>20,000</b>	
<b>Issued, subscribed and paid up</b>	<b>Number of shares</b>	<b>Amount</b>	<b>Number of shares</b>	<b>Amount</b>	
Equity shares of INR 10 each fully paid	12,81,00,000	12,810	12,81,00,000	12,810	
<b>Total</b>	<b>12,81,00,000</b>	<b>12,810</b>	<b>12,81,00,000</b>	<b>12,810</b>	
<b>(a) Reconciliation of equity shares outstanding at the beginning and at the end of the year</b>					
	<b>As at March 31, 2024</b>		<b>As at March 31, 2023</b>		
	<b>Number of shares</b>	<b>Amount</b>	<b>Number of shares</b>	<b>Amount</b>	
<b>Outstanding at the beginning of the year</b>	12,81,00,000	12,810	12,81,00,000	12,810	
Add: Issued during the year	-	-	-	-	
Less: Bought Back during the year	-	-	-	-	
<b>Outstanding at the end of the year</b>	<b>12,81,00,000</b>	<b>12,810</b>	<b>12,81,00,000</b>	<b>12,810</b>	
<b>(b) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company</b>					
	<b>As at March 31, 2024</b>		<b>As at March 31, 2023</b>		
	<b>Number of shares</b>	<b>% of Holding</b>	<b>Number of shares</b>	<b>% of Holding</b>	
<b>Equity shares of INR 10 each fully paid</b>					
IDBI Bank Ltd (Holding Company) along with its nominee shareholders	12,81,00,000	100%	12,81,00,000	100%	
	<b>12,81,00,000</b>	<b>100%</b>	<b>12,81,00,000</b>	<b>100%</b>	
<b>(c) Shareholding of Promoter</b>					
<b>Details of shares held by promoters in the Company :</b>	<b>As at March 31, 2024</b>		<b>As at March 31, 2023</b>		
	<b>Number of shares</b>	<b>% of total shares</b>	<b>% Change during the year</b>	<b>Number of shares</b>	<b>% of total shares</b>
					<b>% Change during the year</b>
IDBI Bank Ltd (Holding Company) along with its nominee shareholders	12,81,00,000	100%	-	12,81,00,000	100%
	<b>12,81,00,000</b>	<b>100%</b>	<b>-</b>	<b>12,81,00,000</b>	<b>100%</b>
<b>(d) No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.</b>					

**IDBI Capital Markets & Securities Limited**

**Notes forming part of the Financial Statements for the year ended March 31, 2024**

(Amount in INR lakhs, unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023
<b>23 Other equity</b>		
<b>Reserves &amp; Surplus</b>		
<b>(a) Capital Redemption Reserve</b>		
Opening Balance	7,190	7,190
Add: Current Year Transfer	-	-
Less: Written Back in Current Year	-	-
<b>Closing Balance</b>	<b>7,190</b>	<b>7,190</b>
<b>(b) General reserve</b>		
Opening Balance	11,250	11,250
Add: Current Year Transfer	-	-
Less: Written Back in Current Year	-	-
<b>Closing Balance</b>	<b>11,250</b>	<b>11,250</b>
<b>(c) Retained Earnings</b>		
Balance at the beginning of the year	4,639	4,709
Add: Net Profit For the current year	1,438	727
Add: Remeasurement gains/ losses on gratuity	23	(28)
Less: Appropriations		
Final Dividend	-	(769)
<b>Balance at the end of the year</b>	<b>6,100</b>	<b>4,639</b>
<b>Total other equity</b>	<b>24,540</b>	<b>23,079</b>

**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 2024, the company has not declared final dividend and paid as distribution to equity shareholders was Rs.Nil (Previous Year Rs. 0.60).

