

2023-24

ANNUAL REPORT



Making Investment



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STOCKHOLDING SERVICES LIMITED

(Formerly Known as SHCIL Services Limited)



Manoj Kumar Parida
Non-Executive Chairman



G Anantharaman
Independent Director



D. C. Jain
Independent Director



Amit Dassi
Director



Sarala Menon
Director



Chirag Sapra
Director



Sanjay Pote
MD & CEO

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Board of Directors

Shri Manoj Kumar Parida

Non-Executive Chairman

Shri G. Anantharaman

Independent Director

Shri D. C. Jain

Independent Director

Shri Amit Dassi

Director

Smt Sarala Menon

Director

Shri Chirag Sapra

Director

Shri Sanjay Pote

Managing Director & CEO

Shri Rajneesh Singh

Company Secretary (Resigned on March 31, 2024)

Smt Swati Goyal

Company Secretary (Appointed from April 1, 2024)

Shri Hemang Ladani

Chief Financial Officer

Statutory Auditors

M/s A Bafna & Co., Chartered Accountants, Mumbai

Internal Auditors

M/s Kochar & Associates, Chartered Accountants, Mumbai

Concurrent Auditors

M/s PKF Sridhar & Santhanam, LLP Chartered Accounts, Mumbai

Compliance Auditors

M/s Mehta Sanghvi & Associates, Chartered Accountants, Mumbai

Secretarial Auditors

M/s D.A. Kamat & Co., Company Secretaries, Mumbai

Registered Office:

**SHCIL House, P-51, T.T.C. Industrial Area,
MIDC, Mahape, Navi Mumbai 400 710
CIN NO: U65990MH1995GOI085602
Tel: 91 - 22 6177 8600
Web: www.stockholdingservices.com**

Directors' Report

To the Members,

The Board of Directors are pleased to present the Twenty Ninth Directors Report of your Company along with the Audited Statement of Accounts for the financial year ended March 31, 2024.

Financial Performance

In the financial year 2023-24, StockHolding Services Limited (SSL) has demonstrated remarkable growth in both transactions and revenue. The newly implemented integrated system has greatly streamlined operations, significantly reducing manual efforts and accelerating automation. Additionally, SSL's strategic initiatives, such as the launch of the Achiever's Club 2023-24 and the Muhurat Trading Offer, have enhanced revenue. As a result, the company has experienced substantial growth in digital transactions, with an impressive 41% of trades now processed through digital channels.

During the year ended March 31, 2024, your company earned a gross total income of Rs. 11966.3 lakhs which was up by 26.76% as compared to the previous year. The Profit after tax was Rs. 2007.18 lakhs which increased by 44.51% compared to the previous year.

The financial results are summarized below:

| Particulars | 2023-24 | 2022-23 |
|-----------------------------------|---------|---------|
| Total Income | 11966.3 | 9439.97 |
| Total Expenditure | 9234.18 | 7496.84 |
| Profit/ (Loss) Before Tax | 2732.12 | 1943.13 |
| Profit/ (Loss) After Tax | 2007.18 | 1388.97 |
| Total Comprehensive Income | 2007.17 | 1391.46 |
| Net Worth | 11271.9 | 9508.32 |
| Book Value per Equity Share (Rs.) | 185.72 | 156.14 |
| Earnings per share (Rs.) | 32.96 | 22.81 |

Dividend

The Board of Directors had approved and paid 1st interim dividend of Rs. 2.50/- per equity share (25%) on face value of Rs. 10/- each to its shareholders. The Board is pleased to recommend, subject to approval of shareholders a final dividend of Rs.15.00/- per equity share (150%) making the total dividend of Rs 17.50/- per equity share (175%) on the face value of Rs. 10/- each for the financial year ended March 31, 2024.

Transfer to reserves

Your Company does not propose to transfer any amount to the general reserve. An amount of Rs. 2007.17 lakhs are retained in the Profit & Loss Account.

Economic and Capital Market developments -

At the start of the 2023-24 financial year, the ongoing Russia-Ukraine conflict continued to drive global inflation. Market analysts link this to several factors, including

increased market volatility and corrections following the highs of 2020 and 2021, a slowing global economy, and rising interest rates. As a result, retail investors have become more cautious about investing their capital in the financial markets.

The Global economy is rebalancing and expected to grow steadily in 2024. Inflation has been slowing down, especially in the services sector, but progress towards target has been uneven. Financial markets remain volatile due to uncertainty surrounding the timing and pace of policy changes by central banks. Both advanced and emerging market economies have experienced new highs in equity markets. Non-energy commodity prices have risen, while bond yields and the US dollar have remained volatile, impacting emerging market currencies. Gold prices have reached record highs due to increased demand as a safe haven. There are concerns about the high levels of public debt in both advanced and emerging market economies, which could pose risks in the future. Debt to GDP ratios have increased during the pandemic and are projected to continue rising, raising concerns about debt sustainability due to the growing interest burden and cost of borrowing.

The Indian economy has been experiencing strong growth, with an average of 8.3 percent over the last three years. In 2023-24, the economy achieved an impressive growth of 8.2 percent despite ongoing global challenges and unpredictable weather patterns. This growth was primarily driven by robust domestic demand, particularly in investment activity. The manufacturing and services sectors were the main contributors to the gross value added (GVA).

In the past year, the regulatory environment for stock brokers in India has seen significant developments under the oversight of the Securities and Exchange Board of India (SEBI). SEBI has introduced a series of reforms aimed at increasing transparency and investor protection. These include stricter disclosure requirements, which mandate that brokers provide detailed information on fees, commissions, and any potential conflicts of interest. Enhanced measures to prevent fraudulent activities and misconduct have been enforced, including more rigorous record-keeping and compliance protocols. Additionally, SEBI has implemented new guidelines to improve the management of client funds and ensure fair trading practices. The increased focus on regulatory oversight and periodic audits has been designed to reinforce the integrity of the financial markets and boost investor confidence in the Indian stock trading ecosystem.

After Introducing the T+1 settlement cycle for securities SEBI decided to implement a framework for the introduction of a Beta version of the T+0 settlement cycle on an optional basis, initially applicable to a limited set of 25 scrips involving limited number of brokers. As these new changes drive in we see the innovation and witness the dynamic moves taken by the market regulator and the stock exchanges to keep pace with the world.

Operations review

Your Company is in the business of Stock Broking and is a member of BSE Limited (BSE) Cash, Equity Derivatives, National Stock Exchange (NSE), Cash, Equity Derivatives, Currency Derivatives and Multi Commodities Exchange (MCX) commodities segment. SSL started to act as Self Clearing Member in the Futures & Options segment / Currency Derivatives segment w.e.f. April 22, 2024. Your company provides demat services as a Depository Participant (DP) of Central Depository Services India Limited (CDSL) and National Securities Depository Limited (NSDL). Your company is also registered as Research analyst and Portfolio Management Services (PMS) with Securities and Exchange Board of India (SEBI). The Stock Broking services are offered to both retail investors and institutional clients.

Digital initiatives

Your Company has added further impetus to its digital strategy and is leveraging its digital platform to provide seamless service to its clients. Customers are on-boarded through digital platforms and your company is promoting and welcoming investors to use the digital platforms. Your Company is educating Authorized Person (AP) branches and is conducting webinars on the features of Digital Platforms to encourage clients to shift to digital platforms.

SSL is taking steps to increase the transaction through digital mode. During the year there was approximately 37% increase in the transactions conducted through digital platforms (Online & Mobile traded Clients).

Discount Broking

Discount brokerage firms in India have revolutionized stock market participation by offering competitive pricing and advanced technology, making investing more accessible for retail investors. Their impact has been pivotal in shaping a favorable investment landscape, driving a growing preference for their services nationwide.

We are actively pursuing partnerships to create brand visibility and client base. Additionally, SHAREPA (our discount broking product) aims to enhance its trading application to retain and attract traders, leveraging market sentiments and personalized recommendations to drive engagement and achieve their financial targets effectively. SHAREPA has recently upgraded its website using WordPress, a platform widely adopted across the industry. Additionally, SHAREPA has launched a mobile trading application and successfully registered their brand as a trademark. SSL have also implemented a fully automated online KYC platform.

Subsidiaries

Your Company does not have any subsidiary.

Details to be reported u/s 134 (3) (ca) of the Companies Act, 2013

No frauds have been noticed/reported by Auditors during the year.

Directors Responsibility Statement

To the best of their knowledge, ability and belief and

according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(5) of the Companies Act, 2013 and confirm that:

- (a) in the preparation of the annual accounts for the financial year ended March 31, 2024, the applicable accounting standards have been followed and there are no material departures;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at March 31, 2024 and of the profit of the Company for the year ended on that date;
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a going concern basis;
- (e) proper internal financial controls were in place and such financial controls are adequate and operating effectively.
- (f) systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

Internal Financial Controls

The Company has laid down internal financial controls to be followed by the company. The internal audit in addition to ensuring compliance to policies, regulations, processes etc., also test and report adequacy of internal financial controls with reference to financial reporting/statements. The Board relied on the framework of internal financial controls and systems established and maintained by the Company, the work performed by the internal auditors, statutory auditors and secretarial auditors including internal financial controls and reviews performed by the management and relevant Board Committee's. The Board is of the opinion that such internal financial controls are adequate and were operating effectively.

Directors and Key Managerial Personnel (KMP)

Based on the Circular Resolution approved on January 16, 2024, and based on the recommendation of the Nomination and Remuneration Committee the Board appointed Shri Manoj Kumar Parida, as an Additional Director and Non-Executive Chairman, not liable to retire by rotation. Shri Chirag Sapra, Director will retire at the ensuing AGM and being eligible offer himself for reappointment.

On March 31, 2024, Shri Rajneesh Singh resigned from his position as the Company Secretary of Stock Holding Services Limited. Effective from April 1, 2024, Smt. Swati Goyal has been appointed as the new Company Secretary.

Your Company has seven Directors which includes one

Woman Director and two Independent Directors. The Independent Directors Shri G. Anantharaman and Shri D. C. Jain have given a declaration that they meet the criteria of Independence as laid down under Section 149 of the Companies Act, 2013.

Shri Sanjay Pote, MD & CEO, Smt. Swati Goyal, Company Secretary and Shri Hemang Ladani, Chief Financial Officer are the Key Managerial Personnel of the Company.

Number of Meetings of the Board

Regular meetings of the Board and its Committees are held to discuss and decide on various business policies, strategies, etc. During the year, five Board Meetings were convened and held. The intervening gaps between the meetings were within the period prescribed under the Companies Act, 2013. The details of meetings of the Board and various Committees of the Board are given in the Corporate Governance Report.

Annual Evaluation of Performance of the Board

The Board of Directors is the cornerstone of the corporate governance framework of the Company. An effective Board ensures that the long-term strategic objectives of the Organization are being achieved and are in line with the interests of multiple stake holders.

In line with the above philosophy and pursuant to Section 149 read with Schedule IV of the Companies Act, 2013, the Company has put in place a mechanism to facilitate evaluation of performance of Board as a whole, which includes evaluation of the performance of each of the Directors, including Independent Directors, Chairperson, and Board as a whole.

The responses were sought from Directors through questionnaires on various aspects of the Board's functioning in close alignment with the stated objectives of the Company. On the basis the response received from the Directors, the Board carried out an annual performance evaluation of its own performance, Directors individually as well as the evaluation of the working of the regular Committees of Board. The Nomination and Remuneration Committee undertook an evaluation of each Director's performance.

The Independent Directors met separately without the attendance of non-independent Directors and members of management, where they discussed and reviewed the performance of Non-Independent Directors, Chairman and Board as a whole. The Nomination & Remuneration Committee undertook an evaluation of each Director's performance.

Nomination and Remuneration Policy

In terms of the requirements under the Companies Act, 2013, the Company has put in place a policy on remuneration of Directors, Key Managerial Personnel and other employees.

The said Policy is guided by the set of principles and objectives as particularly envisaged under Section 178 of

the Companies Act, 2013. The Policy outlines attributes and criteria to be taken into account while appointing a Director, which includes academic and professional qualifications, experience, skill sets, etc. Appointment of Directors are considered and recommended by the Nomination & Remuneration Committee in the first instance, and thereafter approved by the Board and Shareholders.

The Remuneration of Non-Executive Directors comprises sitting fees for attending the meetings of Board/ Committees of the Board. None of the Directors were entitled to Stock Options.

The MD & CEO is entitled to fixed pay as well as variable pay linked to performance. The payment of remuneration to the MD & CEO is subject to approval by Nomination & Remuneration Committee, Board and Shareholders.

The NRC Policy of the Company is placed on the website of your Company at www.stockholdingservices.com. The details of composition and meetings of Nomination and Remuneration Committee are included in the Corporate Governance Report.

Audit Committee

The details of the Composition and meetings of Audit Committee are included in the Corporate Governance report which forms part of this report.

Auditors

Being subsidiary of Government Company, your Company is also a Government Company. The Office of Comptroller and Auditor General of India (CAG) vide its letter dated September 12, 2023 had appointed M/s. A Bafna & Co, Chartered Accountants as Statutory Auditors of your Company under Section 139 of the Companies Act, 2013 for the financial year 2023-24.

The Auditors' Report contains one qualification. The same is mentioned below -

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 non-maintenance of Audit Trail (Edit Log) in one of the accounting software of the company throughout the year namely Tally Prime in which books of accounts are maintained.

Comments / Explanation of the Board of Directors on the qualification

SSL's core business accounting software included an audit trail feature. However, the software used for non-core business activities, specifically Tally, lacked this feature during the fiscal year 2023-24. The company has since rectified this issue by enabling the audit trail functionality in Tally. In July 2022, SSL transitioned its back-office operations to new software vendor, Tata Consultancy Services (TCS), which provides an audit trail for all core business activities. Tally was retained for non-core functions such as vendor payments, treasury accounting, TDS, and GST. Although Tally was acquired with an edit

audit trail log feature, this functionality was inadvertently not activated during the financial year 2023-24. Corrective measures have now been implemented.

Your Company has an elaborate internal audit system. Internal Audit of the functions and activities of the Company is carried out by a reputed firm of Chartered Accountants.

Comptroller and Auditor General of India (C&AG) Audit

The Comptroller and Auditor General of India (C&AG), vide letter dated June 25, 2024, informed that C&AG have decided not to conduct the supplementary audit of financial statements of your Company for the year ended March 31, 2024 under section 143(6)(a) of the Companies Act, 2013. Copy of the same is placed next to the Statutory Auditors' Report forming part of the financial statements.

Particulars of Loans, Guarantee and Investments

Your Company has not given any loans, guarantees and investments within the purview of Section 186 of the Companies Act, 2013.

Related Party Transactions

All the Related Party Transactions (RPTs) that were entered into during the financial year were on arms' length basis and were in the ordinary course of business and were in compliance with the applicable provisions of the Companies Act, 2013 as well as the Policy on Related Party Transaction adopted by the Company. As prescribed under section 177(3) of the Companies Act, 2013, RPTs are placed before the Audit Committee. None of the transactions with related parties falls under the scope of section 188(1) of the Act.

All the RPTs have been approved by the Audit Committee of the Board on the strength of Management representation that they are in the ordinary course of business at arm's length price.

The Form AOC-2 pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies Act, (Accounts) Rules, 2014 is annexed as **Annexure A** to this Report.

Significant and Material Orders Passed by the Regulators or Courts or Tribunal:

National Company Law Tribunal:

Your Company had filed the compounding applications with the National Company Law Tribunal for compounding of violations of the provisions of the Companies Act, 1956 which took place during the financial year 2005-06. The Compounding details are as under:

| Reference No. | Order Date | Compounding Fees |
|------------------------------|------------|------------------|
| CP No./3842/NCLT/MB/MAH/2018 | 05.09.2023 | 5,62,500 |
| CP No./3869/NCLT/MB/MAH/2018 | 08.09.2023 | 7,50,000 |
| CP No. 3841/MB/2018 | 04.03.2024 | 1,500 |

Your Company has deposited the said compounding fees with National Company Law Tribunal in September 2023 and March 2024.

There were no other material orders passed by the regulators or courts or tribunals impacting the going concern status and the company's operations in future.

No application was made or any proceedings are pending under the Insolvency and Bankruptcy Code, 2016.

Risk Management

The Company recognizes that risk is an integral part of business and is committed to managing the risk in a proactive and efficient manner. The Company periodically assesses risk in the internal and external environment. The Risk Management Committee inter-alia reviews various risks your Company is exposed to and considers the mitigants suggested by the business heads/ departmental heads. The details of Risk Management Committee are included in Corporate Governance Report which forms part of this report. The Company is committed to managing the risk by continuously upgrading its Software features, automation and elimination of manual intervention.

Committee on Prevention of Sexual Harassment

Your Company has constituted an Anti-Sexual Harassment Committee as required under "Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013." The Committee includes an external Independent Member. The disclosures required to be made under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 are given below: -

| | |
|--|------|
| Number of complaints of sexual harassment received in the financial year 2023-2024 | NIL |
| Number of complaints disposed-off during the financial year 2023-2024 | N.A. |
| Number of cases pending for more than ninety days | NIL |
| Number of workshops or awareness programs against sexual harassment carried out | 1 |
| Nature of action taken by the employer | NA |

Code of Conduct to regulate, monitor and report trading

The Securities and Exchange Board of India [Prohibition of Insider Trading Regulations, 2015] (Regulations) inter alia provides that market intermediary registered with SEBI is mandatorily required to formulate a code of conduct to regulate, monitor and report trading by its employees. Your Company being a SEBI registered intermediary has formulated a code of conduct to regulate monitor and report trading by its employees / Directors.

Extract of Annual Return

As per Section 92 (3) & 134 (3)(a) of the Act, Annual Return for FY 2023-24 is uploaded on the website of the Company and can be accessed at the link [https://www.stockholdingservices.com/Annual Report/MGT-9](https://www.stockholdingservices.com/Annual%20Report/MGT-9)

Corporate Governance

Your Company is not a listed entity. Nevertheless, it endeavors to comply with Corporate Governance norms. A report thereof is annexed at **Annexure B**.

Corporate Social Responsibility

Stockholding Services Limited (SSL) believes that business and corporate Social responsibility (CSR) go hand in hand. The CSR activities of SSL are carried out in line with the CSR policy of your company.

The brief outline of the Corporate Social Responsibility (CSR) policy of our Company and the initiatives undertaken on CSR during the year are set out in the **Annexure C** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR policy is also available on the website of the Company at www.stockholdingservices.com

The details of composition & meetings of the Corporate Social Responsibility Committee are included in the Corporate Governance Report which forms part of this report.