	Year ended March 31, 2024	Year ended March 31, 2023
<b>24 Revenue from Operations</b>		
<b>(i) Interest Income</b>		
Interest on Margin Trade Funding	827	594
Interest on Debentures / Bonds / Govt. Securities	271	115
Interest on Fixed Deposits with Banks	668	421
<b>Total Interest Income</b>	<b>1,766</b>	<b>1,130</b>
<b>(ii) Dividend Income</b>	<b>4</b>	<b>8</b>
<b>(iii) Fees and Commission income</b>		
Brokerage Income & Allied Services (primary & secondary)	4,902	3,605
Arrangers, Advisory and Other Fees	3,973	4,121
Income from Depository Operations	88	63
Portfolio Management fees	18	16
<b>Total Fees and Commission income</b>	<b>8,981</b>	<b>7,805</b>
<b>(iv) Net gain on fair value changes</b>		
-profit on investments (net) at fair value through profit or loss	966	-
<b>Total net gain / (loss) on fair value changes</b>	<b>966</b>	<b>-</b>
<b>Fair value changes:</b>		
- Realised	-	-
- Unrealised	966	-
<b>Total</b>	<b>966</b>	<b>-</b>
<b>Total Revenue from operations</b>	<b>11,717</b>	<b>8,943</b>
<b>25 Other income</b>		
Income from Mutual fund redemptions	24	66
Profit on Sale of Investments	97	-
Profit on Sale of Assets	0	1
Interest Received on Income Tax Refund	450	620
Recovery from Written off Accounts	4	3
Income from Foreign Exchange fluctuation	-	-0
Gain on Lease Modifications	5	0
Reversal of Impairment on financial instruments	5	137
Miscellaneous Income	15	38
Excess provision written back	-	3
<b>Total other income</b>	<b>600</b>	<b>868</b>
<b>26 Finance Cost</b>		
On financial liabilities measured at Amortised Cost:		
(a) Interest expense on Bank Overdraft	286	47
(b) Bank guarantee & Commission charges	13	13
(c) Other finance cost	18	9
(d) Interest on lease liabilities	89	65
	<b>406</b>	<b>134</b>
<b>27 Net loss on fair value changes</b>		
-Loss on investments (net) at fair value through profit or loss	-	75
<b>Total net gain / (loss) on fair value changes</b>	<b>-</b>	<b>75</b>
<b>Fair value changes:</b>		
- Realised	-	-
- Unrealised	-	75
<b>Total</b>	<b>-</b>	<b>75</b>

	Year ended March 31, 2024	Year ended March 31, 2023
<b>28 Impairment on financial instruments</b>		
(A) On financial instruments measured at fair value through OCI:	-	-
(B) On financial instruments measured at amortised cost:		
(a) Loans	-	-
(b) On trade receivables	788	44
	<b>788</b>	<b>44</b>
<b>29 Operating expenses</b>		
Brokerage Paid	470	350
Operating Charges	576	260
Computer Maintenance Expenses	388	325
Marketing Expenses	73	131
Professional Charges	425	584
Franking/Stamp Expenses	14	29
Manpower Hire Charges	671	776
Loss on Error Trade	4	17
<b>Total Operating expenses</b>	<b>2,621</b>	<b>2,472</b>
<b>30 Employee benefit expense</b>		
Salaries, Wages & Allowances	4,367	3,751
Contribution to Provident and other funds (Refer Note 35)	286	296
Provision for Gratuity and Leave Encashment (Refer Note 35)	(170)	(30)
Other benefits	51	66
<b>Total Employee benefit expenses</b>	<b>4,534</b>	<b>4,083</b>
<b>31 Depreciation &amp; Amortisation Expenses</b>		
Depreciation on Property Plant equipment	340	226
Amortisation of Intangible assets	102	63
Depreciation & Amortisation of Right of Use	665	660
<b>Total Depreciation &amp; Amortisation expenses</b>	<b>1,107</b>	<b>949</b>
<b>32 Other Expenses</b>		
Rent (Refer note 36)	31	31
Electricity Charges	18	16
Rates & taxes	230	255
Insurance	17	11
Repairs & Maintenance	106	117
Travelling & Conveyance	115	176
Communication Expenses	105	127
Printing & Stationery	33	48
Sitting fees to directors	28	19
Legal Expenses	22	12
Contribution towards CSR (Refer note 40)	35	22
Bad Debts Written Off	113	-
Payment to Auditors		
Audit Fees	8	8
Tax Audit Fees	1	1
Others	7	5
Penalty Charges	250	31
Loss on Sale of Investments	-	10
Miscellaneous expenses	57	100
<b>Total other expenses</b>	<b>1,176</b>	<b>989</b>

## IDBI Capital Markets & Securities Limited

### Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in INR lakhs, unless otherwise stated)

#### 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, 2024	As at March 31, 2023
1	Principal amount due outstanding as at 31 <sup>st</sup> March	1.42	2.16
2	Interest due on (1) above and unpaid as at 31 <sup>st</sup> 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 31 <sup>st</sup> March 2024	-	-
7	Amount of further interest remaining due and payable in succeeding year	-	-

#### 34. Earnings per share

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Profit/(Loss) attributable to Equity shareholders (INR in lakhs)( A)	1,438	727
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)	1.12	0.57
Diluted EPS(Amount in INR) (A/C)	1.12	0.57

#### 35. Employee Benefits

Sr No	Particulars	As at March 31, 2024	As at March 31, 2023
(A)	<b>Defined Contribution Plans</b>		
	During the year, the Company has recognized the following amounts in the Statement of Profit and Loss - (Refer note 30)		
	Contribution to provident fund	142	135
	Contribution to national pension scheme	-	-
	Contribution to group mediclaim insurance	70	35

Sr No	Particulars	As at March 31, 2024	As at March 31, 2023
	Contribution to superannuation fund	3	4
	Contribution to employee's state insurance	1	1
	Contribution to labour welfare fund	0	0
	<b>Total</b>	<b>216</b>	<b>175</b>
<b>(B)</b>	<b>Defined benefit plans</b>		
	a) Gratuity payable to employees	-	-
	b) Compensated absences for Employees	-	-
<b>i)</b>	<b>Actuarial assumptions</b>		
	Discount rate (per annum)	7.17%	7.30%
	Rate of increase in Salary	5%	5%
	Expected average remaining working lives of employees (years)	-	-
	Attrition rate	15%	15%
	<b>Employee's gratuity fund</b>		
<b>ii)</b>	<b>Changes in the present value of defined benefit obligation</b>		
	Present value of obligation at the beginning of the year	361	286
	Interest cost	25	18
	Current service cost	47	41
	Benefits paid	(67)	(20)
	Actuarial (gain)/ loss on obligations	(32)	36
	<b>Present value of obligation at the end of the year*</b>	<b>334</b>	<b>361</b>
<b>iii)</b>	<b>Change in fair value of assets</b>		
	Fair value of plan assets - opening	316	276
	Interest income	21	17
	Remeasurement due to actual return on planned assets less interest on planned assets		
	Benefits paid from the fund	(67)	(20)
	Employer's contribution	8	43
	Actuarial gain/(loss)	(2)	0
	<b>Fair value of plan assets - closing</b>	<b>276</b>	<b>316</b>
<b>iv)</b>	<b>Expense recognized as Employee benefits expense in the Statement of Profit and Loss</b>		
	Current Service Cost	47	41
	Past Service Cost	-	-
	Administrative Expenses	-	-
	Interest on net defined benefit Liability / (Asset)	3	0
	(Gains) / losses on settlement	-	-
	<b>Total expenses recognized in the Statement Profit and Loss</b>	<b>50</b>	<b>41</b>
<b>v)</b>	<b>Expense / (income) recognized as OCI in the Statement of Profit and Loss</b>		
	Remeasurements during the year due to:	-	-
	Actuarial (gains) / Losses on obligation for the period	(32)	37
	Return on planned assets, excluding interest income	2	(0)
	Change in Asset ceiling	-	-
	<b>Total</b>	<b>30</b>	<b>37</b>

Sr No	Particulars	As at March 31, 2024	As at March 31, 2023
<b>vi)</b>	<b>Assets and liabilities recognized in the Balance Sheet:</b>		
	Present value of funded obligation as at the end of the year	(334)	(361)
	Fair value of plan assets	276	315
	Net asset / (liability) recognized in Balance Sheet*	(58)	(46)
	*Included in provision for employee benefits (Refer note 19)	-	-
<b>vii)</b>	<b>Expected contribution to the fund in the next year</b>		
	Gratuity	101	92
	<b>Total</b>	<b>101</b>	<b>92</b>
<b>viii)</b>	<b>Sensitivity Analysis</b>		
	<b>Impact on defined benefit obligation</b>		
	Discount rate		
	1% increase	(13)	(13)
	1% decrease	14	14
	Rate of increase in salary		
	1% increase	13	14
	1% decrease	(12)	(13)
<b>ix)</b>	<b>Maturity profile of defined benefit obligation</b>		
	<b>Year from the date of reporting</b>		
	1st Following Year	51	74
	2nd Following Year	48	48
	3rd Following Year	44	46
	4th Following Year	50	41
	5th Following Year	59	45
	Sum of Years 6 To 10	127	153
	Sum of Years 11 and above	88	96
<b>(C)</b>	<b>Defined benefit plans - leave encashment</b>		
<b>i)</b>	<b>Changes in the present value of defined benefit obligation</b>		
	Present value of obligation at the beginning of the year	465	444
	Interest cost	34	28
	Current service cost	80	69
	Benefits paid	(362)	(59)
	Actuarial (gain)/ loss on obligations	(32)	(17)
	<b>Present value of obligation at the end of the year*</b>	<b>185</b>	<b>465</b>
<b>ii)</b>	<b>Expense recognized as Employee benefits expense in the Statement of Profit and Loss</b>		
	Current service cost	80	69
	Interest on net defined benefit liability / (asset)	17	17
	Actuarial (gain) / loss on obligations	(30)	(22)
	(Gains) / losses on settlement	-	-
	<b>Total expenses recognized in the Statement Profit and Loss</b>	<b>67</b>	<b>64</b>
<b>iii)</b>	<b>Liabilities recognized in the Balance Sheet:</b>		
	Opening Balance	233	266
	Expenses Recognised	67	64