Particulars of Employees

None of the employees of your Company were in receipt of remuneration in excess of the limits as laid down under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Human wealth Development and Training

Your company is committed to creating a healthy, secure and employee friendly organizational culture which encourages its employees to develop their skills, push their limits for learning new things. SSL nurtures the talent and potential of its employees by nominating them to various training and development programs to hone their talent and skill sets. In order to foster community spirit and inclusivity. Programs, competitions and celebration are organized.

The employees are encouraged to acquire the necessary regulatory and compliance certifications conducted by NISM and program conducted by SEBI, NSE, BSE, MCX, etc. which are relevant to the SSL's business. SSL recognizes training and development as a crucial part of the talent development and various programmes were conducted during the year, both through physical and virtual platforms.

SSL participated to various Government of India initiatives by observing Vigilance Awareness Week with the theme "Say No to Corruption; Commit to the Nation", SSL employees participated in an initiative through taking part in contests arranged like writing essays, slogans and

innovative ideas from employees and their families in English Hindi and Marathi.

Fixed Deposits

The Company has not accepted any fixed deposits from the public during the financial year 2023-24. Hence, no information is required to be appended to this report.

Dematerialization/Issue of equity shares

The equity shares of the Company are admitted with National Securities Depository Limited (NSDL) is "INE04R301012". As on date more than 94.58% of the Company's equity shares are in dematerialized form.

Your company has not issued any equity shares with differential right as to dividend, voting or otherwise and neither issued shares (including sweat equity shares) to employees of the company under any scheme.

Secretarial Auditors & Standards

Your company does not fall under the criteria as per Section 204 of the Companies Act, 2013 and hence the secretarial audit is not mandatory to the company. However, to follow best Corporate Governance practice, SSL has appointed M/s D A Kamath & Co, Company Secretaries LLP to carry out an audit of its Secretarial activities. There are no qualifications, observations or adverse remarks in the said report. The Institute of Company Secretaries of India has currently mandated compliance with the Secretarial Standards on Board Meetings and General Meetings. During the year under review, the Company has complied with the applicable Secretarial Standards.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

Conservation of energy & technology absorption

Your Company does not carry any manufacturing activities. However, it has taken steps towards conservation of energy and continues to use latest technologies for improving the productivity and quality of its services. The company uses energy efficient LED lights equipped with latest technology having features of lower power usage and improved performance. The Company is using energy efficient VRF/VRV system of air conditioning.

Foreign exchange earnings and outgo

Foreign exchange earnings and outgo during the year under review:

Foreign Exchange earnings - Nil

Foreign Exchange outgo – Nil

Acknowledgements

The Board places on record its deep appreciation for the excellent support and patronage of Government of India, the Governments of various States & the concerned Government departments / agencies, Securities and Exchange Board of India (SEBI). The Board also expresses

its sincere thanks to National Stock Exchange of India Limited (NSE), BSE Limited (BSE), Multi Commodity Exchange of India Limited (MCX), Metropolitan Stock Exchange of India Limited (MSEI), National Securities Depository Limited (NSDL), Central Depository Services Limited (CDSL), Indian Clearing Corporation of India Limited (ICCL), NSE Clearing Limited (NCL), Association of Mutual Funds (AMFI), Banks, Clients and the Shareholders for their cooperation and support in various spheres of your Company's activities. The Board of Directors also expresses its gratitude for the exemplary services rendered by the employees of your Company.

For and on behalf of the
Board of Directors

Manoj Kumar Parida
Non-Executive Chairman

Place: Mumbai

Date: July 23, 2024

Annexure A**FORM AOC -2**

(Pursuant to clause (h) of sub-section (3) of Section 134 (3) (h) 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 Section 188 (1) of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis: None

| | | |
|-----|--|----------------|
| (a) | Name(s) of the related party and nature of relationship | Not Applicable |
| (b) | Nature of contracts/arrangements/transactions | Not Applicable |
| (c) | Duration of the contracts / arrangements/transactions | Not Applicable |
| (d) | Salient terms of the contracts or arrangements or transactions including the value, if any | Not Applicable |
| (e) | Justification for entering into such contracts or arrangements or transactions | Not Applicable |
| (f) | Date(s) of approval by the Board | Not Applicable |
| (g) | Amount paid as advances, if any: | Not Applicable |
| (h) | Date on which the special resolution was passed | Not Applicable |
| (i) | Amount paid as advances, if any Date on which special resolution was passed in general meeting as required under first proviso to Section 188 of the Companies Act,2013 | Not Applicable |

2. Details of material contracts or arrangement or transactions at arm's length basis: None

| | | |
|-----|--|----------------|
| (a) | Name(s) of the related party and nature of relationship | Not Applicable |
| (b) | Nature of contracts/arrangements/transactions | Not Applicable |
| (c) | Duration of the contracts/arrangements/transactions | Not Applicable |
| (d) | Salient terms of the contracts or arrangements of transactions including the value, if any | Not Applicable |
| (e) | Date(s) of approval by the Board, if any | Not Applicable |
| (f) | Amount paid as advances, if any | Not Applicable |

For and on behalf of the
Board of Directors

Manoj Kumar Parida
Non-Executive Chairman

Place: Mumbai

Date: July 23, 2024

REPORT ON CORPORATE GOVERNANCE

(Forming part of Directors' Report for financial year ended March 31, 2024)

The Company's philosophy on Code of Governance

The Company is not a listed entity. Nevertheless, it endeavors to comply with Corporate Governance norms as specified under SEBI Listing and Disclosure Regulation 2015. The Company's philosophy on corporate governance recognizes the accountability of the Board & Officers and the importance of decisions to all constituents, including customers, employees, investors, business associates, regulatory authorities and the Community at large. The Company believes that all its operations and actions must serve the underlying goal of enhancing shareholder value over a period of time.

Board of Directors

The Board consists of 7 members, of which 2 are independent directors. The day-to-day management of the company vests in the hands of the MD & CEO.

Shri Manoj Kumar Parida was appointed as the Additional Director w.e.f. January 16, 2024. Shri Chirag Sapra, Director will retire at the ensuing AGM and being eligible offer himself for reappointment.

The details of Directorships held by the Directors as on July 23, 2024 in other companies are as follows:

Shri Manoj Kumar Parida

| Sr.No | Name of company/Institution | Nature of interest |
|-------|--------------------------------------|---------------------|
| 1 | ITCOT Limited | Director |
| 2 | IIDL Realtors Pvt Limited | Director |
| 3 | Stockholding Securities IFSC limited | Additional Director |

Shri G. Anantharaman

| Sr. No | Name of company/Institution | Nature of interest |
|--------|---------------------------------|--------------------|
| 1 | Invesco Trustee Private Limited | Director |

Shri D. C. Jain

| Sr. No | Name of company/Institution | Nature of interest |
|--------|--|--------------------|
| 1 | Famy Finance Private Limited | Director |
| 2 | Wonder Home Finance Limited | Director |
| 3 | Brick Eagle Affordable Housing Finance Limited | Director |
| 4 | IRM Private Limited | Director |

Shri Sanjay Pote

| Sr.No | Name of company/Institution | Nature of interest |
|-------|---------------------------------|--------------------|
| 1 | IFCI Financial Services Limited | Director |
| 2 | IFIN Commodities Limited | Director |

Shri Amit Dassi

| Sr.No | Name of company/Institution | Nature of interest |
|-------|-----------------------------|--------------------|
| -- | -- | -- |

Smt Sarala Menon

| Sr.No | Name of company/Institution | Nature of interest |
|-------|-----------------------------|--------------------|
| -- | -- | -- |

Shri Chirag Sapra

| Sr.No | Name of company/Institution | Nature of interest |
|-------|-----------------------------|--------------------|
| 1 | IFIN Credit Limited | Director |

Details of the Board Meeting and Attendance

The Board of Directors meet at least once in every three months. Meetings were held during the financial year 2023-24. Details of Board Meetings held are as follows:

| S. No. | Date of the Board Meeting | Total number of Directors on the date of the meeting | No. of Directors attended | % of Attendance |
|--------|---------------------------|--|---------------------------|-----------------|
| 1 | April 28, 2023 | 6 | 5 | 83.33 |
| 2 | July 20, 2023 | 6 | 5 | 83.33 |
| 3 | October 26, 2023 | 6 | 6 | 100 |
| 4 | January 24, 2024 | 7 | 7 | 100 |
| 5 | March 28, 2024 | 7 | 7 | 100 |

Attendance of Directors at Board Meetings and Annual General Meeting during the financial year 2023-24:

| S. No. | Name of the Director | April 28, 2023 | July 20, 2023 | October 26, 2023 | January 24, 2024 | March 28, 2023 | Attendance at the AGM held on September 15, 2023 |
|--------|--|----------------|---------------|------------------|------------------|----------------|--|
| 1 | Shri Manoj Kumar Parida (Appointed w.e.f. January 16, 2024) | NA | NA | NA | √ | √ | NA |
| 2 | Shri Sanjay Pote | √ | √ | √ | √ | √ | √ |
| 3 | Smt. Sarala Menon | √ | LOA | √ | √ | √ | LOA |
| 4 | Shri D. C. Jain | √ | √ | √ | √ | √ | √ |
| 5 | Shri. Amit Dassi | √ | √ | √ | √ | √ | √ |
| 6 | Shri. G. Anantharaman | √ | √ | √ | √ | √ | √ |
| 7 | Shri Chirag Sapra | LOA | √ | √ | √ | √ | √ |

√ = Attended LoA=Leave of Absence

Details of Audit Committee and Attendance

The accounts of your Company are audited every quarter and the audited quarterly and annual financial statements are placed before the Audit Committee for their consideration, review and recommendations before submission to the Board for approval.

The terms of reference of the Audit Committee of the Board inter alia includes the terms referred to under Section 177 (4) of the Companies Act, 2013.

As on March 31, 2024, the Audit Committee comprised of three members viz., Shri G. Anantharaman (Chairman), Shri D. C. Jain, Independent Director and Shri Amit Dassi, Nominee Director. The details of attendance of the Directors at the Audit Committee meetings during the FY 2023-24 are as follows:

| Sr. No. | Name of the Director | Category | Attendance at the Audit Committee Meeting | | | | |
|---------|----------------------|----------------------|---|---------------|------------------|------------------|----------------|
| | | | Apr 28, 2023 | July 20, 2023 | October 26, 2023 | January 24, 2024 | March 28, 2024 |
| 1 | Shri G Anantharaman | Independent Director | √ | √ | √ | √ | √ |
| 2 | Shri D. C. Jain | Independent Director | √ | √ | √ | √ | √ |
| 3 | Shri Amit Dassi | Director | √ | √ | √ | √ | √ |

√ = Attended LoA=Leave of Absence

Details of Risk Committee

The Risk Management Committee inter-alia review's various risks your Company is exposed to/ risk associated with any new activities and considers the mitigants suggested by the business heads/ departmental heads. As on March 31, 2024, the Risk Committee comprised of Shri G Anantharaman (Chairman), Ms. Sarala Menon and Shri Amit Dassi. The details of attendance of the Directors at the Risk Management Committee meetings during the FY 2023-24 are as follows:

| Sr. No. | Name of the Director | Category | Attendance at the Risk Management Committee Meeting | | | |
|---------|----------------------|----------------------|---|---------------|------------------|------------------|
| | | | Apr 28, 2023 | July 20, 2023 | October 26, 2023 | January 24, 2024 |
| 1 | Shri G Anantharaman | Independent Director | √ | √ | √ | √ |
| 2 | Shri Amit Dassi | Director | √ | √ | √ | √ |
| 3 | Smt. Sarala Menon | Director | √ | √ | √ | √ |

√ = Attended LoA=Leave of Absence

Details of Nomination Remuneration Committee (NRC) and Attendance

Your Company has constituted a Nomination and Remuneration Committee (NRC). As required under Section 178 (3) of the Companies Act, 2013, the NRC has inter alia formulated the criteria for determining qualifications, positive attributes and independence of Directors, recommend the appointment of persons who may be appointed as Directors, Key Managerial and Senior Management position (one level below the MD & CEO / WTD) in accordance with the criteria laid down in this policy, recommend to the Board the remuneration payable to KMP, Senior Management Personnel and other employees and recommend to the Board remuneration, if any, payable to the Directors, etc.

As on March 31, 2024, the Committee comprised of three directors viz., Shri G. Anantharaman (Chairman), Shri D. C. Jain and Smt. Sarala Menon as members. The details of attendance of the Directors at the Nomination and Remuneration Committee meetings during the FY 2023-24 are as follows:

| Sr. No. | Name of the Director | Category | Attendance at the Nomination Remuneration Committee Meeting | | | |
|---------|----------------------|-------------|---|---------------|------------------|----------------|
| | | | Apr 28, 2023 | July 20, 2023 | January 24, 2024 | March 28, 2024 |
| 1 | Shri G Anantharaman | Independent | √ | √ | √ | √ |
| 2 | Shri D. C. Jain | Director | √ | √ | √ | √ |
| 3 | Smt Sarala Menon | Director | √ | √ | √ | √ |

√ = Attended LoA=Leave of Absence

Details of Corporate Social Responsibility (CSR) Committee and Attendance

The CSR policy of your Company has been prepared pursuant to Section 135 of the Act, CSR Rules, any circulars / notifications issued by the MCA. The role of CSR Committee includes:

- Formulating and recommending to the Board of Directors the CSR policy and indicating activities to be undertaken.
- Recommending the amount of expenditure for the CSR activities.
- Monitoring CSR activities from time to time.

As on March 31, 2024, the CSR Committee comprised of Shri D.C. Jain (Chairman), Shri Amit Dassi and Smt. Sarala Menon (Director) as members.

The CSR Committee met once during the year. The detail of attendance of the Directors at the CSR Committee meeting is as under:

| Sr. No. | Name of the Director | Category | Attendance |
|---------|----------------------|----------------------|------------------|
| | | | October 26, 2023 |
| 1 | Shri D. C. Jain | Independent Director | √ |
| 2 | Smt. Sarala Menon | Director | √ |
| 3 | Shri Amit Dassi | Director | √ |

√ = Attended.

General Meetings

The details of Annual General Meeting (AGM) and Extraordinary General Meeting (EGM) of the Company held in the past three years are as under:

| Meeting | Financial Year | Date | Venue |
|--|----------------|--------------------|---|
| 25 th Annual General Meeting | 2020-21 | September 16, 2020 | Stock Holding Corporation of India Limited |
| 26 th Annual General Meeting | 2021-22 | September 17, 2021 | |
| 27 th Annual General Meeting | 2022-23 | September 16, 2022 | 301, Centre Point, Dr. Babasaheb Ambedkar Road, Parel, Mumbai - 400012 |
| 15 th Extraordinary General Meeting | 2022-23 | July 08, 2022 | |
| 16 th Extraordinary General Meeting | 2022-23 | March 10, 2023 | |
| 28 th Annual General Meeting | 2023-24 | September 15, 2023 | SHCIL House, Plot No. P-51, T.T.C. Industrial Area, MIDC, Mahape, Navi Mumbai - 400710. |

Shareholding Pattern

Your company is a wholly owned subsidiary of Stock Holding Corporation of India Limited, (Stockholding). As on date Stockholding holds 60,89,703 shares of Rs.10 each in your company.

Disclosures

There were no transactions of your Company of material nature with its Directors, KMP or their relatives that may have potential conflict with the interest of your Company at large.

Dividend history

Dividend history of last five years

| S.No. | Financial Year | Rate of Dividend (Rs)(per equity share) | Date of Declaration (AGM) |
|-------|----------------|---|---------------------------|
| 1 | 2018-19 | 3.50 | September 9, 2019 |
| 2 | 2019-20 | 4.00 | September 16, 2020 |
| 3 | 2020-21 | 8.00 | September 17, 2021 |
| 4 | 2021-22 | 11.00 | September 16, 2022 |
| 5 | 2022-23 | 8.00 | September 15, 2023 |

Shareholder Information-

a) Annual General Meeting

At registered office of the company SHCIL House, Plot No. P-51, TTC Industrial Area, MIDC, Mahape, Navi Mumbai, Maharashtra 400710

b) Date of Book closure/record date

September 18, 2024

c) Dividend payment date

Dividend after September 18, 2024 but within the statutory time limit.

d) Listing on Stock Exchange

The Company's shares are not listed in any stock exchange.

e) Distribution of shareholdings as on March 31, 2024

The Company is wholly owned subsidiary of Stock Holding Corporation of India Limited (StockHolding).

f) Address of correspondence

The Company Secretary
Stockholding Services Limited
P-51, T.T.C, Industrial Area
MIDC, Mahape,
Navi Mumbai 400 710

Annual Report on CSR activities

1. A brief outline of your 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.

Your Company strongly believes that Business & Corporate Social Responsibility (CSR) go hand-in-hand.

The Board of your Company after taking into account the recommendations of the Corporate Social Responsibility (CSR) Committee of the Board has approved the CSR policy. The CSR policy is also displayed on the website <http://www.stockholdingservices.com/>

The CSR activities of your Company are towards the under mentioned areas.

- Eradicating hunger, poverty and malnutrition, promoting preventive health care, sanitation, etc.;
- Promoting education, including special education and employment enhancing vocation skills, etc.;
- Ensuring environmental sustainability, ecological balance including contribution to the clean Ganga fund set up by the Central Govt. for rejuvenation of river Ganga, etc.;
- Any other area under Schedule VII of Section 135 of the Companies Act, 2013.

All the CSR activities of your Company are predominantly being undertaken through its Holding Company Stock Holding and SHCIL Foundation Trust, a public charitable trust registered under Section 12 (A) of the Income Tax Act, 1961. The Trust carries out certain activities directly and also indirectly by way of donations to credible NGOs which are eligible to issue certificate under Section 80G of the Income Tax Act, 1961.

2. Composition of the CSR Committee

| Sl. No. | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|-------------------|--------------------------------------|--|--|
| 1 | Shri D. C Jain | Independent Director, Chairman | 1 | 1 |
| 2 | Shri Amit Dassi | Director | 1 | 1 |
| 3 | Smt. Sarala Menon | Director | 1 | 1 |

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company.

The Board after taking into account the recommendations of the Corporate Social Responsibility (CSR) Committee of the Board has approved the CSR policy. The Composition of the CSR committee, CSR policy and the CSR projects are also displayed on the website <https://www.stockholdingservices.com/>.

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

Not applicable since the CSR obligation is less than Rs.10 crore.

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.

| Sl. No. | Financial year | Amount available for set-off from preceding financial years (in Rs) | Amount required to be set-off for the financial year, if any (in Rs) |
|----------------|----------------|---|--|
| Not Applicable | Not Applicable | Not Applicable | Not Applicable |

6. Average net profit of the Company for last three financial years for the purpose of computation of CSR as per 135(5)

Average net profit of the Company for last three financial years for the purpose of computation of CSR as per 135(5) is Rs. 2370.74 lakhs

7. (a) **Two percent of average net profit of the company as per section 135(5).**

Two percent of average net profit of the Corporation as per section 135 (5) is Rs. 47.41 lacs.