Sr No	Particulars	As at March 31, 2024	As at March 31, 2023
	Contribution/Benefit paid by the company	(312)	(97)
	<b>Net liability recognised in Balance Sheet</b>	<b>(12)</b>	<b>233</b>
iv)	<b>Assets and liabilities recognized in the Balance Sheet:</b>		
	Present value of funded obligation as at the end of the year	(185)	(465)
	Fair value of plan assets	197	232
	<b>Net asset / (liability) recognized in Balance Sheet*</b>	<b>12</b>	<b>(233)</b>

### 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, 2024	As at March 31, 2023
Right-Of-Use Asset recognised in Balance Sheet	6,341	3,419
<b>Total</b>	<b>6,341</b>	<b>3,418</b>

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

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation on Right-of-Use Asset	3,446	2,782
<b>Total</b>	<b>3,446</b>	<b>2,782</b>

Lease Liability is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Lease Liability recognised in Balance Sheet	2949	721
<b>Total</b>	<b>2949</b>	<b>721</b>

Finance Cost

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest expenses recognised during the year	90	65
<b>Total</b>	<b>90</b>	<b>65</b>

The Company incurred INR 31.24 lakhs for the year ended March 31, 2024, towards expenses relating to short-term leases and leases of low-value assets. The total cash outflow for leases is INR 780.22 lakhs for the year ended March 31, 2024, 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:

Kamal Kant Upadhyay, Managing Director & CEO w.e.f. 01.12.2022

Dattatraya Bhosale (Chief Financial Officer) – up to 15.05.2024

Pradeep Salunke (Chief Financial Officer) – w.e.f. 21.05.2024

Christina D'souza (Company Secretary) up to 31.10.2023

Sushant Panchal (Interim Company Secretary) - up to 29.02.2024

Amruta Lad (Company Secretary) - w.e.f. 01.03.2024

(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, 2024	Year ended March 31, 2023	As at March 31, 2024	As at March 31, 2023
(i)	<b>Holding Company:</b>				
	<b>IDBI Bank Limited</b>				
	Interest received	144.52	63.13	104.73	54.07
	Brokerage earned	2.09	2.08	-	-
	Advisory Fees Income	43.90	47.26	192.50	158.40
	Rent paid	700.29	692.64	3.75	15.87
	Electricity Charges paid	1.14	1.51	-	-
	Repairs & maintenance	0.53	0.55	-	-
	Brokerage Paid	291.05	208.32	56.46	31.87
	Sitting Fees	9.15	7.00	-	-
	Other Expenses	1.37	7.91	-	-
	Staff on deputation (in IDBI Rolls)	67.18	52.10	8.89	3.80
	Interest paid on overdraft	286.47	46.58	-	-
	Processing Fees – Credit Facilities	18.95	-	-	-
	Fixed Deposit - Invested	3410.87	2702.53	2427.97	2,248.34
	Fixed Deposit - matured	997.11	1522.77	-	-
	Bank Balances - Overdraft Facility	-	-	4499.75	2188.04

SL No	Particulars	During the year		Outstanding during the year	
		Year ended March 31, 2024	Year ended March 31, 2023	As at March 31, 2024	As at March 31, 2023
	Bank Balances – in current accounts		-	2172.48	3712.65
	Share Capital held by IDBI Bank	-	-	12,810.00	12,810.00
<b>(ii)</b>	<b>Entity under common control*</b>				
	<b>a) IDBI Intech Limited</b>				
	Professional Charges	194.05	200.63	0.26	0.77
	Computer & Software Maintenance	1.47	-	-	-
	<b>b) IDBI Trusteeship Services Limited</b>				
	Brokerage earned	4.57	53.68	-	-
	Brokerage Paid	0.04	0.12	-	-
	Professional charges paid	4.50	4.50	-	-
	Other Charges paid	-	0.06	-	-
	<b>c) IDBI Asset Management Limited</b>				
	Staff on deputation (ICMS Rolls)	3.26	1.58	-	-
	Investment in Equity Share Capital *	-	-	6,666.00	6,666.00
	<b>d) Life Insurance Corporation of India</b>				
	Advisory Fees Income	-	119.53	15.05	56.35
	Brokerage earned	171.51	48.99	-	-
	<b>e) LIC Mutual Fund Asset Management Limited</b>				
	Brokerage earned	9.59	15.55	-	-
	<b>f) LIC Pension Fund Ltd</b>				
	Brokerage earned	2.60	2.04	-	-
<b>(iii)</b>	<b>Key Management Personnel (KMP)</b>				
	Compensation of key management personnel				
	Remuneration to Key Management Personnel (includes pay, allowances and reimbursements)	111.76	123.77	4.20	3.80
	Perquisites & benefits	1.80	1.82	-	-
	Pension scheme contribution & Provident Fund	7.09	6.96	-	-

\*In IDBI Asset Management Ltd, a subsidiary of IDBI Bank Ltd, the total holding of the company as on 31.03.2024 is 33.33 % (P.Y.31 March 2023: 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 2024, the Company has recorded impairment of receivables relating to amounts owed by related parties Rs. 158.40 lacs (31 March 2023: Rs. 158.40 lacs). 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, 2024	Year ended March 31, 2023
<b>Segment Revenue</b>		
Investment Banking	4,327	4,199
Institutional Broking	733	599
Retail Broking	5,115	3,665
Others*	2,142	1,348
<b>Total</b>	<b>12,317</b>	<b>9,811</b>
<b>Segment Result</b>		
Investment Banking	805	980
Institutional Broking	127	(66)
Retail Broking	(794)	(668)
Others*	1,548	820
<b>Total</b>	<b>1,685</b>	<b>1,065</b>
Income Taxes	247	338
<b>Net Profit</b>	<b>1,438</b>	<b>727</b>

	As at March 31, 2024	As at March 31, 2023
<b>Segment Assets</b>		
Investment Banking	2,150	2,083
Institutional Broking	19	22
Retail Broking	7,869	3,535
Others*	25,980	23,630
Unallocated Assets	13,009	12,703
<b>Total</b>	<b>49,028</b>	<b>41,973</b>
<b>Segment Liabilities</b>		
Investment Banking	-	-
Institutional Broking	-	-
Retail Broking	4,024	3,504
Others*	-	-
Unallocated Liabilities	7,655	2,580
<b>Total</b>	<b>11,678</b>	<b>6,084</b>

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 31,2023 and March 31,2024.

### 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, 2024	As at March 31, 2023
<b>Contingent Liability</b>		
Claims against the company not acknowledged as debt	216.73	201.95
<b>Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for	94.88	297.26

Note:

#### a) Disputed Income Tax Matter

Assessment Year	Disputed Tax Amount (Rs in lakhs)	
	As on March 31, 2024	As on March 31, 2023
2014-15	-	28.58
2018-19	-	56.62
2022-23	544.60	-
<b>Total</b>	<b>544.60</b>	<b>85.20</b>

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 the likelihood of demand being upheld is low. Accordingly, no provision in respect thereof has been made.