(b) **Surplus arising out of the CSR projects or programs or activities of the previous financial years.**

Nil

(c) **Amount required to be set off for the financial year, if any.**

Nil

(d) **Total CSR obligation for the financial year (7a+7b – 7c).**

The total CSR obligation for the financial year is Rs. 47.50 lacs (considering rounding off)

8. **Details of CSR spent/unspent for the financial year:**

a. **Total amount spent for the financial year**

| Total amount spent for the financial year (in Rs) | Amount unspent (in Rs) | | | | |
|---|--|------------------|---|----------------|------------------|
| | Total amount transferred to unspent CSR account as per section 135 (6) | | Amount transferred to any fund specified under Schedule vii as per second proviso to section 135(5) | | |
| | Amount | Date of transfer | Name of the Fund | Amount | Date of transfer |
| 47,50,000 /- | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |

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:**

| 1 | 2 | 3 | 4 | 5 | | 6 | 7 | 8 | 9 | 10 | 11 | |
|------|--|--|------------|-------------------------|--|---|---------------------------------------|--|---|---|--------------------------|-------------------------|
| S.No | Name of the Project | Item from the list of activities in Schedule VII to the Ac | Local Area | Location of the project | | Amount allocated for the project (in Rs.) | Amount spent on the projects (In Rs.) | Amount transferred to Unspent CSR Account for the project as per Section 135(b) (in Rs.) | Cumulative expenditure upto the reporting period (in Rs.) | Mode of Implementation - Direct (Yes / No). | Mode of implementation | |
| | | | | State | District | | | | | | Name | CSR registration Number |
| 1 | Gurudev Charitable Trust, Vizianagaram district, Andhra Pradesh | Medical-Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water. | NO | Andhra Pradesh | Vizianagaram district, | 12,00,000 | 12,00,000 | Nil | 12,00,000 | No | Through SHCIL Foundation | CSR00004627 |
| 2 | Shri Sai Trust | Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently able and livelihood enhancement Projects. | Yes | Maharashtra | Neral, Karjat Taluka, Raigad District. | 10,00,000 | 10,00,000 | Nil | 10,00,000 | NO | Through SHCIL Foundation | CSR00004627 |
| 3 | The National Association of Disabled's Enterprises (NADE) | Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently able and livelihood enhancement Projects | Yes | Maharashtra | Mumbai | 10,00,000 | 10,00,000 | Nil | 10,00,000 | NO | Through SHCIL Foundation | CSR00004627 |
| 4 | Navjivni School of Special Education, Patiyala (FinX Skilling Foundation) | Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently able and livelihood enhancement Projects.s | Yes | Maharashtra | Mumbai | 10,50,000 | 10,50,000 | Nil | 10,50,000 | NO | Through SHCIL Foundation | CSR00004627 |
| 5 | Little More, Tata Memorial Centre (Tata Memorial Hospital & Cancer Research Institute), Parel. | Medical-Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water. | Yes | Maharashtra | Mumbai | 5,00,000 | 5,00,000 | Nil | 5,00,000 | NO | Through SHCIL Foundation | CSR00004627 |

d. **Amount spent in Administrative overheads: -**

NIL amount from CSR funds

e. **Amount spent on Impact Assessment, if applicable**

Not applicable since the CSR obligation is less than Rs.10 crore.

f. **Total amount spent for the financial year (8b+8c+8d+8e)**

Rs 47,50,000/-

g. Excess amount for set off, if any

| Sl. no. | Particulars | Amount (in Rs) |
|---------|---|----------------|
| i. | Two percent of average net profit of the company as per section 135 (5) | 47,41,471 |
| ii. | Total amount spent for the financial year | 47,50,000 |
| iii. | Excess amount spent for the financial year [ii – i] | 8,529 |
| iv. | Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any | Nil |
| v. | Amount available for set off in succeeding financial years [iii-iv] | Nil |

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

| Sl. No. | Preceding Financial Year. | Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.) | Amount spent in the reporting Financial Year (in Rs.). | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any. | | | Amount remaining to be spent in succeeding financial years. (in Rs.) |
|---------|---------------------------|--|--|--|-----------------|-------------------|--|
| | | | | Name of the Fund | Amount (in Rs). | Date of transfer. | |
| 1. | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable |

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

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
|---------|----------------|----------------------|--|-------------------|--|--|--|---|
| Sl. No. | Project ID. | Name of the Project. | Financial Year in which the project was commenced. | Project duration. | Total amount allocated for the project (in Rs.). | Amount spent on the project in the reporting Financial Year (in Rs). | Cumulative amount spent at the end of reporting Financial Year. (in Rs.) | Status of the project - Completed /Ongoing. |
| 1 | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |

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

a) Date of creation or acquisition of the capital asset(s)

Nil

b) Amount of CSR spent for creation or acquisition of capital

Nil

c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

Not applicable.

d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

Not applicable.

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

N.A

For the financial year 2023-24, the company has spent two per cent of the average net profit of the last three financial years.

D. C. Jain
Chairman

Place: Mumbai
Date: July 23, 2024

Independent Auditor's Report

To
The Members of
StockHolding Services Limited
(Formerly known as SHCIL Services Limited)

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **StockHolding Services Limited** (Formerly known as SHCIL Services Limited) ("the Company"), which comprise the balance sheet as at March 31, 2024, and the statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including the Indian Accounting Standards ("the IND-AS") of the state of affairs of the Company as at March 31, 2024, and profit, its cash flows and changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of Standalone financial statements in accordance with the Standards on Auditing (SAs) as specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the 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 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 Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit matters

Key audit matters are those matters that, in our professional judgment, were of most significant in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key Audit Matter (KAM) | Auditor's response |
|--|--|
| <p>1. Accuracy and Completeness of Revenue in respect of Brokerage Income</p> <p>Brokerage Income is received from numerous clients through Contract Notes. Accounting of the same is done through a software based on master data of each client and transactions of respective client on exchange accounts for Brokerage Income on daily basis.</p> | <p>1. Principal Audit Procedures: Our Audit Approach was a combination of test of Internal control and substantive procedures which are as follows:</p> <ul style="list-style-type: none"> • Evaluated the design of Internal controls relating exchange files being uploaded in accounting Software. • Selected sample of exchange files and verified the same with accounting records. • Selected sample clients and verified percentage of brokerage in system with brokerage slab as per KYC. • Verified Contract Notes on sample basis for evaluating calculation of brokerage. <p>Conclusion Our Procedure did not Identify any material exceptions.</p> |
| <p>2. IT Systems and controls</p> <p>The financial accounting and reporting systems of the Company are fundamentally reliant on IT systems and IT controls to process significant transaction volumes. Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to program and data and IT operations, are required to be designed and to operate effectively to ensure accurate financial reporting. Therefore, due to the pervasive nature and complexity of the IT environment, the assessment of the general IT controls and the application controls specific to the accounting and preparation of the financial information is considered to be a key audit matter.</p> | <p>2. We performed the following procedures on the IT infrastructure and applications relevant to financial reporting:</p> <ul style="list-style-type: none"> • We have checked the design and operating effectiveness of IT access controls over the information systems that are important to financial reporting and various interfaces, configuration and other identified application controls. • We have checked the general IT controls • We have gone through various control aspects including reports of external agencies on system controls. <p>Conclusion Our Procedure did not Identify any material exceptions.</p> |

Other Matters

The financial statements of the Company as at year ended March 31st 2023 have been audited by the predecessor Statutory Auditor, Laxmi Tripti & Associates, who vide their report dated April 28, 2023 expressed an unmodified opinion on those financial statements.

We, A. Bafna & Co., Chartered Accountants have not conducted audit of aforesaid period and hence do not express any opinion on the figures reported as at / for the year ended March 31, 2023.

Information Other than the Financial Statements & Auditor's Report thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon. These reports are expected to be made available to us after the date of this audit report.

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

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

Responsibilities of Management & those charged with Governance for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, state of affairs, profit (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 the design, implementation and maintenance of adequate internal

financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS 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 Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 auditors' 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 in evaluating the results of our 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.

From the matter communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **"Annexure**

A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

- 2 We are enclosing our report in terms of section 143(5) of the Act, on the basis of such checks of the books of records of the company as we considered appropriate and accordingly to the information and explanation given to us in **"Annexure B"** on the directions issued by the Comptroller and Auditor General of India.
- 3 As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except *non maintenance of Audit Trail (Edit Log) in one of the accounting software of the company throughout the year namely Tally Prime in which books of accounts are maintained.*
 - c) The Standalone Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement 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 Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure C"**.
 - g) With respect to the other matters to be included in the Auditor's report in accordance with the requirements of section 197(16) of the Act, as amended;

We are informed that provisions of section 197 read with schedule V of the Act, related to managerial remuneration are not applicable to the company, being a Government company, in terms of Ministry of Corporate Affairs notification number G.S.R. 463(E) dated 5th June 2015
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information

and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 32 to the financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv.
 - a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. (Refer Note No. 48(J))
 - b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. (Refer Note No. 48(J))
 - c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11 (e) as provided under (a) and (b) above contain any material misstatement.
- v. The dividend declared or paid during the year by the company is in compliance with Section 123 of the Act.
- vi. Implementation of Audit Trail for

maintenance of Books of Accounts using software which has a feature of recording audit trail (Edit Logs) facility as per proviso to Rule 3(1) of the under Companies (Accounts) Rules 2014

The company is mainly using software for maintaining its books of accounts, the status of implementation of Audit Trail is as under: -

| | |
|--------------------------|--|
| Core Business Software : | Company has implemented the feature of recording audit trail facility in its core business software and same has operated throughout the year for all transactions recorded in that software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with & the same has been duly preserved. |
| Tally Prime : | This software is used for maintaining books of accounts of the company, The company has not implemented Audit Trail (Edit Logs) facility in this software and the facility of Audit Trail (Edit Logs) was not operating throughout the year. |

For A Bafna & Co.

Chartered Accountants

Firm’s Registration No.003660C

Vivek Gupta

Partner

Membership No. 400543

Place: Mumbai

Date: 12/04/2024

UDIN : 24400543BKCXRE5985

Annexure A to the independent Auditor's Report

Referred to in Paragraph 1 under 'Report on Other Legal and Regulatory Requirement' section of our report to the Members of StockHolding Services Limited (Formerly known as SHCIL Services Limited) of even date for the year ended 31st March 2024.

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
- a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
 - (B) The Company has maintained proper records showing full particulars of Intangible assets.
 - b) The Company has a program of physical verification of Property, Plant and Equipment so to cover all the assets every year. Pursuant to the program, Property, Plant and Equipment were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c) The company does not own any immovable property hence the question of title deed in its name does not arise.
 - d) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.
 - e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. a) The Company does not have any inventory and hence reporting under clause 3(ii) (a) of the order is not applicable.
- b) There is no working capital limit or loan taken by company on basis of security of current assets.
- iii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties except investment in equity shares of Life Insurance Corporation
- b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of the investments made, security provided and grant of loans are, prima facie, not prejudicial to the interest of the Company.
- c) In respect of loans and advances in the nature of loans, Company has not provided any loans and advances. Hence, reporting under clause 3(c) (d) (e) (f) of the order is not applicable.
- iv) The Company has not provided any investment and loans or given any guarantees or provided any securities during the year as per the provision of Section 185 and 186. Hence, reporting under clause 3(iv) of the Order is not applicable.
- v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi) The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- vii) According to the information and explanations given to us, in respect of statutory dues:
- a. Based upon the audit procedures performed and the information & explanations given by the management, the Company has been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they become payable.
 - b. There are no statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024 on account of disputes.
- viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

- ix) The company has not taken loans or borrowings hence reporting under clause (ix) of the order is not applicable
- x) a) The Company has not raised money(s) by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x) (a) of the Order is not applicable.
- b) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (x) of CARO 2020 is not applicable to the Company.
- xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2020 Order is not applicable.
- xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- xvi) a) The company is not required to be registered with RBI. The company is not registered under Section 45-IA of the Reserve Bank of India Act 1934. In view of the above, clause (xvi)(a) of the Order is not applicable to the company.
- b) According to the information and explanation given to us, the company has not conducted any Non-Banking Financial or Housing Finance Activities which require the company to obtain certificate of registration (CoR) from Reserve Bank of India as per the Reserve Bank of India Act 1934. In view of the above, clause (xvi)(b) of the Order is not applicable to the company.
- c) According to the information and explanation given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India Act 1934. In view of the above, clause (xvi)(c) of the Order is not applicable to the company.
- d) As per information & explanation given to us, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii) There is no Cash Losses incurred during the financial year and immediately preceding financial year.
- xviii) There has been no resignation of the statutory auditors of the Company during the year.
- xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither, give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx) a) There are no unspent amounts towards Corporate Social Responsibility (CSR) of 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 Act.

b) According to the information and explanations given to us and based on our examination of the records of the company, there is no amount which is remaining unspent under sub section 5 of section 135 of the Act pursuant to any ongoing CSR projects.

xxi) This clause is not applicable to the company.

For A Bafna & Co.

Chartered Accountants

Firm's Registration No.003660C

Vivek Gupta

Partner

Membership No. 400543

UDIN - 24400543BKCXRE5985

Place: Mumbai

Date: 12-04-2024

Annexure B to the Independent Auditor's Report

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of **Stock Holding Services Limited** on the financial statements for the year ended March 31, 2024]

Directions under Section 143(5) of Companies Act 2013

1. **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.**

Yes, the Company has a system in place to process all the accounting transactions through various IT systems. Based on the verification carried out by us on test check basis during the course of our audit and based on the information and explanations given to us, we have not come across any instance having significant implications on the integrity of accounts. Some Manual intervention is necessitated for the compilation of standalone financial statements, however, the necessary effect for the same is passed through Core Accounting Software appropriately.

2. **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 its direction is also applicable for statutory auditor of lender company).

The company does not have any loans, so the question of restructuring / waiver / write off does not arises

3. **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 terms and conditions? List the cases of deviation.**

According to the information and explanations given to us, and based on our examination of the records, the Company does not have any funds received/ receivable for specific schemes from Central/ State Government or its agencies.

For A Bafna & Co.

Chartered Accountants
Firm's Registration No.003660C

Vivek Gupta

Partner
Membership No. 400543
Place: Mumbai
Date: 12/04/2024
UDIN : 24400543BKCXRE5985

Annexure “C” to the Independent Auditor’s Report

Referred to in paragraph (3f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date) Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”).

We have audited the internal financial controls over financial reporting of **StockHolding Services Limited** (“the Company”) as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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.

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 on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India 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 and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and

evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide

a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, 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 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For A Bafna & Co.

Chartered Accountants

Firm's Registration No.003660C

Vivek Gupta

Partner

Membership No. 400543

Place: Mumbai

Date: 12/04/2024

UDIN : 24400543BKCXRE5985

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)
(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF STOCKHOLDING SERVICES
LIMITED FOR THE YEAR ENDED 31 MARCH 2024**

The preparation of financial statements of StockHolding Services 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 12 April 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 StockHolding Services 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

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

Date : Mumbai
Date : 25.06.2024

Balance Sheet

as at March 31, 2024

(₹ in lakhs)

| Particulars | Note | As at March 31, 2024 | As at March 31, 2023 |
|--|------|-------------------------|-------------------------|
| ASSETS | | | |
| I. Financial Assets | | | |
| (a) Cash and cash equivalents | 2 | 1,870.30 | 6,632.52 |
| (b) Bank balances other than (a) above | 3 | 9,724.50 | 8,392.50 |
| (c) Receivables | 4 | | |
| (i) Trade receivables | | 7,956.78 | 4,777.50 |
| (d) Investments | 5 | 275.94 | 177.35 |
| (e) Other financial assets | 6 | 26,545.20 | 5,196.69 |
| | | 46,372.72 | 25,176.56 |
| II. Non-financial assets | | | |
| (a) Current tax assets (net) | 7 | 5.27 | 76.94 |
| (b) Deferred tax assets (net) | 8 | 16.48 | 40.80 |
| (c) Property, plant and equipment | 9 | 139.90 | 196.15 |
| (d) Intangible assets under development | 10 | - | 540.90 |
| (e) Other Intangible assets | 11 | 508.75 | 126.81 |
| (f) Other non-financial assets | 12 | 303.60 | 563.19 |
| | | 974.00 | 1,544.79 |
| Total Assets | | 47,346.72 | 26,721.35 |
| LIABILITIES AND EQUITY | | | |
| LIABILITIES | | | |
| I. Financial Liabilities | | | |
| (a) Payables | 13 | | |
| (i) Trade payables | | | |
| - total outstanding dues of micro enterprises and small enterprises | | - | - |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | | 35,053.14 | 15,960.99 |
| (ii) Other payables | | | |
| - total outstanding dues of micro enterprises and small enterprises | | 19.30 | - |
| - total outstanding dues of other than micro enterprises and small enterprises | | 247.10 | 260.64 |
| (b) Other financial liabilities | 14 | 450.82 | 751.98 |
| | | 35,770.36 | 16,973.61 |
| II. Non-financial Liabilities | | | |
| (a) Provisions | 15 | 35.12 | 33.22 |
| (b) Other non-financial liabilities | 16 | 269.34 | 206.20 |
| | | 304.46 | 239.42 |
| III. EQUITY | | | |
| (a) Equity Share Capital | 17 | 608.97 | 608.97 |
| (b) Other equity | 18 | 10,662.93 | 8,899.35 |
| | | 11,271.90 | 9,508.32 |
| Total Liabilities and Equity | | 47,346.72 | 26,721.35 |

The accompanying notes 1 to 51 are from an integral part of these financial statements.

As per our report of even date attached

For and on behalf of
A BAFNA & CO
Chartered Accountants
FRN: 003660C

For and on behalf of Board of Directors
STOCKHOLDING SERVICES LIMITED

Vivek Gupta
Partner
Membership No. 400543

Manoj Kumar Parida
Non-Executive Chairman
DIN:09230827

Sanjay Pote
Managing Director
& Chief Executive Officer
DIN:08085505

G. Anantharaman
Director
DIN: 02229822

Place: Mumbai
Date: April 12, 2024

Sarala Menon
Director
DIN: 08499105

Hemang Ladani
Chief Financial Officer

Swati Goyal
Company Secretary

Statement of Profit and Loss

for the year ended March 31, 2024

(₹ in lakhs)

| Particulars | Note | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|--|------|--------------------------------------|--------------------------------------|
| I. Revenue from Operations | | | |
| (a) Interest income | 19 | 1,302.91 | 1,234.79 |
| (b) Dividend income | 20 | 2.20 | 0.33 |
| (c) Fees and commission income | 21 | 10,471.33 | 8,234.64 |
| (d) Net gain/(loss) on fair value changes | 22 | 131.82 | (91.90) |
| (e) Other operating income | 23 | 54.35 | 51.04 |
| I. Total revenue from operations | | 11,962.61 | 9,428.90 |
| II. Other income | 24 | 3.69 | 11.07 |
| III. Total Income (I+II) | | 11,966.30 | 9,439.97 |
| IV. Expenses | | | |
| (a) Finance costs | 25 | 46.54 | 23.84 |
| (b) Fees and commission expense | 26 | 6,614.16 | 5,111.95 |
| (c) Impairment on financial instruments | 27 | 18.78 | - |
| (d) Employee benefits expenses | 28 | 806.19 | 727.76 |
| (e) Depreciation, amortization and impairment | 29 | 303.98 | 116.48 |
| (f) Other expenses | 30 | 1,444.53 | 1,516.81 |
| Total Expenses | | 9,234.18 | 7,496.84 |
| V. Profit before tax (III-IV) | | 2,732.12 | 1,943.13 |
| VI. Tax expense | 31 | | |
| (a) Current Tax | | 700.62 | 533.94 |
| (b) Deferred Tax | | 24.32 | 20.22 |
| | | 724.94 | 554.16 |
| VII. Profit for the year (V-VI) | | 2,007.18 | 1,388.97 |
| VIII. Other comprehensive income/(expenses) | | | |
| (a) (i) Items that will not be reclassified to profit or loss | | | |
| - Remeasurement of defined employee benefit plans | | (0.01) | 3.32 |
| (ii) Income tax related to items that will not be reclassified to profit or loss | | - | (0.83) |
| Other comprehensive income/(expenses) for the year | | (0.01) | 2.49 |
| IX. Total comprehensive income for the year (VII+VIII) | | 2,007.17 | 1,391.46 |
| X. Earnings per equity share: | 33 | | |
| (a) Basic (₹) | | 32.96 | 22.81 |
| (b) Diluted (₹) | | 32.96 | 22.81 |

The accompanying notes 1 to 51 are from an integral part of these financial statements.

As per our report of even date attached

**For and on behalf of
A BAFNA & CO**

Chartered Accountants
FRN: 003660C

**For and on behalf of Board of Directors
STOCKHOLDING SERVICES LIMITED**

Vivek Gupta
Partner
Membership No. 400543

Manoj Kumar Parida
Non-Executive Chairman
DIN:09230827

Sanjay Pote
Managing Director
& Chief Executive Officer
DIN:08085505

G. Anantharaman
Director
DIN: 02229822

Place: Mumbai
Date: April 12, 2024

Sarala Menon
Director
DIN: 08499105

Hemang Ladani
Chief Financial Officer

Swati Goyal
Company Secretary

Statement of Cash Flow

for the year ended March 31, 2024

(₹ in lakhs)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| A. Cash flow from operating activities | | |
| Profit before tax | 2,732.12 | 1,943.13 |
| Adjustments to reconcile profit before tax to net cash flows : | | |
| Depreciation, amortization and impairment | 303.98 | 116.48 |
| Interest Income | (741.61) | (626.86) |
| Interest On Income Tax Refund | (1.65) | - |
| Dividend from Investments | (2.20) | (0.33) |
| Interest cost on Lease liability | 10.27 | 14.15 |
| Profit on sale of Property, plant and equipment | (0.60) | (0.06) |
| Reversal of Provisions | - | (3.33) |
| Changes in accounting policy or prior period errors | - | 9.23 |
| Net (gain)/loss on fair value changes | (131.82) | - |
| Remeasurement of net defined benefit liability | (0.01) | 3.32 |
| Operating profit before working capital changes | 2,187.26 | 1,455.73 |
| Working capital adjustments : | | |
| (Increase)/ Decrease in other bank balance | (1,332.00) | (1,841.00) |
| (Increase)/ Decrease in trade receivables | (3,198.06) | 14,271.67 |
| (Increase)/Decrease in other financial assets | (21,228.16) | 556.26 |
| Increase/ (Decrease) in other non-financial assets | 259.59 | (191.58) |
| Increase/ (Decrease) in trade and other payables | 19,097.91 | (20,890.34) |
| (Increase)/Decrease in other financial liabilities | (250.63) | (353.28) |
| (Increase)/Decrease in provisions | 1.90 | 3.38 |
| Increase/ (Decrease) in other non-financial liabilities | 63.14 | (559.40) |
| Cash generated from operations | (4,399.05) | (7,548.56) |
| Direct Taxes paid | (627.30) | (481.94) |
| Net cash generated/(used in) from operating activities (A) | (5,026.35) | (8,030.50) |
| B. Cash flow from investing activities | | |
| Purchase of property plant and equipments | (10.88) | (144.01) |
| Sale of property plant and equipments | 0.60 | 0.08 |
| Purchase of Intangible assets including under development | (66.10) | (159.47) |
| Sale/(Purchase) of Investments | 33.24 | (177.34) |
| Dividends from Mutual Funds | 2.20 | 0.33 |
| Interest Earned | 621.25 | 633.76 |
| Net cash generated/(used in) from investing activities (B) | 580.31 | 153.35 |
| C. Cash flow from financing activities | | |
| Dividend Paid | (243.59) | (1,065.70) |
| Repayment of lease liabilities | (72.59) | (63.09) |
| Net cash generated/(used in) from financing activities (C) | (316.18) | (1,128.79) |
| Net increase/(decrease) in cash and cash equivalents (A+B+C) | (4,762.22) | (9,005.94) |
| Cash and Cash equivalents at the beginning of the year | 6,632.52 | 15,638.46 |
| Cash and Cash equivalents at the end of the year | 1,870.30 | 6,632.52 |

Statement of Cash Flow

for the year ended March 31, 2024

Notes

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS).
2. Component of cash and cash equivalents : refer note 2.

The accompanying notes 1 to 51 are from an integral part of these financial statements.

As per our report of even date attached

**For and on behalf of
A BAFNA & CO**

Chartered Accountants
FRN: 003660C

**For and on behalf of Board of Directors
STOCKHOLDING SERVICES LIMITED**

Vivek Gupta

Partner
Membership No. 400543

Manoj Kumar Parida

Non-Executive Chairman
DIN:09230827

Sanjay Pote

Managing Director
& Chief Executive Officer
DIN:08085505

G. Anantharaman

Director
DIN: 02229822

Place: Mumbai
Date: April 12, 2024

Sarala Menon

Director
DIN: 08499105

Hemang Ladani

Chief Financial Officer

Swati Goyal

Company Secretary

Statement of Changes in Equity

for the year ended March 31, 2024

(A) Equity Share Capital

(₹ in lakhs)

1. 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 |
|---------------------|--|--|---|---|--|
| No. of shares | 6089703 | - | 6089703 | - | 6089703 |
| Amount (₹ in lakhs) | 608.97 | - | 608.97 | - | 608.97 |

2. Previous 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 |
|---------------------|--|--|---|---|--|
| No. of shares | 6089703 | - | 6089703 | - | 6089703 |
| Amount (₹ in lakhs) | 608.97 | - | 608.97 | - | 608.97 |

(B) Other Equity

1. Current reporting period

(₹ in lakhs)

| | Share application money pending allotment | Equity component of compound financial instruments | Capital Reserve | Securities Premium | Other Reserves (specify nature) | Retained Earnings | Reserves and Surplus | | | | Revaluation Surplus | Exchange differences on translating the financial statements of a foreign operation | Other items of Other Comprehensive Income (specify nature) | Money received against share warrants | Total |
|---|---|--|-----------------|--------------------|---------------------------------|-------------------|---|---|---------------------------------------|---|---------------------|---|--|---------------------------------------|-----------|
| | | | | | | | Debt instruments through Comprehensive Income | Equity Instruments through Comprehensive Income | Effective portion of Cash Flow Hedges | Equity Instruments through Comprehensive Income | | | | | |
| Balance at the beginning of the current reporting period | - | - | - | 928.45 | - | 7,980.99 | - | - | - | - | - | - | (10.09) | - | 8,899.35 |
| Changes in accounting policy or prior period errors | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Restated balance at the beginning of the current reporting period | - | - | - | 928.45 | - | 7,980.99 | - | - | - | - | - | - | (10.09) | - | 8,899.35 |
| Total Comprehensive Income for the current period | - | - | - | - | - | 2,007.18 | - | - | - | - | - | - | (0.01) | - | 2,007.17 |
| Dividends | - | - | - | - | - | (243.59) | - | - | - | - | - | - | - | - | (243.59) |
| Transfer to retained earnings | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Any other change (to be specified) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Balance at the end of the current reporting period | - | - | - | 928.45 | - | 9,744.58 | - | - | - | - | - | - | (10.10) | - | 10,662.93 |

Statement of Changes in Equity (Contd.)

for the year ended March 31, 2024

(₹ in lakhs)

2. Previous reporting period

| | Share application money pending allotment | Equity component of compound financial instruments | Reserves and Surplus | | | | | | | | | | Money received against share warrants | Total | |
|---|---|--|----------------------|--------------------|---------------------------------|-------------------|---|---|---------------------------------------|---------------------|---|--|---------------------------------------|-------|------------|
| | | | Capital Reserve | Securities Premium | Other Reserves (specify nature) | Retained Earnings | Debt instruments through Comprehensive Income | Equity Instruments through Comprehensive Income | Effective portion of Cash Flow Hedges | Revaluation Surplus | Exchange differences on translating the financial statements of a foreign operation | Other items of Other Comprehensive Income (employee benefit) | | | |
| Balance at the beginning of the current reporting period | - | - | 928.45 | - | 7,648.49 | - | - | - | - | - | - | (12.58) | - | - | 8,564.36 |
| Changes in accounting policy or prior period errors | - | - | - | - | 9.23 | - | - | - | - | - | - | - | - | - | 9.23 |
| Restated balance at the beginning of the current reporting period | - | - | 928.45 | - | 7,657.72 | - | - | - | - | - | - | (12.58) | - | - | 8,573.59 |
| Total Comprehensive Income for the current year | - | - | - | - | 1,388.97 | - | - | - | - | - | - | 2.49 | - | - | 1,391.46 |
| Dividends | - | - | - | - | (1,065.70) | - | - | - | - | - | - | - | - | - | (1,065.70) |
| Transfer to retained earnings | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Any other change (to be specified) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Balance at the end of the current reporting period | - | - | 928.45 | - | 7,980.99 | - | - | - | - | - | - | (10.09) | - | - | 8,899.35 |

The accompanying notes 1 to 51 are from an integral part of these financial statements.

As per our report of even date attached

For and on behalf of
A BAFNA & CO
Chartered Accountants
FRN: 003660C

Vivek Gupta
Partner
Membership No. 400543

Manoj Kumar Parida
Non-Executive Chairman
DIN:09230827

Sanjay Pote
Managing Director
& Chief Executive Officer
DIN:08085505

G. Anantharaman
Director
DIN: 02229822

Place: Mumbai
Date: April 12, 2024

Sarala Menon
Director
DIN: 08499105

Hemang Ladani
Chief Financial Officer

Swati Goyal
Company Secretary

Notes forming part of the financial statements

Note 1:

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1A Corporate information

Stockholding Services Limited ("The Company"), a subsidiary of Stock Holding Corporation of India Limited was incorporated on 14th February, 1995. The Company is domiciled in India and its registered office is at Mahape, Navi Mumbai.

The Company provides broking, depository services, primary and secondary market distribution services from 14th March, 2006. The Company is a member of BSE Limited, National Stock Exchange of India Limited and Multi Commodity Exchange of India Ltd. The Company is also a depository participant of National Securities Depository Limited and Central Depository Services Limited and is also registered as a portfolio manager with Securities and Exchange Board of India. The Company is registered as a Mutual Fund Advisor with Association of Mutual Funds in India.

With effect from 28th March, 2014 Stock Holding Corporation of India Ltd. (SHCIL) - the Holding Company, has become a subsidiary of IFCI Ltd. & hence IFCI Ltd. is the Ultimate Holding Company for Stockholding Services Ltd. from the said date.

1B Basis of preparation and presentation

1) Statement of compliance

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain assets and liabilities where fair value model has been used, e.g. certain financial instruments which are measured at fair value, net defined benefit assets / liabilities etc. The Ind AS are prescribed under section 133 of the Companies Act 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules ,2015 and other relevant provisions of the Act, as amended from time to time.

The financial statements have been prepared on accrual and going concern basis. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements for the year ended 31 March, 2024 are being authorised for issue in accordance with a resolution of the Board of Directors on April 12, 2024.

2) Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded off to the nearest lakhs with two decimals unless otherwise indicated.

3) Presentation of financial statement

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.

4) Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Estimates and underlying assumptions are reviewed ongoing basis. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Notes forming part of the financial statements (contd.)

a) **Determination of the estimated useful lives of tangible assets**

Useful lives of property, plant and equipment are based on the life prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support. Refer note 2.4 for further details.

b) **Recognition and measurement of defined benefit obligations:**

The obligation arising from defined benefit plan is determined on the basis of actuarial valuation. Key actuarial assumptions which form the basis of above valuation includes discount rate, trends in salary escalation, demographics and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. Variation in these assumptions may impact the DBO amount and the annual defined benefit expenses. Further details are disclosed in note 39.

c) **Recognition of deferred tax assets / liabilities :**

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized. Further details are disclosed in note 8.

d) **Business model assessment**

Classification and measurement of financial assets depends on the results of the SPPI (Solely Payments of Principal and Interest) and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Fair value through profit or loss (FVTPL), where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in the standalone statement of profit and loss in the period in which they arise.

e) **Recognition and measurement of provision and contingencies**

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

f) **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 Material judgment. The Company uses Material judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The discount rate is generally based on the borrowing rate specific to the lease being evaluated. 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.

g) **Impairment of financial asset**

The Company recognizes loss allowances for expected credit losses on its financial assets measured at

Notes forming part of the financial statements (contd.)

amortized cost. At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

h) Effective Interest Rate (EIR) Method

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the financial instruments.

This estimation, by nature, requires an element of judgment regarding the expected behavior and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/ expense that are integral parts of the instrument.

i) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or Material future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

1C Material accounting policies

The financial statements have been prepared using the material accounting policies and measurement bases summarised below. These were used throughout all periods presented in the financial statements.

1) Revenue from contracts with customers

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115, Revenue from contracts with customers, outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.

Revenue from contracts with customers is recognised when control of the services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services.

The Company recognises revenue from the following sources:

a) Brokerage income (net of indirect taxes)

Income from services rendered as a broker is recognised upon rendering of the services on trade date basis, in accordance with the terms of contract.

Notes forming part of the financial statements (contd.)

b) Account opening charges

It is recognising entire account opening charges upfront on intimation of trading account number to the Customer. This is shown as a part of Revenue from operations.

c) Depository 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 recognised point in time when the performance obligation is satisfied.

d) Fees and commission income

Fees for subscription based services are received periodically but are recognised as earned on a pro-rata basis over the term of the contract.

Commissions from distribution of financial products are recognised upon allotment of the securities to the applicant.

e) Dividend Income

Dividend is recognized when the Company's right to receive dividend is established by the reporting date.

f) Interest Income

Interest income on a financial asset at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ('EIR'). The EIR is the rate that exactly discounts estimated future cash flows of the financial assets through the expected life of the financial asset or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The internal rate of return on financial assets after netting off the fees received and cost incurred approximates the effective interest rate method of return for the financial asset. The future cash flows are estimated taking into account all the contractual terms of the instrument.

g) Delayed payment charges

Interest is earned on delayed payments from customers and is recognised on a time proportion basis taking into account the amount outstanding from customers and the rates applicable.

h) Cheques dishonoured/bounced Income

Charges collected on cheques dishonoured/bounced are recognized on actual basis.

2) Property, plant and equipment (PP&E)

a) Recognition and measurement

Property, plant and equipment are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises purchase price and expenses directly attributable to bringing the asset to its working condition for the intended use.

Items of Property, plant and equipment that have been retired from active use and are held for disposal are stated at the lower of their net book value or net realisable value and are shown separately in the financial statements.

Gains or losses arising from disposal or retirement of tangible Property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised net, within "Other Income" or "Other Expenses", as the case maybe, in the Statement of Profit and Loss in the year of disposal or retirement.

b) Depreciation

For the following categories of assets, Depreciation on Property, plant and equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. The Company provides pro-rata depreciation from the month in which the asset is first providing economic benefit through put to use, till date the assets are sold or disposed.

Notes forming part of the financial statements (contd.)

| Particulars | Useful life w.e.f. 01.04.2014 Residual Value - Nil |
|---|---|
| 1. Plant & Machinery | 15 years |
| 2. Furniture & Fixtures | 10 years |
| 3. Electrical Installations and Equipment | 10 years |
| 4. Office Equipment | 5 years |
| 5. Computer Hardware | 3 years |

For the following categories of Property, plant and equipment, the Company has assessed useful life taking into account the nature of the asset, the estimates usage of asset, the operating condition of asset, anticipated technological changes and utility in the business, as below:

| Particulars | Useful life as per Schedule II (in year) | Useful life as per estimated by the management (in year) |
|-----------------------|--|--|
| 1. Motor Car | 8 | 3 |
| 2. Mobiles | 5 | 2 |
| 3. Servers & Networks | 6 | 4 |

Useful life of leased hold improvements is considered at 8 years.

Assets costing less than or equal to Rs.5000/- totally are depreciated fully in the year in which such asset is purchased.

3) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost.

Computer software which forms an integral part of the related hardware is capitalised along with the hardware as fixed asset. Software which are not an integral part of computer hardware and from which future economic benefits are expected are treated as intangible assets.

Software developed internally is recognized as an asset at cost when Material economic benefits are expected to accrue in future. Cost comprises all expenditure that can be directly attributed for creation, production and making the software ready for its intended use and excludes any tax for which input credit is taken. Expenditure on software development eligible for capitalisation is carried as "Intangible assets under development" where such assets are not yet ready for their intended use.

All finite-lived intangible assets, including capitalised internally developed software, are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing. The following useful lives are applied:

| Particulars | Useful life |
|----------------------|-------------|
| 1. Computer Software | 3 years |

Amortisation has been included within 'depreciation and amortisation expense. Subsequent expenditures on the maintenance of intangible assets are expensed as incurred. The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. When an intangible asset is disposed off, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in profit or loss within other income or other expenses.

4) Financial Instruments:

A. Initial recognition

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

B. Subsequent measurement

i) Financial assets

Notes forming part of the financial statements (contd.)