Litigation: 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, 2024 and the 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, 2024	As on March 31, 2023
2010-11	Service Tax	0.60	0.60
2011-12	Service Tax	201.00	201.00

Financial Year	Statute	Disputed Service Tax Amount (Rs in lakhs)	
		As on March 31,2024	As on March 31,2023
2012-13	Service Tax	117.62	117.62
2013-14	Service Tax	170.46	177.81
2014-15	Service Tax	170.01	186.93
2015-16	Service Tax	138.95	176.21
2016-17	Service Tax	0.33	65.27
2017-18	Service Tax	0.12	11.41
2017-18	Goods & Service Tax	143.89	143.20
2018-19	Goods & Service Tax	369.16	369.16
2019-20	Goods & Service Tax	281.34	281.08
2020-21	Goods & Service Tax	1.50	-
2021-22	Goods & Service Tax	2.34	-
<b>TOTAL</b>		<b>1597.32</b>	<b>1730.29</b>

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. The matter is pending hearing at the High Court of Bombay.
- 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 (Stockbrokers) 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. Settlement proceedings was disposed by SEBI on 15<sup>th</sup> March 2024 after the Company complied to the monetary and non-monetary part of the settlement order.

- e) During the quarter ended June 30, 2023, the company migrated to new version of the trading engine from TCS BanCS on June 26, 2023. On July 4, 2023, it was noticed that one of retail broking client had traded beyond the normal permissible limit. Due to bug in the TCS system, it has erroneously provided limits to the client beyond available margin / limit on fund. The client had misused incorrect functioning of the limit providing mechanism and had taken position in share of Eicher motors (number of shares 3,20,000 @ average price of Rs. 3,413.54 per share) with total open position valued at Rs. 109.46 crores (including brokerage & other levies).

On behalf of the client, the Company made payment of net obligation to NSE Clearing Limited (Clearing Corporation) and sold the resultant shares of Eicher motors since the client had not fulfilled the obligation. The company had incurred a loss on sale of these shares amounting to Rs. 5.63 crores. Accordingly, as a prudent measure, the company had made provision of Rs. 6.80 crores (including loss on sale of Share Rs. 5.63 crores and Delayed Payment Charges of Rs. 1.17 crores) in the financial statements for the year ended March 31, 2024. The Client has provided an indemnity to the Company permitting recovery inter alia from 50% of his monthly salary and retirement dues. The Company has also initiated action against TCS (the software service provider) to recover loss / expenses incurred as a result of this incident.

The NCL Ltd (the Clearing Corporation) has levied a penalty of Rs. 2.34 crores as a result of margin shortfall on both legs of the trades (i.e., buy and sell). The Company is coordinating with NCL for reversal of the penalty.

#### 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, 2024	Year ended March 31, 2023
Amount required to be spent u/s 135 of the Companies Act, 2013	35.00	11.81
Total expenditure towards CSR Activities		
a) Construction/acquisition of any asset	Nil	Nil
b) On purpose other than (a) above	35.00	22.00
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 -		
<b>Particulars</b>	<b>Amount</b>	<b>Date of Payment</b>
Donation to Dignity Foundation towards empowerment of senior citizen	8.00	14.09.2023
Donation to Waste Warriors towards reinforcing environmental balance.	10.00	15.12.2023
Donation for social, environmental & health awareness to Surul Suprity society	15.00	28.02.2024
Donation to PM Care Fund	2.00	20.03.2024
<b>Total</b>	<b>35.00</b>	

#### 41. Earnings and expenditure in foreign currency

	Year ended March 31, 2024	Year ended March 31, 2024
(i) Earnings in foreign currency		
Advisory Services	2.78	2.81
(ii) Expenditure in foreign currency		
Travelling	10.48	31.50
(iii) Exchange Rate differences recognised in P&L A/c	Nil	(0.10)

#### 42. Financial Instruments

##### 42.1. 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.

##### 42.2. Categories of Financial Instruments:

Particulars	As at March 31, 2024		
	Amortised Cost	At Fair Value Through Profit & Loss	Total
<b>Financial Assets</b>			
(a) Cash and cash equivalents	2,200		2,200
(b) Bank balances other than cash and cash equivalents	9,111		9,111
(c) Receivables			
(i) Trade receivables	2,257		2,257
(d) Loans	7,780		7,780
(e) Investments	6,666	10,222	16,888
(f) Other financial assets	879		879
<b>Total Assets</b>	<b>28,893</b>	<b>10,222</b>	<b>39,115</b>
<b>Financial Liabilities</b>			
(a) Trade Payables	3,031		3,031
(b) Borrowings	4,500		4,500
(c) Deposits	104		104
(d) Lease liabilities	2,949		2,949
(e) Other financial liabilities	446		446
<b>Total Liabilities</b>	<b>11,031</b>	-	<b>11,031</b>