Based on the business model, the contractual characteristics of the financial assets and specific elections where appropriate, the Company classifies and measures financial assets in the following categories

a) Financial assets carried at amortised cost

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

b) Financial assets at fair value through profit or loss

Changes in the fair value of equity investments at fair value through Statement of Profit and Loss are recognised. Profit or loss on sale of investments is determined on the basis of first-in-first-out (FIFO) basis.

ii) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments

C. Impairment

The Company recognizes impairment allowances using Expected Credit Losses ("ECL") method on all the financial assets that are not measured at Fair value through profit or loss (FVTPL).

i) Trade receivables or contract revenue receivables

The Company recognises life time expected credit loss for trade receivables and has adopted the simplified method of computation as per Ind AS 109. Under the simplified approach, the Company does not require to track changes in credit risk. Rather, it recognises impairment loss allowance based on life time ECLs at each reporting date, right from its initial recognition. The Company considers unsecured outstanding overdue for more than 90 days for calculation of expected credit loss.

ii) Other financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Company determines if there has been a Material increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased Materially, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased Materially, an amount equal to lifetime ECL is measured and recognised as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a Material increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

D. Write-offs

Financial assets are written off/fully provided for when there is no reasonable of recovering financial assets in its entirety or a portion thereof. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the Statement of Profit and Loss.

5) Fair value measurement

Financial instruments, such as, derivatives, equity investments, etc. are measured 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

Notes forming part of the financial statements (contd.)

- In the absence of a principal market, in the most advantageous market for the asset or liability
- The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure the fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is Material 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 Material to the fair value measurement is directly or indirectly observable.
- Level 3: Valuation techniques for which the lowest level input that is Material to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is Material to the fair value measurement as a whole) at the end of each reporting period.

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.

6) Leases

The Company as a lessee

i) Lease identification

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset. 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 assets, the Company assess whether (a) the contract involves the use of an identified assets; (b) the Company has substantially all the economic benefits from use of the assets through the period of the lease and (c) the Company has the right to direct the use of the asset.

ii) Initial and subsequent measurement

At the date of commencement of the lease, the Company recognises a right-of-use assets (ROU) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 month or less (short term leases) and low value leases. For these short-term and low value leases, the Company recognises 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 cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease, less any lease incentives received. Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

For lease liabilities at inception, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease.

Notes forming part of the financial statements (contd.)

iii) Presentation

For lease liabilities has been included in "Other financial liabilities" and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

7) Income taxes

Income tax expense comprises current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to items recognised directly in equity or in OCI.

i) Current tax

Current tax is measured at the amount expected to be paid in respect of taxable income for the year in accordance with the Income Tax Act, 1961. Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and current tax liabilities are offset only if the Company has a legally enforceable right to set off the recognised amounts, and it intends to realise the asset and settle the liability on a net basis or simultaneously.

ii) Deferred tax

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences being the difference between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent period. Deferred tax assets on account of other temporary differences are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the Balance Sheet date. Changes in deferred tax assets / liabilities on account of changes in enacted tax rates are given effect to in the standalone statement of profit and loss in the period of the change. The carrying amount of deferred tax assets are reviewed at each Balance Sheet date.

Deferred tax assets and deferred tax liabilities are off set when there is a legally enforceable right to set-off assets against liabilities representing current tax and where the deferred tax assets and deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

8) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an inMaterial risk of changes in value.

9) Equity, Reserves and Dividend payments

Share capital represents the nominal (par) value of shares that have been issued. Share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits. Other components of equity include the following:

- remeasurement of net defined benefit liability – comprises the actuarial losses from changes
- in demographic and financial assumptions and the return on plan assets

Retained earnings include all current and prior period retained profits.

All transactions with owners of the parent are recorded separately within equity.

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date.

10) Post-employment benefits and short-term employee benefits

Post-employment benefit plans

The Company provides post-employment benefits through various defined contribution and defined benefit plans.

Notes forming part of the financial statements (contd.)

Defined contribution plans

Employee Benefits in the form of Provident Fund and Superannuation Fund are considered as defined contribution plans and the contributions are charged to the Statement of Profit and Loss of the Period when the respective contributions are due.

Defined benefit plans

Retirement Benefit in the form of gratuity is considered as defined benefit obligation and is provided for on the basis of an actuarial valuation using the projected unit credit method, as at the date of the balance sheet. Actuarial gain or losses if any are immediately recognised in the statement of Profit & Loss.

Management estimates the DBO annually with the assistance of independent actuaries. This is based on standard rates of inflation, salary growth rate and mortality. Discount factors are determined close to each year-end by reference to government or high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension liability.

Service cost on the Company's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. Net interest expense on the net defined benefit liability is included in finance costs. Gains and losses resulting from remeasurements of the net defined benefit liability are included in other comprehensive income.

Short-term benefits

Short-term employee benefits, including holiday entitlement, are current liabilities included in pension and other employee obligations, measured at the undiscounted amount that the Company expects to pay as a result of the unused entitlement.

Long-term benefits

Obligations on other long term employee benefits viz leave encashment are provided using the projected unit credit method of actuarial valuation made at the end of the year.

11) Provisions & Contingent liabilities

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and as realisable estimate can be made of the amount of the obligation. When the Company expects some or all of the provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. 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 passage of time is recognised as a finance cost.

Contingent liabilities

Contingent Liabilities are not recognised but are disclosed in notes in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

12) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss before other comprehensive income for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss before other comprehensive income for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

13) Segment reporting

The Company's business is to provide broking services, to its clients, in the capital markets in India. All other activities of the Company are ancillary to the main business. As such, there are no reportable segments that need to be reported separately as defined in Ind AS 108, Operating Segments.

Notes forming part of the financial statements (contd.)

Note 2 : Cash and cash equivalents

(₹ in lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Cash in hand | 0.34 | 0.34 |
| Balance with Bank | | |
| - In current accounts (Own account) | 1,060.28 | 217.97 |
| - In current accounts (Client account) | 809.68 | 6,414.21 |
| | 1,869.96 | 6,632.18 |
| Total | 1,870.30 | 6,632.52 |

Note 3 : Bank balance other than Note (2) above

(₹ in lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---------------------------|-------------------------|-------------------------|
| Fixed deposits with bank* | 9,724.50 | 8,392.50 |
| Total | 9,724.50 | 8,392.50 |

| | | |
|---|----------|----------|
| * Fixed deposits lien to | | |
| Stock exchanges/clearing member & corporation | 7,670.50 | 6,889.50 |
| Collateral security against bank guarantee | 2,054.00 | 1,005.00 |
| Collateral security against bank overdraft facility | | 498.00 |

Note 4 : Trade receivables

(₹ in lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| <u>Unsecured</u> | | |
| Undisputed trade receivables - considered good | 4,410.00 | 3,470.56 |
| Stock exchange receivable | 3,546.78 | 1,306.94 |
| Undisputed trade receivables - which have significant increase in credit risk | 28.99 | 10.22 |
| | 7,985.77 | 4,787.72 |
| Less: Impairment loss allowance | (28.99) | (10.22) |
| Total | 7,956.78 | 4,777.50 |

*1. Trade receivables include Rs.198.49 Lakhs (previous year Rs. 197.89 Lakhs) due from the holding company on behalf of the clients.

2. No trade or other receivable are due from directors or other officers 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.

Movements in the Impairment Loss Allowance

(₹ in lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Opening balance | 10.22 | 75.30 |
| Add : Addition during the year | 18.77 | - |
| Less : Reversal/write off during the year | - | (65.08) |
| Closing balance | 28.99 | 10.22 |

Notes forming part of the financial statements (contd.)

Trade Receivables ageing schedule

As at March 31, 2024

(₹ in lakhs)

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|--|--|------------------|-----------|-----------|-------------------|----------|
| | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade receivables - considered good | 7,707.56 | 249.21 | - | - | - | 7,956.77 |
| (ii) Undisputed Trade Receivables - which have significant increase in credit risk | - | 17.03 | 1.75 | - | - | 18.78 |
| (iii) Undisputed Trade Receivables - credit impaired | - | - | - | - | 10.22 | 10.22 |
| (iv) Disputed Trade Receivables- considered good | - | - | - | - | - | - |
| (v) Disputed Trade Receivables - which have significant increase in credit risk | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables - credit impaired | - | - | - | - | - | - |

As at March 31, 2023

(₹ in lakhs)

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|--|--|------------------|-----------|-----------|-------------------|----------|
| | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade receivables – considered good | 4,136.12 | 641.38 | - | - | - | 4,777.50 |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables – credit impaired | - | - | - | - | 10.22 | 10.22 |
| (iv) Disputed Trade Receivables- considered good | - | - | - | - | - | - |
| (v) Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables – credit impaired | - | - | - | - | - | - |

Note 5 : Investments

(₹ in lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|----------------------|----------------------|
| Investment at fair value through profit and loss | | |
| In Equity Shares (Quoted) | | |
| LIC of India Ltd. | 275.93 | 177.34 |
| (As at March 31, 2024 : 30,170 Shares, Face Value of Rs. 10) (As at March 31, 2023 : 33,170 Shares, Face Value of Rs. 10) | | |
| In Mutual Fund (Unquoted) | | |
| - Aditya Birla Sunlife Liquid Fund | 0.01 | 0.01 |
| (As at March 31, 2024 : 2.835 Units, Face Value of Rs. 188.1717) (As at March 31, 2023 : 2.835 Units, Face Value of Rs. 188.1717) | | |
| Total | 275.94 | 177.35 |

Notes forming part of the financial statements (contd.)

Disclosures (₹ in lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Aggregate book value of quoted investments | 275.93 | - |
| Aggregate book value of unquoted investments | 0.01 | 0.01 |
| (i) At Cost | - | - |
| (ii) At Amortised Cost | - | - |
| (iii) At Fair Value through Other Comprehensive Income | - | - |
| (iv) At Fair Value through Profit or Loss | 275.94 | 177.35 |
| (i) Investments outside India | - | - |
| (ii) Investments in India | 275.94 | 177.35 |

Note 6 : Other financial assets (₹ in lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| (i) Security deposits (unsecured, considered good) | | |
| - Capital deposit with Exchanges | 52.25 | 54.14 |
| - Deposits with Clearing Member (Holding Co.) | 10.00 | 10.00 |
| - Security deposits - Others | 28.50 | 28.38 |
| - Margin deposits with CC | 22,174.11 | 3,144.48 |
| - Margin Deposits with PCM | 3,911.77 | 1,661.10 |
| (ii) Other assets (unsecured, considered good) | | |
| - Other deposit with Exchange | 153.06 | 152.76 |
| - Accrued interest on fixed deposit | 161.50 | 41.14 |
| - Receivable from exchanges | 54.01 | 104.69 |
| (unsecured, significant increase in credit risk) | | |
| - Other receivables | 19.05 | 19.05 |
| | 26,564.25 | 5,215.74 |
| Less: Impairment loss allowance | (19.05) | (19.05) |
| Total | 26,545.20 | 5,196.69 |

Note 7 : Current tax assets (net) (₹ in lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Advance payment of taxes and tax deducted at source (net of provisions) | 5.27 | 76.94 |
| Total | 5.27 | 76.94 |

Movements in the current tax assets/(liabilities) (₹ in lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Opening balance of assets (net of liability) | 76.94 | 128.94 |
| Net taxes paid/(refund) | 627.30 | 481.94 |
| Interest on income tax refund | 1.65 | - |
| Provision for the current year | (658.14) | (506.34) |
| Taxes of the earlier years | (42.48) | (27.60) |
| Closing balance of net assets/(liabilities) | 5.27 | 76.94 |

Notes forming part of the financial statements (contd.)

Note 8 : Deferred tax assets (net)

(₹ in lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| <u>Deferred tax assets on account of :</u> | | |
| - Property, Plant and Equipment (PPE) and Intangible assets | 0.90 | 22.27 |
| - Provision for impairments | 12.09 | 7.37 |
| - Provision for compensated Absences | 8.78 | 8.36 |
| - Provision for Gratuity (net) | 0.06 | - |
| - Lease rental liabilities | 20.06 | 32.78 |
| <u>Deferred tax liabilities on account of :</u> | | |
| - Gratuity assets (net) | - | (1.25) |
| - Right to use of lease assets | (16.56) | (28.73) |
| - Net gain on fair value changes | (8.85) | - |
| Total | 16.48 | 40.80 |

Movements in the deferred tax assets

(₹ in lakhs)

| Particulars | Opening balance | Recognised through profit and loss | Recognised through Other Comprehensive Income | Closing balance |
|---|--------------------|--|--|--------------------|
| For the year ended March 31, 2024 | | | | |
| <u>Deferred tax assets on account of :</u> | | | | |
| - PPE and Intangible assets | 22.27 | 21.37 | - | 0.90 |
| - Provision for expected credit loss | 7.37 | (4.72) | - | 12.09 |
| - Provision for compensated Absences | 8.36 | (0.42) | - | 8.78 |
| - Provision for Gratuity | - | (0.06) | - | 0.06 |
| - Lease rental liabilities | 32.78 | 12.72 | - | 20.06 |
| <u>Deferred tax liabilities on account of :</u> | | | | |
| - Gratuity assets (net) | (1.25) | (1.25) | - | - |
| - Right to use of lease assets | (28.73) | (12.17) | - | (16.56) |
| - Fair value of Investments | - | 8.85 | - | (8.85) |
| Total | 40.80 | 24.32 | - | 16.48 |
| For the year ended March 31, 2023 | | | | |
| <u>Deferred tax assets on account of :</u> | | | | |
| - PPE and Intangible assets | 27.91 | 5.64 | - | 22.27 |
| - Provision for expected credit loss | 23.75 | 16.38 | - | 7.37 |
| - Provision for compensated Absences | 7.51 | (0.85) | - | 8.36 |
| - Provision for Gratuity | - | (0.83) | (0.83) | - |
| - Lease rental liabilities | 23.68 | (9.10) | - | 32.78 |
| <u>Deferred tax liabilities on account of :</u> | | | | |
| - Gratuity assets (net) | (0.02) | 1.23 | - | (1.25) |
| - Right to use of lease assets | (20.98) | 7.75 | - | (28.73) |
| Total | 61.85 | 20.22 | (0.83) | 40.80 |

Notes forming part of the financial statements (contd.)

Note 9 : Property plant and equipment

(₹ in lakhs)

| Particulars | Leasehold Premises | Furniture and fixture | Office Equipment | Mobiles | Vehicles | Computer Hardware | Servers & Network | Total |
|---|--------------------|-----------------------|------------------|--------------|--------------|-------------------|-------------------|---------------|
| (i) Current Year | | | | | | | | |
| Gross Block | | | | | | | | |
| As at April 1, 2023 | 86.18 | 11.07 | 44.06 | 11.56 | 22.90 | 172.84 | 481.41 | 830.02 |
| Addition | - | - | - | - | - | 1.91 | 8.97 | 10.88 |
| Disposal/adjustments | - | - | - | - | - | (3.58) | (87.37) | (90.95) |
| As at March 31, 2024 | 86.18 | 11.07 | 44.06 | 11.56 | 22.90 | 171.17 | 403.01 | 749.95 |
| Accumulated depreciation | | | | | | | | |
| As at April 1, 2023 | 65.81 | 3.80 | 29.72 | 11.11 | 22.90 | 110.59 | 389.94 | 633.87 |
| Depreciation | 4.44 | 0.89 | 6.99 | 0.45 | - | 28.30 | 26.06 | 67.13 |
| Disposal/adjustments | - | - | - | - | - | (3.58) | (87.37) | (90.95) |
| As at March 31, 2024 | 70.25 | 4.69 | 36.71 | 11.56 | 22.90 | 135.31 | 328.63 | 610.05 |
| Carrying amount As at March 31, 2024 | 15.93 | 6.38 | 7.35 | - | 0* | 35.86 | 74.38 | 139.90 |
| (ii) Previous year | | | | | | | | |
| Gross Block | | | | | | | | |
| As at April 1, 2022 | 86.18 | 14.70 | 43.98 | 11.56 | 22.90 | 126.77 | 383.55 | 689.64 |
| Addition | - | - | 0.08 | - | - | 46.07 | 97.86 | 144.01 |
| Disposal/adjustments | - | (3.63) | - | - | - | - | - | (3.63) |
| As at March 31, 2023 | 86.18 | 11.07 | 44.06 | 11.56 | 22.90 | 172.84 | 481.41 | 830.02 |
| Accumulated depreciation | | | | | | | | |
| As at April 1, 2022 | 61.36 | 6.55 | 22.73 | 9.46 | 22.90 | 88.99 | 375.79 | 587.78 |
| Depreciation | 4.45 | 0.86 | 6.99 | 1.65 | - | 21.60 | 14.15 | 49.70 |
| Disposal/adjustments | - | (3.61) | - | - | - | - | - | (3.61) |
| As at March 31, 2023 | 65.81 | 3.80 | 29.72 | 11.11 | 22.90 | 110.59 | 389.94 | 633.87 |
| Carrying amount as at March 31, 2023 | 20.37 | 7.27 | 14.34 | 0.45 | 0* | 62.25 | 91.47 | 196.15 |

* Amount is less than rupee lakh

Note 10 : Intangible assets under development

The Company has entered into an agreement for the purchase of integrated software & its required set-up, and intangible assets are under development as on the balance sheet date.

As at March 31, 2024

(₹ in lakhs)

| Intangible assets under development | Amount in CWIP for a period of | | | | |
|-------------------------------------|--------------------------------|-----------|-----------|-------------------|----------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | - | - | - | - | - |
| Projects temporarily suspended | - | - | - | - | - |
| Total | - | - | - | - | - |

Notes forming part of the financial statements (contd.)

As at March 31, 2023

(₹ in lakhs)

| Intangible assets under development | Amount in CWIP for a period of | | | | |
|-------------------------------------|--------------------------------|---------------|-----------|-------------------|---------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 154.90 | 386.00 | - | - | 540.90 |
| Projects temporarily suspended | - | - | - | - | - |
| Total | 154.90 | 386.00 | - | - | 540.90 |

Note 11 : Other Intangible assets

(₹ in lakhs)

| Particulars | Computer software | Right to use of lease assets | Total |
|---|-------------------|------------------------------|-----------------|
| (i) Current Year | | | |
| Gross Block | | | |
| As at April 1, 2023 | 462.26 | 212.56 | 674.82 |
| Addition | 607.00 | 11.79 | 618.79 |
| Disposal/adjustments | - | (0.23) | (0.23) |
| As at March 31, 2024 | 1,069.26 | 224.12 | 1,293.38 |
| Accumulated depreciation | | | |
| As at April 1, 2023 | 449.61 | 98.40 | 548.01 |
| Amortisation | 176.70 | 60.15 | 236.85 |
| Disposal/adjustments | - | (0.23) | (0.23) |
| As at March 31, 2024 | 626.31 | 158.32 | 784.63 |
| Carrying amount As at March 31, 2024 | 442.95 | 65.80 | 508.75 |
| (ii) Previous year | | | |
| Gross Block | | | |
| As at April 1, 2022 | 457.69 | 191.46 | 649.15 |
| Addition | 4.57 | 85.10 | 89.67 |
| Disposal/adjustments | - | (64.00) | (64.00) |
| As at March 31, 2023 | 462.26 | 212.56 | 674.82 |
| Accumulated depreciation | | | |
| As at April 1, 2022 | 437.08 | 108.15 | 545.23 |
| Amortisation | 12.53 | 54.25 | 66.78 |
| Disposal/adjustments | - | (64.00) | (64.00) |
| As at March 31, 2023 | 449.61 | 98.40 | 548.01 |
| Carrying amount as at March 31, 2023 | 12.65 | 114.16 | 126.81 |

The Company has not revalued any of its intangible assets during the year.

Note 12 : Other non-financial assets

(₹ in lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|
| Prepayments | 80.90 | 150.23 |
| Advance to vendors | 84.68 | 86.82 |
| Gratuity plan assets (net of provision) (refer note 39) | - | 4.95 |
| Balance with government authorities | 116.65 | 292.48 |
| Other receivables | 21.37 | 28.71 |
| Total | 303.60 | 563.19 |

Notes forming part of the financial statements (contd.)

Note 13 : Payables

(₹ in lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| (i) Trade payable | | |
| - total outstanding dues of micro enterprises and small enterprises | - | - |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | | |
| Dues to holding company - sub brokerage | 405.13 | 614.29 |
| Dues to other sub brokers | 127.41 | 13.50 |
| Client dues | 34,520.60 | 15,333.20 |
| | 35,053.14 | 15,960.99 |
| (ii) Other payable | | |
| - total outstanding dues of micro enterprises and small enterprises | 19.30 | - |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | 247.10 | 260.64 |
| | 266.40 | 260.64 |
| Total | 35,319.54 | 16,221.63 |

Details of dues to Micro, Small and Medium Enterprises as defined under the MSMED Act, 2006

The Company has sent letters to vendors to confirm whether they are covered under the Micro, Small and Medium Enterprise Development Act 2006 as well as they have filed required memorandum with the prescribed authority. Based on and to the extent of the information received by the Company from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the relevant particulars as at year end are furnished below:

(₹ in lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Principal amount due and remaining unpaid | 19.30 | - |
| Interest due on above and the unpaid interest | - | - |
| Interest paid | - | - |
| Payment made beyond the appointed day during the period | - | - |
| Interest due and payable for the period of delay | - | - |
| Interest accrued and remain unpaid | - | - |
| Amount of further interest remaining due and payable in succeeding period | - | - |

As at March 31, 2024

(₹ in lakhs)

| Particulars | Outstanding for following periods from due date of payment/transaction | | | |
|-----------------------------|--|-----------|-----------|-------------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years |
| (i) MSME | 19.30 | - | - | - |
| (ii) Others | 35,033.84 | - | - | - |
| (iii) Disputed dues - MSME | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - |
| Total | 35,053.14 | - | - | - |

As at March 31, 2023

| Particulars | Outstanding for following periods from due date of payment/transaction | | | |
|-----------------------------|--|-----------|-----------|-------------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years |
| (i) MSME | - | - | - | - |
| (ii) Others | 15,960.99 | - | - | - |
| (iii) Disputed dues - MSME | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - |
| Total | 15,960.99 | - | - | - |

Notes forming part of the financial statements (contd.)

Note 14 : Other financial liabilities

(₹ in lakhs)

| Particulars | As at | |
|--|----------------|----------------|
| | March 31, 2024 | March 31, 2023 |
| Margin deposits from other sub brokers | 76.79 | 78.46 |
| Deposits from others | 11.00 | 9.00 |
| Due to holding company - others | 6.24 | 150.25 |
| Employee benefits payable | 120.94 | 93.00 |
| Lease rental liabilities (refer note 35) | 79.71 | 130.24 |
| Other payables (includes provision for expenses) | 156.14 | 291.03 |
| Total | 450.82 | 751.98 |

Note 15 : Provisions

(₹ in lakhs)

| Particulars | As at | |
|---|----------------|----------------|
| | March 31, 2024 | March 31, 2023 |
| Provision for employee benefits (refer note 39) | | |
| Provision for gratuity | 0.23 | - |
| Provision for compensated absences | 34.89 | 33.22 |
| Total | 35.12 | 33.22 |

Note 16 : Other non-financial liabilities

(₹ in lakhs)

| Particulars | As at | |
|---|----------------|----------------|
| | March 31, 2024 | March 31, 2023 |
| Statutory dues including provident fund and taxes (includes amount due on settlement) | 235.55 | 165.79 |
| Others-(client's fund) | 14.79 | 26.20 |
| Payable to exchange | 19.00 | 14.21 |
| Income received in advance (refer note 40) | - | - |
| Total | 269.34 | 206.20 |

Note 17 : Equity Share Capital

(A) Authorised, Issued, Subscribed & Paid up

(₹ in lakhs)

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|--|----------------------|---------------|----------------------|-----------------|
| | Number | (₹ in lakhs) | Number | (₹ in lakhs) |
| Authorised | | | | |
| Equity Shares of ₹10 each fully paid | 1,80,00,000 | 1,800.00 | 1,80,00,000 | 1,800.00 |
| 7% Non-Cumulative Convertible Preference Shares of ₹10 each fully paid | 20,00,000 | 200.00 | 20,00,000 | 200.00 |
| | 2,00,00,000 | 2,000 | 2,00,00,000 | 2,000.00 |
| Issued, Subscribed and Paid up | | | | |
| Equity Shares of ₹10 each fully paid | 60,89,703 | 608.97 | 60,89,703 | 608.97 |
| Total | 60,89,703 | 608.97 | 60,89,703 | 608.97 |

(B) Reconciliation of shares outstanding at the beginning and end of the period/year

| | As at March 31, 2024 | | As at March 31, 2023 | |
|--|----------------------|---------------|----------------------|---------------|
| | Number | (₹ in lakhs) | Number | (₹ in lakhs) |
| Equity Shares | | | | |
| Shares outstanding at the beginning of the year | 60,89,703 | 608.97 | 60,89,703 | 608.97 |
| Addition during the year | - | - | - | - |
| Shares outstanding at the end of the year | 60,89,703 | 608.97 | 60,89,703 | 608.97 |

Notes forming part of the financial statements (contd.)

(C) Terms/rights attached to shares

Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity share is entitled to one vote per share except in the case of voting by show of hands.

(D) Details of shares held by holding company & shareholders holding more than 5% shares in the company

(₹ in lakhs)

| Name of Shareholder | As at March 31, 2024 | | As at March 31, 2023 | |
|---|----------------------|-----|----------------------|-----|
| | Number | % | Number | % |
| Equity Shares | | | | |
| Stock Holding Corporation of India Limited* | 60,89,703 | 100 | 60,89,703 | 100 |

*It includes one share each held by the other seven share holders in the capacity of nominees of the Stock Holding Corporation of India Limited.

(E) Information regarding issue of shares in the last five years

The Company has not issued any bonus shares.

The Company has not undertaken any buyback of shares.

(F) Promoter details

The followings are disclosure of shares held by promoters

| Promoter name | No. of shares | % of total shares | % Change during the period /year |
|--|---------------|-------------------|----------------------------------|
| As at March 31, 2024 | | | |
| Stock Holding Corporation of India Limited | 60,89,703 | 100 | NIL |
| As at March 31, 2023 | | | |
| Stock Holding Corporation of India Limited | 60,89,703 | 100 | NIL |

Note 18 : Other equity

(₹ in lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|
| Reserve & surplus | | |
| (a) Securities premium | | |
| Opening balance | 928.45 | 928.45 |
| Changes during the year | - | - |
| Closing balance | 928.45 | 928.45 |
| (b) Retained earnings | | |
| Opening balance | 7,980.99 | 7,648.49 |
| Changes in accounting policy or prior period errors | - | 9.23 |
| Dividends | (243.59) | (1,065.70) |
| Profit for the year | 2,007.18 | 1,388.97 |
| Closing balance | 9,744.58 | 7,980.99 |
| (c) Other Comprehensive income | | |
| Opening balance | (10.09) | (12.58) |
| Changes during the year | (0.01) | 2.49 |
| Closing balance | (10.10) | (10.09) |
| Total | 10,662.93 | 8,899.35 |

Nature and purpose of the reserves

Securities premium

Securities premium is used to record the premium on issue of shares. It can be utilised only for limited purposes such as issuance of bonus shares, and writing off the preliminary expenses in accordance with the provisions of the Companies Act, 2013.

Notes forming part of the financial statements (contd.)

Retained earnings

Retained earnings are the profits that the Company has earned till date, less dividends or other distributions paid to shareholders. It also includes actuarial gains and losses on defined benefit plans recognised in other comprehensive income (net of taxes). It are available to distribution to shareholders.

Note 19 : Interest income

(₹ in lakhs)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| On financial assets measured at amortised cost | | |
| Interest on deposits with banks/exchanges | 741.61 | 626.86 |
| Delayed payments charges | 561.30 | 607.93 |
| Total | 1,302.91 | 1,234.79 |

Note 20 : Dividend income

(₹ in lakhs)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|------------------------|--------------------------------------|--------------------------------------|
| Dividend on investment | 2.20 | 0.33 |
| Total | 2.20 | 0.33 |

Note 21 : Fees and commission income

(₹ in lakhs)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---------------------|--------------------------------------|--------------------------------------|
| Brokerage income | 10,429.26 | 8,204.50 |
| Distribution income | 26.77 | 27.84 |
| Depository income | 15.30 | 2.30 |
| Total | 10,471.33 | 8,234.64 |

Note 22 : Net gain/(loss) on fair value changes

(₹ in lakhs)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| Net Gain/(loss) on financial instruments at fair value through profit or loss | | |
| (i) On trading portfolio | | |
| - Investment in equity shares* | 131.82 | (91.90) |
| Total | 131.82 | (91.90) |

*Fair value changes

| | | |
|--------------|--------|---------|
| - Realised | 4.75 | - |
| - Unrealised | 127.07 | (91.90) |

Note 23 : Other operating income

(₹ in lakhs)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|--------------------------------|--------------------------------------|--------------------------------------|
| Other broking operating income | 54.35 | 51.04 |
| Total | 54.35 | 51.04 |

Note 24 : Other income

(₹ in lakhs)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| Interest on income tax Refund | 1.65 | - |
| Interest income on security deposit (refer note 35) | 0.12 | 0.11 |
| Reversal of provisions | - | 3.33 |
| Profit on sale of property, plant and equipment | 0.60 | 0.06 |
| Miscellaneous income | 1.32 | 7.57 |
| Total | 3.69 | 11.07 |

Notes forming part of the financial statements (contd.)

Note 25 : Finance costs

(₹ in lakhs)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| Interest cost on lease liability (refer note 35) | 10.27 | 14.15 |
| Financing charges | 36.27 | 9.69 |
| Total | 46.54 | 23.84 |

Note 26 : Fees and commission expense

(₹ in lakhs)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|--------------------------|--------------------------------------|--------------------------------------|
| Sub - brokerage expenses | 6,614.16 | 5,111.95 |
| Total | 6,614.16 | 5,111.95 |

Note 27 : Impairment on financial instruments

(₹ in lakhs)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| On financial instruments measured at fair value through OCI | - | - |
| On financial instruments measured at amortised cost | | |
| - trade receivables (refer note 46) | 18.78 | - |
| Total | 18.78 | - |

Note 28 : Employee benefits expenses

(₹ in lakhs)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| Salaries, allowances and bonus* | 728.59 | 647.58 |
| Contribution to provident and other funds | 26.42 | 23.57 |
| Staff welfare expenses | 46.44 | 53.70 |
| Training and development | 4.74 | 2.91 |
| Total | 806.19 | 727.76 |

*Salaries, allowances and bonus is net of salaries of employees deputed to holding company is ₹2.43 lakhs (previous year ₹NIL) and deputed from holding company is ₹125.18 lakhs (previous year ₹147.90 lakhs)

Note 29 : Depreciation, amortization and impairment

(₹ in lakhs)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| Depreciation | | |
| - on Property, plant and equipment (refer note 9) | 67.13 | 49.70 |
| Amortization | | |
| - on Intangible assets (refer note 11) | 236.85 | 66.78 |
| Total | 303.98 | 116.48 |

Note 30 : Other expenses

(₹ in lakhs)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| Rent, taxes and energy costs: | | |
| Rent, rates & taxes | 2.28 | 0.46 |
| Electricity charges | 22.90 | 22.70 |
| Repairs and maintenance: | | |
| Repairs & maintenance - software (refer note 49) | 547.15 | 511.68 |
| Repairs & maintenance - plant & machinery | 13.00 | 18.87 |
| Repairs & maintenance - others | 7.57 | 7.56 |
| Communication costs: | | |
| Connectivity charges | 68.28 | 63.20 |

Notes forming part of the financial statements (contd.)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| Postage & courier | 5.61 | 12.49 |
| Telephone & communication | 15.70 | 13.73 |
| Printing and stationery | 11.05 | 23.90 |
| Advertisement, publicity and business promotions: | | |
| Advertisement & publicity | 3.95 | 56.80 |
| Sales promotion expenses | 29.37 | 37.70 |
| Director's fees, allowances and expenses | 27.80 | 27.40 |
| Auditor's fees and expenses* | 17.07 | 16.60 |
| Legal and professional charges: | | |
| Legal fees | 10.63 | 22.44 |
| Professional fees | 85.54 | 40.29 |
| Insurance | 102.90 | 113.47 |
| Other expenditures: | | |
| Outsourcing expenses - professional | 37.07 | 28.87 |
| Outsourcing expenses - contractor | 165.47 | 170.79 |
| Exchange/DP expenses | 136.69 | 120.14 |
| Bank charges | 0.53 | 7.00 |
| Security charges | 12.24 | 11.24 |
| Subscription charges | 41.56 | 37.79 |
| Travelling & conveyance | 12.25 | 49.49 |
| Corporate social responsibility (refer note 38) | 47.50 | 39.00 |
| Sundry balances written off (refer note 42) | 1.35 | 0.26 |
| Other miscellaneous expenses | 19.07 | 62.94 |
| Total | 1,444.53 | 1,516.81 |

*Payments to the auditors

(₹ in lakhs)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|-----------------------------------|--------------------------------------|--------------------------------------|
| (a) As Auditor, | 15.00 | 15.00 |
| (b) For taxation matters, | 1.00 | 1.00 |
| (c) For company law matters, | - | - |
| (d) For other services, | 0.92 | - |
| (e) For reimbursement of expenses | 0.15 | 0.60 |
| Total | 17.07 | 16.60 |

Note 31 : Tax expense

(₹ in lakhs)

(a) Tax expense in the statement of profit and loss comprises:

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| (i) Current Tax | | |
| - Current year's tax | 658.14 | 506.34 |
| - Earlier years | 42.48 | 27.60 |
| | 700.62 | 533.94 |
| (ii) Deferred Tax | | |
| Origination and reversal of temporary differences | | |
| - Charged/(Credited) to profit & loss statement | 24.32 | 20.22 |
| - Charged/(Credited) to other comprehensive income | - | 0.83 |
| | 24.32 | 21.05 |
| Total | 724.94 | 554.99 |

Notes forming part of the financial statements (contd.)

(b) A reconciliation of Income tax provision to the amount computed by applying the statutory income tax rate to the income before taxes is summarized below:

(₹ in lakhs)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| Profit before taxes | 2,732.12 | 1,943.13 |
| Enacted tax rates in India (%) | 25.168% | 25.168% |
| Computed expected tax expense | 687.62 | 489.05 |
| Adjustments : | | |
| -Effect of exempt non-operating income | (31.98) | - |
| -Provision for doubtful debts/write off | - | (16.38) |
| -Employee benefits (net) | - | 0.84 |
| -Depreciation | (5.41) | 8.02 |
| -Other non-deductible expenses | 26.33 | 40.71 |
| -Other deductible expenses | (18.42) | (15.90) |
| Income tax expenses | 658.14 | 506.34 |

(c) The Company does not have unused tax losses.

Note 32 : Contingent liabilities and Commitments

(₹ in lakhs)

(a) Contingent liabilities

- i) Bank Guarantee are been taken from banks and kept with exchanges as a margin to meet the margin obligation

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| a) Bank guarantee with exchange as margin (₹ in lakhs) | 4000 | 2000 |
| b) Fixed deposit pledged for bank guarantee (₹ in lakhs) | 2054 | 1000 |

- ii) The Company has received summons dated March 06, 2018 from Court of Additional Chief Metropolitan Magistrate, 4th court, Girgaon, Mumbai) for violation of provisions of section 81, 193 and 285 of Companies Act 1956 which took place prior to financial year 2008-09. The Company had filed the compounding applications with ROC & NCTL Mumbai on September 11, 2018.

During the current year, the Company has received compounding order from the National Company Law Tribunal (NCLT) with a compounding fee of ₹187,500/- each for the violation of section 81 and 285, and ₹1500/- for violation of section 193 of Companies Act 1956. All fees has been paid off and no further payable on the balance sheet date.

(b) Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for the year ended March 31, 2024 - ₹NIL (Previous year ended March 31, 2023 - ₹52.10 lakhs)

Note 33 : Earnings per equity share (EPS)

Basic earnings per share

Basic earnings per share is calculated by dividing the profit for the year by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share

Diluted EPS is calculated by dividing the profit for the period by the weighted average number of ordinary shares outstanding during the year for the purpose of basic EPS plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Notes forming part of the financial statements (contd.)

| Particulars | | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|--|------------|--------------------------------------|--------------------------------------|
| Profit for the year - for basic EPS | ₹ in lakhs | 2,007.18 | 1,388.97 |
| Weighted average no. of shares - basic EPS | Nos. | 60,89,703 | 60,89,703 |
| Basic EPS | ₹ | 32.96 | 22.81 |
| Profit for the year - for diluted EPS | ₹ in lakhs | 2,007.18 | 1,388.97 |
| Weighted average no. of shares - diluted EPS | Nos. | 60,89,703 | 60,89,703 |
| Diluted EPS | ₹ | 32.96 | 22.81 |
| Face value per share | ₹ | 10 | 10 |

Note 34 : Code on Social Security, 2020

The Indian Parliament has approved the Code on Social Security, 2020 (the Code) which subsumes the employment and post employment benefits Presidential assent in September 2020. The code has been published in the Gazette of India. However, the date on which the Code will come into effect is not mentioned. The Company will evaluate the rules, assess the impact if any, and account for the same once the code become effective.