Particulars	As at March 31, 2023		
	Amortised Cost	At Fair Value Through Profit & Loss	Total
<b>Financial Assets</b>			
(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		2,168
(d) Loans	3,472		3,472
(e) Investments	6,666	7,336	14,002
(f) Other financial assets	1,195		1,195
<b>Total Assets</b>	<b>27,515</b>	<b>7,336</b>	<b>34,851</b>
<b>Financial Liabilities</b>			
(a) Trade Payables	1,909		1,909
(b) Borrowings	2,188		2,188
(c) Deposits	118		118
(d) Other financial liabilities	721		721
(e) Lease liabilities	175		175
<b>Total Liabilities</b>	<b>5,111</b>	-	<b>5,111</b>

### 42.3. 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 2024	As at 31, March 2023	As at 31, March 2022	Fair Value Hierarchy
<b>Financial Assets</b>				
Liquid fund	-	-	4,302	Level 1
Equity Shares - Quoted	931	202	604	Level 1
Equity Index Funds	-	-	-	Level 1
Investments in Alternative Investment Fund	3,573	3,137	2,250	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.

#### **42.4. 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 16,906 (March 31, 2023 - INR 17,954) including current investments, cash and cash equivalents and bank balances against aggregate current liability INR 8,082 (March 31, 2023 INR 4,390) and non-current liabilities amounting to INR 2,949 (March 31, 2023 INR 721) on the reporting date. While the Company's total equity stands at INR 37,118 (March 31, 2023 INR 35,889), it has borrowing amounting to INR 4,500 (March 31, 2023 – INR 2,188). 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, 2024

Particulars	Less than 3 Months	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years	Total carrying Value
<b>Financial Assets</b>						
(a) Cash and cash equivalents	2,200	-	-	-	-	2,200
(b) Bank balances other than cash and cash equivalents	3,066	3,630	2,098	317	-	9,111
(c) Receivables						-
(i) Trade receivables	572	151	579	955	-	2,257
(d) Loans	7,780	-	-	-	-	7,780
(e) Investments	5,596	-	-	3,574	7,718	16,888
(f) Other financial assets	84	-	-	-	795	879
<b>Total</b>	<b>19,298</b>	<b>3,781</b>	<b>2,677</b>	<b>4,846</b>	<b>8,513</b>	<b>39,115</b>
<b>Financial Liability</b>						
(a) Trade payables	1	-	3,030	-	-	3,031
(b) Borrowings	4,500	-	-	-	-	4,500
(c) Deposits	-	-	-	104	-	104
(d) Lease liabilities	-	-	-	2,949	-	2,949
(e) Other financial liabilities	-	-	447	-	-	447
<b>Total</b>	<b>4,501</b>	<b>-</b>	<b>3,477</b>	<b>3,053</b>	<b>-</b>	<b>11,031</b>

### (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 2024	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. 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. IDBI Capital holds a management overlay provision of Rs. 4.60 crores as on 31<sup>st</sup> March 2024 on account of volatile macro-economic factors.

**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 2023	4,427	2,344
As at 31, March 2024	4,541	2,393

### 43. 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, 2024

Particulars	Upto 12 Months	More than 12 Months	Total
<b>Financial Assets</b>			
(a) Cash and cash equivalents	2,200		2,200
(b) Bank balances other than cash and cash equivalents	8,794	317	9,111
(c) Receivables			-
(i) Trade receivables	1,302	955	2,257
(d) Loans	7,780		7,780
(e) Investments	5,596	11,292	16,888
(f) Other financial assets	84	795	879
<b>Non-Financial Assets</b>			-
(a) Current tax assets (net)		2,431	2,431
(b) Deferred tax asset (net)		14	14
(c) Property, plant and equipment		3,936	3,936
(d) Right of use		196	196
(e) Intangible assets under development		87	87
(f) Other Intangible assets		2,895	2,895
(g) Other non-financial assets	354	-	354
<b>Total Assets</b>	<b>26,110</b>	<b>22,918</b>	<b>49,028</b>
<b>Financial Liabilities</b>			
(a) Trade Payables	3,031	-	3,031
(b) Borrowings	4,500	-	4,500
(c) Deposits	104	-	104
(d) Lease liabilities	-	2,949	2,949
(e) Other financial liabilities	447	-	447
<b>Non-Financial Liabilities</b>			
(a) Provisions	429	-	429
(b) Other non-financial liabilities	218	-	218
<b>Total Liabilities</b>	<b>8,729</b>	<b>2,949</b>	<b>11,678</b>
<b>Net</b>	<b>17,381</b>	<b>19,969</b>	<b>37,350</b>

**As at March 31, 2023**

Particulars	Upto 12 Months	More than 12 Months	Total
<b>Financial Assets</b>			
(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
<b>Non-Financial Assets</b>			-
(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
<b>Total Assets</b>	<b>22,818</b>	<b>19,155</b>	<b>41,973</b>
<b>Financial Liabilities</b>			
(a) Trade Payables	1,909	-	1,909
(b) Borrowings	2,188	-	2,188
(c) Deposits	118	-	118
(d) Other financial liabilities	-	721	721
(e) Lease liabilities	175	-	175
<b>Non-Financial Liabilities</b>			
(a) Provisions	594	-	594
(b) Other non-financial liabilities	379	-	379
<b>Total Liabilities</b>	<b>5,363</b>	<b>721</b>	<b>6,084</b>
<b>Net</b>	<b>17,455</b>	<b>18,434</b>	<b>35,899</b>

**44. Struck off companies' details:**

(Rs. In lakhs)			
Name of the Struck off Company	Nature of transactions with Struck off Company	Balance Outstanding as on 31.03.2024	Relationship with the struck off company, if any, to be disclosed
BP FOODS PRODUCTS PVT LTD	Receivables	6.80	-

**45.**

1. Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

2. Wilful defaulter  
The Company have not been declared wilful defaulter by any bank or financial institution or government or any government authority.
3. Compliance with number of layers of companies  
This is not applicable to the Company.
- 4(a). During the year, the Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:
  - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries); or
  - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- 4(b). During the year, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or
  - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
5. Undisclosed income  
There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
6. Details of crypto currency or virtual currency  
The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.
7. Valuation of PP&E, intangible asset and investment property  
The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
8. There are no loans due by directors or other officers of the Company or any of them either severally or jointly with any other persons or amounts due by firms or private companies respectively in which any director is a partner or a director or a member.
9. There are no loans or advances in the nature of loans to promoters, directors, KMPs or related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:

- (a) repayable on demand; or
- (b) without specifying any terms or period of repayment.

10. Ratios:

The Company does not have any data/ information to disclose.

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

**46. 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.

**47.**

- (i) As per the requirements of rule 3(1) of the Companies (Accounts) Rules 2014 the Company uses only such accounting software for maintaining its books of account that have a feature of recording audit trail of each and every transaction creating an edit log of each change made in the books of account along with the date when such changes were made within such accounting software. This feature of recording audit trail has operated throughout the year and was not tampered with during the year. In respect of one accounting software the audit trail, as per the requirements of rule 3(1) of the Companies (Accounts) Rules 2014 for direct data changes at the database level has been maintained in the video recording of changes at database level but could not produce the listing of such logs for verification. The company is in the process of enabling a system report on listing of audit trail logs from the software vendor. The Company has established and maintained an adequate internal control framework and produced the video recording of such changes at database level and based on its assessment, believes that this was effective as of March 31, 2024.

- (ii) **CONSOLIDATED FINANCIAL STATEMENTS:**

The Ministry of Corporate Affairs vide its Notification G.S.R 742(E) dated 27<sup>th</sup> July, 2016, exempted subsidiary company from preparation and presentation of Consolidated Financial Statements, provided the company meets the conditions as mentioned in the said Notification.

Accordingly, the Company has not prepared Consolidated Financial Statements since it has met all requirements mentioned in the aforesaid notification.

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 V C Shah & Co  
Chartered Accountants  
Firm Registration No: 109818W

Sd/-

Viral J. Shah  
Partner  
M. No. 110120  
UDIN: 24110120BKFQWE3811

Place: Mumbai  
Date: July 15, 2024.

For and on behalf of the Board

Sd/-  
Rakesh Sharma  
Chairman  
DIN: 06846594

Sd/-  
Pradeep Salunke  
Chief Financial Officer

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

Sd/-  
Amruta Lad  
Company Secretary  
M. No. ACS66517

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NSDL : - IN-DP-676-2022  
NSDL DP id : IN300079. ARN No : 0893, CIN no.:U65990MH1993GOI075578

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