Note 35 : Leases

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

Company as a lessee

The Company has entered into following operating Lease :

- 4th Cross Street, Puducherry , whereby SHCIL had granted to the Company, the liberty to use and occupy the Demised Premises as a office space for a period of three years w. e. f. from August 01, 2021 with refundable security deposit purely as a License-cum-Allottee of office space, without having any right, title or interest upon the demised premises.
- Server Rack space had granted to the company by SHCIL, the liability to use and occupy the demised premised as keeping of server for the period of five years w. e. f. from July 2020 as license -cum- Allottee of office Server space without having any right , title , or interest upon the demised premises. The Company has re-entered into agreement with SHCIL for said arrangement for the period of five years after the end the said arrangement.
- Mahape, Navi Mumbai, whereby SHCIL has granted to the Company, the liberty to use and occupy the Demised Premises as a office space for a period of three years w. e. f. from April 1, 2022 purely as a License-cum-Allottee of office space, without having any right, title or interest upon the demised premises.
- Mahape, Navi Mumbai, whereby SHCIL has granted to the Company, the liberty to use and occupy the Demised Premises as a additional office space other than the (c) above for a period of two years w. e. f. from April 1, 2023 purely as a License-cum-Allottee of office space, without having any right, title or interest upon the demised premises.

Disclosure

- The details of carrying amount of Right to use Asset of the company are as follows:

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---------------------------------|-------------------------|-------------------------|
| Opening balance | 114.16 | 83.31 |
| Add : Addition during the year | 11.79 | 85.10 |
| Less : Deletion during the year | - | - |
| Less : Depreciation | 60.15 | 54.25 |
| Closing balance | 65.80 | 114.16 |

Notes forming part of the financial statements (contd.)

(ii) Movements in lease liabilities

(₹ in lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|-------------------------------------|-------------------------|-------------------------|
| Opening balance | 130.24 | 94.08 |
| Add : Addition during the year | 11.79 | 85.10 |
| Add : interest cost during the year | 10.27 | 14.15 |
| Less : Deletion during the year | - | - |
| Less : lease payments | 72.59 | 63.09 |
| Closing balance | 79.71 | 130.24 |

(iii) Following is maturity analysis of contractual discounted cash flows of lease liabilities

(₹ in lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---------------------------|-------------------------|-------------------------|
| Less than six months | 34.94 | 26.87 |
| Six months to one year | 36.29 | 28.92 |
| One year to three years | 8.49 | 74.45 |
| Three years to Five years | - | - |
| More than five years | - | - |
| Closing balance | 79.71 | 130.24 |

(iv) Amount recognised in statement of profit & loss

(₹ in lakhs)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| On lease | | |
| Interest cost on lease liabilities | 10.27 | 14.15 |
| Depreciation on right of use assets | 60.15 | 54.25 |
| On deposit | | |
| Interest income on security deposit | 0.12 | 0.11 |
| lease expenses | 0.11 | 0.11 |
| Other | | |
| Rental Expenses recorded for short-term lease payments not included in the measurement of the lease liability | - | 0.94 |

(v) Amount recognised in statement of cash flow

(₹ in lakhs)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| Cash payments for the principal & interest portion of the lease liability within financing activities | 72.59 | 63.09 |
| Short-term lease payments, payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liability within operating activities. | - | 0.94 |

Note 36 : Related Party Disclosures

A. The related parties for SSL as per the new Companies Act would inter-alia include the following

- (a) Ultimate Holding Company of SSL
IFCI Limited
- (b) Holding Company of SSL
Stock Holding Corporation of India limited (SHCIL)
- (c) Associate Company of SSL
Stock Holding Document Management Services Limited (subsidiary of SHCIL)

Notes forming part of the financial statements (contd.)

(d) Key Management Personnel (KMP) of SSL

1. Mr. Manoj Kumar Parida - Non-executive Chairman (from January 16,2024)*
2. Mr. Ramesh N G S - Non executive Chairman (upto April 13, 2023)*
3. Mr. Amit Dassi - Non executive Director*
4. Mrs. Sarala Menon - Non executive Director*
5. Mr. G Anantharaman - Independent Director*
6. Mr. D.C. Jain - Independent Director *
7. Mr. Chirag Sapra - Independent Director (from October 20, 2022)*
8. Mr. Sanjay Pote - Managing Director and Chief Executive Officer
9. Mr. Rajneesh singh - Company Secretary (upto March 31, 2024)
10. Mr. Hemang Ladani - Chief Financial Officer

* The ICAI - Ind AS Transition facilitation group's bulletin dated July 31,2017 clarified independent directors coverage under definition of KMP under para 9 of Ind AS 24. Disclosures being made in this section accordingly for said purposes.

(e) Trust wherein the Company has control
SSL Gratuity and Superannuation Trust

(f) Trust wherein the Holding company has control
SHCIL Foundation

B. Particulars of Transaction with Related Parties

(₹ in lakhs)

| Sr. No. | Nature of transactions | Relationship | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---------|-------------------------------------|---|-----------------------------------|-----------------------------------|
| 1 | Brokerage income | Ultimate holding company | - | - |
| | | Holding Company | 0.13 | 0.07 |
| | | Key Managerial Personnel and their relatives | 0.25 | 0.06 |
| 2 | Service charges received | Holding Company | 27.87 | 41.16 |
| 3 | Outsourcing expenses | Associate Company | 63.91 | 73.19 |
| 4 | Sub - brokerage expenses | Holding Company | 5,371.67 | 4,454.81 |
| 5 | Reimbursement of expenses (net) | Holding Company | 252.09 | 274.03 |
| 6 | Sitting fees | Ultimate holding company | 2.00 | 15.60 |
| | | Key Managerial Personnel | 15.00 | |
| 7 | Sub-broker deposit received | Holding Company | - | 1,500.00 |
| 8 | Sub-broker deposit refunded | Holding Company | - | 1,500.00 |
| 9 | Salary/deputation cost of employees | Holding Company | 64.89 | 90.40 |
| | | Key Managerial Personnel | 112.10 | 111.44 |
| 10 | Contributions | Trust wherein the Company has control | 0.35 | 7.38 |
| 11 | Donations | Trust wherein the Holding company has control | 47.50 | 39.00 |

Notes forming part of the financial statements (contd.)

C. Particulars of outstanding with Related Parties as on balance sheet date

(₹ in lakhs)

| Sr. No. | Nature of transactions | Relationship | As at March 31, 2024 | As at March 31, 2023 |
|---------|----------------------------|-------------------|----------------------|----------------------|
| 1 | Trade and other payable | Holding Company | 6.24 | 547.65 |
| | | Associate Company | 2.19 | 7.14 |
| 2 | Trade and other receivable | Holding Company | 198.25 | 206.49 |
| 3 | Margin deposits receivable | Holding Company | 3,920.27 | 1,671.11 |

Note 37 : Managerial Remuneration

(₹ in lakhs)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|-----------------------------------|-----------------------------------|
| MD & CEO, Company Secretary & CFO | | |
| Salary, Allowances & Incentives (Including GST) | 122.96 | 122.83 |
| Contribution to Provident Fund | 4.20 | 4.14 |
| Contribution to Retirement Benefits | 2.97 | 2.52 |
| Total | 130.14 | 129.49 |

Note 38 : Corporate Social Responsibility (CSR)

1. Details of CSR spent

(₹ in lakhs)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|-----------------------------------|-----------------------------------|
| (a) Gross amount required to be spent during the year | 47.50 | 39.00 |
| (b) Amount spent during the year on | | |
| (i) Construction/acquisition of any assets | - | - |
| (ii) On purposes other than (i) above - in cash | 47.50 | 39.00 |
| (c) Amount yet to be spent | - | - |

2. Related party transaction during the year to CSR expenditure is ₹47.50 lakhs (previous year ₹39 lakhs)

3. Corporate social Responsibility (CSR) amount has been paid to M/s. SHCIL Foundation Trust. The CSR activities of the Trust include eradicating hunger, poverty; promoting healthcare, education & sanitation; ensuring environmental sustainability, etc.

Note 39 : Employee benefits

A. Defined contribution plans:

The company has recognised the following amounts in the Statement of Profit and Loss;

(₹ in lakhs)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|-----------------------------------|-----------------------------------|
| Contribution to Employees Provident and other Funds | 26.42 | 23.57 |
| Contribution to Employees Superannuation Fund | - | - |
| Total | 26.42 | 23.57 |

B. Defined benefits plans:

1. Gratuity

(i) Funded status of the plan

(₹ in lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---------------------------------------|----------------------|----------------------|
| Present value of unfunded obligations | - | - |
| Present value of funded obligations | 45.55 | 40.12 |
| Fair value of plan assets | 45.32 | 45.07 |
| Net Liability (Asset) | 0.23 | (4.95) |

Notes forming part of the financial statements (contd.)

(ii) Reconciliation of defined benefit obligation

(₹ in lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Opening Defined Benefit Obligation | 40.12 | 36.53 |
| Transfer in/(out) obligation | - | - |
| Current service cost | 6.12 | 6.05 |
| Interest cost | 2.97 | 2.61 |
| Actuarial loss/(gain) due to change in financial assumptions | 1.04 | (1.22) |
| Actuarial loss/(gain) due to change in demographic assumption | - | - |
| Actuarial loss/ (gain) due to experience | (1.43) | (2.25) |
| Past service cost | - | - |
| Benefits paid | (3.27) | (1.61) |
| Closing Defined Benefit Obligation | 45.55 | 40.12 |

(iii) Reconciliation of plan assets

(₹ in lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Opening value of plan assets | 45.07 | 36.62 |
| Transfer in/(out) plan assets | - | - |
| Expenses deducted from the fund | - | - |
| Interest Income | 3.57 | 2.83 |
| Return on plan assets excluding amounts included in interest income | (0.40) | (0.15) |
| Assets distributed on settlements | - | - |
| Contributions by employer | 0.35 | 7.38 |
| Assets acquired in an amalgamation in the nature of purchase | - | - |
| Exchange differences on foreign plans | - | - |
| Benefits paid | (3.27) | (1.61) |
| Closing value of plan assets | 45.32 | 45.07 |

(iv) Amounts recognised in the Statement of Profit and Loss

(₹ in lakhs)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| Service cost: | | |
| Current service cost | 6.12 | 6.05 |
| Past service cost and loss/(gain) on curtailments and settlement | - | - |
| Net interest cost | (0.60) | (0.22) |
| Total | 5.52 | 5.83 |

(v) Amounts recognised in the Other Comprehensive Income

(₹ in lakhs)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| Components of actuarial gain/losses on obligations: | | |
| Due to Change in financial assumptions | 1.04 | (1.22) |
| Due to change in demographic assumption | - | - |
| Due to experience adjustments | (1.43) | (2.25) |
| Return on plan assets excluding amounts included in interest income | 0.40 | 0.15 |
| Total | 0.01 | (3.32) |

Notes forming part of the financial statements (contd.)

(vi) Composition of the plan assets

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|-----------------------------------|-------------------------|-------------------------|
| Government of India Securities | 0% | 0% |
| State Government Securities | 0% | 0% |
| High quality corporate bonds | 0% | 0% |
| Equity shares of listed companies | 0% | 0% |
| Property | 0% | 0% |
| Special Deposit Scheme | 0% | 0% |
| Policy of insurance | 100% | 100% |
| Bank Balance | 0% | 0% |
| Other Investments | 0% | 0% |
| Total | 100% | 100% |

(vii) Reconciliation of net defined benefit liability

(₹ in lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Net opening provision in books of accounts | (4.95) | (0.08) |
| Transfer in/(out) obligation | - | - |
| Transfer (in)/out plan assets | - | - |
| Employee Benefit Expense | 5.52 | 5.83 |
| Amounts recognised in Other Comprehensive Income | 0.01 | (3.32) |
| | 0.58 | 2.43 |
| Benefits paid by the Company | - | - |
| Contributions to plan assets | (0.35) | (7.38) |
| Closing provision in books of accounts | 0.23 | (4.95) |

(viii) Principle actuarial assumptions

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|-------------------------------|--------------------------------------|--------------------------------------|
| Discount Rate | 7.30% | 7.50% |
| Salary Growth Rate | 5.00% | 5.00% |
| Withdrawal Rates | 2% p.a at all ages | 2% p.a at all ages |
| Rate of Return on Plan Assets | 7.30% p.a. | 7.50% p.a. |

(ix) Sensitivity to key assumptions (Change in DBO)

| Particulars | | For the year ended March 31, 2024 | | For the year ended March 31, 2023 | |
|--------------------------------------|-------------|--------------------------------------|--------------|--------------------------------------|--------------|
| | | % | (₹ in lakhs) | % | (₹ in lakhs) |
| Discount rate varied by | +0.5% | -5.55% | 43.02 | -5.72% | 37.82 |
| | -0.5% | 6.01% | 48.28 | 6.20% | 42.61 |
| Salary growth varied by | +0.5% | 5.26% | 47.94 | 5.36% | 42.27 |
| | -0.5% | -5.67% | 42.97 | -5.58% | 37.88 |
| Withdrawal rate (W.R.) varied by 10% | W.R. x 110% | 0.44% | 45.75 | 0.54% | 40.33 |
| | W.R. x 90% | -0.45% | 45.34 | -0.73% | 39.82 |

Notes forming part of the financial statements (contd.)

(x) Expected benefit payments

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|-------------------|----------------------------|--------|----------------------------|--------|
| | Cash flows (₹ in lakhs) | % | Cash flows (₹ in lakhs) | % |
| Year 1 | 1.25 | 1.00% | 1.16 | 1.00% |
| Year 2 | 1.34 | 1.10% | 1.23 | 1.10% |
| Year 3 | 1.42 | 1.20% | 1.30 | 1.10% |
| Year 4 | 1.54 | 1.30% | 1.39 | 1.20% |
| Year 5 | 1.65 | 1.40% | 1.48 | 1.30% |
| Year 6 to Year 10 | 18.75 | 15.70% | 17.61 | 15.80% |

The future accrual is not considered in arriving at the above cash-flows.

2 Leave encashments

(a) Ordinary leave benefits

(i) Funded status of the plan

(₹ in lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---------------------------------------|-------------------------|-------------------------|
| Present value of unfunded obligations | - | - |
| Present value of funded obligations | 23.18 | 22.23 |
| Fair value of plan assets | - | - |
| Net Liability (Asset) | 23.18 | 22.23 |

(ii) Reconciliation of defined benefit obligation

(₹ in lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Opening Defined Benefit Obligation | 22.23 | 20.03 |
| Transfer in/(out) obligation | - | - |
| Current service cost | 12.24 | 10.44 |
| Interest cost | 1.51 | 1.31 |
| Actuarial loss/(gain) due to change in financial assumptions | 0.20 | (0.24) |
| Actuarial loss/(gain) due to change in demographic assumption | - | - |
| Actuarial loss/ (gain) due to experience | (4.36) | 0.04 |
| Past service cost | - | - |
| Benefits paid | (8.64) | (9.35) |
| Closing Defined Benefit Obligation | 23.18 | 22.23 |

(iii) Amounts recognised in the Statement of Profit and Loss

(₹ in lakhs)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| Service cost: | | |
| Current service cost | 12.24 | 10.44 |
| Past service cost and loss/(gain) on curtailments and settlement | - | - |
| Net interest cost | 1.51 | 1.31 |
| Components of actuarial gain/losses on obligations: | | |
| Due to Change in financial assumptions | 0.20 | (0.24) |
| Due to change in demographic assumption | - | - |
| Due to experience adjustments | (4.36) | 0.04 |
| Total | 9.59 | 11.55 |

Notes forming part of the financial statements (contd.)

(iv) Reconciliation of net defined benefit liability

(₹ in lakhs)

| Particulars | As at | |
|---|----------------|----------------|
| | March 31, 2024 | March 31, 2023 |
| Net opening provision in books of accounts | 22.23 | 20.03 |
| Transfer in/(out) obligation | - | - |
| Employee Benefit Expense | 9.59 | 11.55 |
| Amounts recognised in Other Comprehensive Income | - | - |
| | 31.82 | 31.58 |
| Benefits paid by the Company | (8.64) | (9.35) |
| Contributions to plan assets | - | - |
| Closing provision in books of accounts | 23.18 | 22.23 |

(v) Principle actuarial assumptions

| Particulars | For the year ended | |
|-----------------------|--------------------|--------------------|
| | March 31, 2024 | March 31, 2023 |
| Discount Rate | 7.30% | 7.50% |
| Salary Growth Rate | 5.00% | 5.00% |
| Withdrawal Rates | 2% p.a at all ages | 2% p.a at all ages |
| Leave Availment Rate | 5% p.a. | 5% p.a. |
| Leave Encashment Rate | 10% p.a. | 10% p.a. |

(vi) Sensitivity to key assumptions (Change in DBO)

| Particulars | For the year ended | | For the year ended | | |
|--------------------------------------|--------------------|--------------|--------------------|--------------|-------|
| | March 31, 2024 | | March 31, 2023 | | |
| | % | (₹ in lakhs) | % | (₹ in lakhs) | |
| Discount rate varied by | +0.5% | -2.11% | 22.67 | -2.11% | 21.76 |
| | -0.5% | 2.20% | 23.67 | 2.20% | 22.72 |
| Salary growth varied by | +0.5% | 2.24% | 22.68 | 2.24% | 22.72 |
| | -0.5% | -2.16% | 22.66 | -2.17% | 21.75 |
| Withdrawal rate (W.R.) varied by 10% | W.R. x 110% | -0.15% | 23.13 | -0.14% | 22.19 |
| | W.R. x 90% | 0.15% | 23.20 | 0.14% | 22.25 |

(vii) Expected benefit payments

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|-------------------|----------------------|--------|----------------------|--------|
| | (₹ in lakhs) | % | (₹ in lakhs) | % |
| Year 1 | 4.41 | 13.10% | 4.26 | 13.10% |
| Year 2 | 3.87 | 11.50% | 3.74 | 11.50% |
| Year 3 | 3.40 | 10.10% | 3.29 | 10.10% |
| Year 4 | 2.99 | 8.90% | 2.89 | 8.70% |
| Year 5 | 2.62 | 7.80% | 2.53 | 7.70% |
| Year 6 to Year 10 | 9.36 | 27.90% | 9.12 | 27.90% |

The future accrual is not considered in arriving at the above cash-flows.

Notes forming part of the financial statements (contd.)

(b) Sick leave benefits

(i) Principle actuarial assumptions

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|-----------------------|--------------------------------------|--------------------------------------|
| Discount Rate | 7.30% | 7.50% |
| Salary Growth Rate | 5.00% | 5.00% |
| Withdrawal Rates | 2% p.a at all ages | 2% p.a at all ages |
| Leave Availment Rate | 3% p.a. | 3% p.a. |
| Leave Encashment Rate | 0% p.a. | 0% p.a. |

(ii) Sensitivity to key assumptions (Change in DBO)

| Particulars | For the year ended March 31, 2024 | | For the year ended March 31, 2023 | | |
|--------------------------------------|--------------------------------------|--------------|--------------------------------------|--------------|-------|
| | % | (₹ in lakhs) | % | (₹ in lakhs) | |
| Discount rate varied by | +0.5% | -3.10% | 11.36 | -3.16% | 10.64 |
| | -0.5% | 3.28% | 12.10 | 3.34% | 11.35 |
| Salary growth varied by | +0.5% | 3.34% | 12.12 | 3.41% | 11.36 |
| | -0.5% | -3.18% | 11.35 | -3.24% | 10.63 |
| Withdrawal rate (W.R.) varied by 10% | W.R. x 110% | -1.38% | 11.56 | -1.41% | 10.83 |
| | W.R. x 90% | 1.41% | 11.89 | 1.44% | 11.14 |

Note 40 : Revenue from contracts with customers

The Company derives revenue primarily from the broking business. Its other major revenue sources are the distribution income and interest income.

Disaggregate revenue information

- The table below presents disaggregate revenues from contracts with customers for the year ended March 31, 2024 by type of revenue segregated into its operating segments. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by market and other economic factors.

Nature of Services

- Broking Income** : Income from services rendered as a broker is recognised upon rendering of the services, in accordance with the terms of contract.
- Distribution Income** : Commissions from distribution of financial products are recognised upon allotment of the securities to the applicant. Fees for subscription based services are received periodically but are recognised as earned on a pro-rata basis over the term of the contract
- Interest Income** : Interest is earned on delayed payments from clients and amounts funded to them. Interest income is recognised on a time proportion basis taking into account the amount outstanding from customers or on the financial instrument and the rate applicable.
- Depository income** : Income from services rendered on behalf of depository is recognised upon rendering of the services, in accordance with the terms of contract.

Notes forming part of the financial statements (contd.)

2. Disaggregate revenue information: (₹ in lakhs)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|--------------------------------------|--------------------------------------|--------------------------------------|
| Broking income | 10,429.26 | 8,204.50 |
| Distribution income | 26.77 | 27.84 |
| Interest income | 1,302.91 | 1,234.79 |
| Depository income | 15.30 | 2.30 |
| Total | 11,774.24 | 9,469.43 |
| Geographical markets | | |
| India | 11,774.24 | 9,469.43 |
| Outside India | - | - |
| Timing of revenue recognition | | |
| Service transferred at point in time | 11,758.94 | 9,467.13 |
| Service transferred over time | 15.30 | 2.30 |

3. Contract Liability relates to payments received in advance of performance under the contract. Contract Liabilities are recognised as revenue on completing the performance obligation.

Movements in the contract liabilities (₹ in lakhs)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| Prepaid brokerage | | |
| Opening balance | - | 60.11 |
| Add : Addition during the year | - | 8.26 |
| Less : Revenue recognised during the year | - | (7.84) |
| Less : Refund to customer during the year | - | (60.52) |
| Closing balance | - | - |

Amounts includes taxes.

4. Nature, timing of satisfaction of the performance obligation and significant payment terms.

- Income from services rendered as a broker is recognised upon rendering of the services.
- Commissions from distribution of financial products are recognised upon allotment of the securities to the applicant or as the case may be, on issue of the insurance policy to the applicant.
- Interest is earned on delayed payments from clients and amounts funded to them as well as term deposits with banks. Interest income is recognised on a time proportion basis taking into account the amount outstanding from customers or on the financial instrument and the rate applicable.

The above services are point in time in nature, and no performance obligation remains once the transaction is executed.

- Fees for subscription based services are received periodically but are recognised as earned on a pro-rata basis over the term of the contract, and are over the period in nature.

5. Contract balances

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| <u>Assets</u> | | |
| Trade receivables (excluding impairment) | 7,985.77 | 4,787.72 |
| <u>Liabilities</u> | | |
| Trade payables | 35,319.54 | 16,221.63 |
| Prepaid brokerage | - | - |

Notes forming part of the financial statements (contd.)

Note 41 : Events after reporting date

There have been no events after the reporting date that require disclosure in these financial statements.

Note 42 :

The Company has framed a policy for written back certain payables for which no claim was received and also written off old balances as defined in the policy.

The following are details of the written back and written off;

(₹ in lakhs)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|--------------|--------------------------------------|--------------------------------------|
| Written back | - | 0.03 |
| Written off | 1.35 | 0.29 |

Note 43 : Segment Reporting

The Company operates only in one segment i.e. stock broking and all other activities are ancillary to the main business. Hence there are no reportable segments as defined in Indian Accounting Standard (IND AS -108) on "Segment Reporting".

The Company operates one geographic segment namely 'within India', hence no separate information for geographic segment wise disclosure is required.

No single customer accounts for the revenue, which is equal or more than ten percent of the total revenue of the entity, hence no such segment could be identified.

Note 44 : Maturity analysis of assets and liabilities

(₹ in lakhs)

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|---|-------------------------|--------------------|-------------------------|--------------------|
| | within 12 months | after 12 months | within 12 months | after 12 months |
| ASSETS | | | | |
| (i) Financial assets | | | | |
| (a) Cash and cash equivalents | 1,870.30 | - | 6,632.52 | - |
| (b) Bank balances other than (a) above | 9,599.50 | 125.00 | 8,209.50 | 183.00 |
| (c) Trade receivables | 7,944.81 | 11.97 | 4,777.50 | - |
| (d) Investments | 275.94 | - | 177.35 | - |
| (e) Other financial assets | 26,327.17 | 218.03 | 4,798.65 | 398.04 |
| (ii) Non-financial assets | | | | |
| (a) Current tax assets (net) | - | 5.27 | - | 76.94 |
| (b) Deferred tax assets (net) | - | 16.48 | - | 40.80 |
| (c) Property, plant and equipment | - | 139.90 | - | 196.15 |
| (d) Intangible assets under development | - | - | 154.90 | 386.00 |
| (e) Other Intangible assets | 262.21 | 246.54 | - | 126.81 |
| (f) Other non-financial assets | 303.60 | - | 563.19 | - |
| Total Assets | 46,583.53 | 763.19 | 25,313.61 | 1,407.74 |
| LIABILITIES | | | | |
| (i) Financial liabilities | | | | |
| (a) Payables | 35,319.54 | - | 16,221.63 | - |
| (b) Other financial liabilities | 365.54 | 85.28 | 673.52 | 78.46 |
| (ii) Non-financial liabilities | | | | |
| (a) Current tax liability (net) | - | - | - | - |
| (b) Provisions | 8.56 | 26.56 | 8.09 | 25.13 |
| (c) Other non-financial liabilities | 254.55 | 14.79 | 206.20 | - |
| Total Liabilities | 35,948.19 | 126.63 | 17,109.44 | 103.59 |
| Net Assets | 10,635.34 | 636.56 | 8,204.17 | 1,304.15 |

Notes forming part of the financial statements (contd.)

Note 45 : Financial instruments

A. Financial Instruments by category

The following table shows the carrying amounts of Financial Assets and Financial Liabilities which are classified as Fair value through Profit and Loss (FVTPL), Fair value through other comprehensive Income (FVTOCI) and Amortised Cost.

(₹ in lakhs)

| Particulars | Classification | As at March 31, 2024 | As at March 31, 2023 |
|---------------------------------|----------------|-------------------------|-------------------------|
| Financial assets | | | |
| (a) Cash and cash equivalents | At amortised | 1,870.30 | 6,632.52 |
| (b) Term deposits with banks | At amortised | 9,724.50 | 8,392.50 |
| (c) Trade receivables | At amortised | 7,956.78 | 4,777.50 |
| (d) Investments | FVTPL | 275.94 | 177.35 |
| (e) Other financial assets | At amortised | 26,545.20 | 5,196.69 |
| Total | | 46,372.72 | 25,176.56 |
| Financial liabilities | | | |
| (a) Trade payables | At amortised | 35,053.14 | 15,960.99 |
| (b) Other payables | At amortised | 266.40 | 260.64 |
| (c) Other financial liabilities | At amortised | 450.82 | 751.98 |
| Total | | 35,770.36 | 16,973.61 |

B. Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount 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.

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the Indian Accounting standard. An explanation of each level follows underneath the table.

Level 1: This level hierarchy includes financial instruments measured using quoted prices.

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

The following table summarises financial instruments measured at fair value

(₹ in lakhs)

| Particulars | Level 1 | Level 2 | Level 3 | Total |
|--------------------------------|---------|---------|---------|--------|
| As at March 31, 2024 | | | | |
| <u>Financial assets</u> | | | | |
| Financial investments at FVTPL | | | | |
| - Investment in Quoted Shares | 275.93 | - | - | 275.93 |
| - Mutual funds | 0.01 | - | - | 0.01 |
| As at March 31, 2023 | | | | |
| <u>Financial assets</u> | | | | |
| Financial investments at FVTPL | | | | |
| - Investment in Quoted Shares | 177.34 | - | - | 177.34 |
| - Mutual funds | 0.01 | - | - | 0.01 |

Net assets value (NAV) of the scheme is technique used to determine fair value of mutual funds.

Notes forming part of the financial statements (contd.)

C. Transfers between Levels 1, 2 and 3

There were no transfers between level 1, 2 and 3.

D. Financial instruments not measured at fair value

Financial assets not measured at fair value includes cash and cash equivalents, term & other deposits, trade receivables, and other financial assets. These are financial assets whose carrying amounts approximate fair value, due to their short-term nature.

Additionally, financial liabilities such as trade payables and other financial liabilities are not measured at FVTPL, whose carrying amounts approximate fair value, because of their short-term nature.

Note 46 : Financial risk management

Company has operations in India. Whilst risk is inherent in the Company's activities, it is managed through an integrated risk management framework, including on-going 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 has exposure to the following risk arising from financial instruments:

- (a) Credit risk
- (b) Liquidity risk
- (c) Market risk

The Company has established various policies with respect to such risks which set forth limits, mitigation strategies and internal controls to be implemented by the three lines of defence approach provided below. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The risk management system features a "three lines of defence" approach:

1. The first line of defence comprises its operational departments, which assume primary responsibility for their own risks and operate within the limits stipulated in various policies approved by the Board or by committees constituted by the Board.
2. The second line of defence comprises specialised departments such as Risk Management Committee, Investment Committee, Internal Executive Audit Committee, and compliance. They employ specialised methods to identify and assess risks faced by the operational departments and provide them with specialised risk management tools and methods, facilitate and monitor the implementation of effective risk management practices, develop monitoring tools for risk management, internal control and compliance, report risk related information and promote the adoption of appropriate risk prevention measures.
3. The third line of defence comprises the internal audit department and external audit functions. They monitor and conduct periodic evaluations of the risk management, internal control and compliance activities to ensure the adequacy of risk controls and appropriate risk governance, and provide the Board with comprehensive feedback.

(A) Credit Risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligation. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties, and by monitoring exposures in relations to such limits.

The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented in the financial statements. The Company's major classes of financial assets are cash and cash equivalents, loans, investments in mutual fund units, term deposits, trade receivables, security deposits and margin placed with the clearing member/corporation.

Notes forming part of the financial statements (contd.)

Deposits with banks are considered to have negligible risk or nil risk, as they are maintained with high rated banks/ financial institutions as approved by the Board of Directors. Security deposits are kept with stock exchanges for meeting minimum base capital requirements. These deposits do not have any credit risk. Investments include investment in liquid mutual fund units that are marketable securities of eligible financial institutions for a specified time period with high credit rating given by domestic credit rating agencies.

Following provides exposure to credit risk for trade receivables and other receivables (₹ in lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Trade receivables (net of impairment) | 7,956.78 | 4,777.50 |
| Other financial assets (net of impairment) | 26,545.20 | 5,196.69 |
| Total | 34,501.98 | 9,974.19 |

(i) Trade receivables

The Company applies the Ind AS 109 simplified approach to measure expected credit losses which uses a lifetime expected credit loss allowance (ECL) for all trade receivables.

The application of a simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date.

To manage credit risk, the Company periodically assesses the financial reliability of customers and other counterparties, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly. The Company doesn't have significant credit risk exposure to any single counterparty or a group of counterparties as it has robust risk management, provision and write-off policy for debtors. Trade receivables are monitored on a periodic basis for any non-recoverability of the dues.

The trade receivables at reporting date analysed by the length of time past due, are: (₹ in lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|-------------------|-------------------------|-------------------------|
| 1 - 30 days | 7,604.30 | 3,236.56 |
| 31 - 60 days | 65.35 | 323.09 |
| 61-90 days | 12.24 | 471.39 |
| more than 90 days | 303.88 | 756.68 |
| Total | 7,985.77 | 4,787.72 |

Movements in the impairment loss allowance is as follow; (₹ in lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--------------------------|-------------------------|-------------------------|
| Opening balance | 10.22 | 75.30 |
| Addition during the year | 18.77 | - |
| Reversal during the year | - | (65.08) |
| Total | 28.99 | 10.22 |

(ii) Other financial assets

Movements in the impairment loss allowance is as follow; (₹ in lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--------------------------|-------------------------|-------------------------|
| Opening balance | 19.05 | 19.05 |
| Addition during the year | - | - |
| Reversal during the year | - | - |
| Total | 19.05 | 19.05 |

Notes forming part of the financial statements (contd.)

(B) Liquidity risk

Liquidity represents the ability of the Company to generate sufficient cash flow to meet its financial obligations on time, both in normal and in stressed conditions, without having to liquidate assets or raise funds at unfavourable terms thus compromising its earnings and capital. Liquidity risk is the risk that the Company may not be able to generate sufficient cash flow at reasonable cost to meet expected and / or unexpected claims.

The Company has a view of maintaining liquidity with minimal risks while making investments. The Company invests its surplus funds in short term liquid assets in bank deposits and liquid mutual funds. The Company monitors its cash and bank balances periodically in view of its short term obligations associated with its financial liabilities.

The following are the remaining contractual maturities of financial asset & liabilities;

(i) As at March 31, 2024 (₹ in lakhs)

| Particulars | upto 6 months | 6-12 months | 1-3 years | more than 3 years | Total |
|---------------------------------|------------------|-----------------|---------------|-------------------|------------------|
| <u>Financial assets</u> | | | | | |
| (a) Cash and cash equivalents | 1,870.30 | - | - | - | 1,870.30 |
| (b) Term deposits with banks | 8,789.50 | 810.00 | 125.00 | - | 9,724.50 |
| (c) Trade receivables | 7,707.57 | 249.21 | - | - | 7,956.78 |
| (d) Investments | - | - | 275.94 | - | 275.94 |
| (e) Other financial assets | 26,310.07 | 17.10 | 1.03 | 217.00 | 26,545.20 |
| Total | 44,677.44 | 1,076.31 | 401.97 | 217.00 | 46,372.72 |
| <u>Financial liabilities</u> | | | | | |
| (a) Trade payables | 35,053.14 | - | - | - | 35,053.14 |
| (b) Other payables | 266.40 | - | - | - | 266.40 |
| (c) Other financial liabilities | 406.04 | 36.29 | 8.49 | - | 450.82 |
| Total | 35,725.58 | 36.29 | 8.49 | - | 35,770.36 |

(ii) As at March 31, 2023 (₹ in lakhs)

| Particulars | upto 6 months | 6-12 months | 1-3 years | more than 3 years | Total |
|---------------------------------|------------------|---------------|---------------|-------------------|------------------|
| <u>Financial assets</u> | | | | | |
| (a) Cash and cash equivalents | 6,632.52 | - | - | - | 6,632.52 |
| (b) Term deposits with banks | 7,949.50 | 260.00 | 183.00 | - | 8,392.50 |
| (c) Trade receivables | 4,777.50 | - | - | - | 4,777.50 |
| (d) Investments | 177.35 | - | - | - | 177.35 |
| (e) Other financial assets | 4,798.65 | - | 152.76 | 245.28 | 5,196.69 |
| Total | 24,335.52 | 260.00 | 335.76 | 245.28 | 25,176.56 |
| <u>Financial liabilities</u> | | | | | |
| (a) Trade payables | 15,960.99 | - | - | - | 15,960.99 |
| (b) Other payables | 260.64 | - | - | - | 260.64 |
| (c) Other financial liabilities | 664.52 | 9.00 | 78.46 | - | 751.98 |
| Total | 16,886.15 | 9.00 | 78.46 | - | 16,973.61 |

(C) Market risk

Market risk is the risk that the fair value or future Cash flows of a financial instrument will fluctuate because of changes in market prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(i) Foreign currency risk

The Company does not have any foreign currency exposure as at each reporting date. Accordingly, foreign currency risk disclosure is not applicable.

Notes forming part of the financial statements (contd.)

(ii) Interest rate risk

The Company is expose to Interest risk if the fair value or future cash flows of its financial instruments will fluctuate as a result of changes in market interest rates. 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.

The Company's interest rate risk arises from interest bearing deposits with bank and margin trading funding to customers. Such instruments exposes the Company to fair value interest rate risk. Management believe that the interest rate risk attached to this financial assets are not significant due to the nature of this financial assets. Further, the Company has borrowing limit aside with the bank, and interest rate are linked to deposits with them. Therefore there is no impact of movement in interest rate on that. All investments within the portfolio are approved by the appropriate authority.

The following table shows sensitivity analysis for impact of change in interest rate (₹ in lakhs)

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|------------------------------------|------------------------|------------------|------------------------|------------------|
| | Interest rate exposure | Impact on income | Interest rate exposure | Impact on income |
| Increase in 1% in rate of interest | 9,724.50 | 97.25 | 8,392.50 | 83.93 |
| Decrease in 1% in rate of interest | 9,724.50 | (97.25) | 8,392.50 | (83.93) |

(iii) Market price risk

The Company is exposed to market price risk, which arises from FVTPL investment in the quoted shares and liquid mutual funds. The management monitors the proportion of mutual funds investments in its investment portfolio based on market indices. All investments within the portfolio are approved by the appropriate authority.

The following table shows sensitivity analysis for impact of change in market price (₹ in lakhs)

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|--------------------------------|-----------------------|------------------|-----------------------|------------------|
| | Market price exposure | Impact on income | Market price exposure | Impact on income |
| Increase in 5% in market price | 275.93 | 13.80 | 177.34 | 8.87 |
| Decrease in 5% in market price | 275.93 | (13.80) | 177.34 | (8.87) |

Note 47 : Capital management

Risk management

The company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to maximise the shareholder value.

The gearing ratio at the reporting date as follows:-

(₹ in lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---------------------------------|----------------------|----------------------|
| (a) Debt | - | - |
| (b) Cash and bank balances | 11,594.80 | 15,025.02 |
| (c) Net Debt (a-b) | (11,594.80) | (15,025.02) |
| (d) Total equity Capital | 608.97 | 608.97 |
| (e) Capital gearing ratio (c/d) | -1904% | -2467% |

Note 48 : Other disclosure as notified by the Ministry of Corporate affairs

(A) Title deeds of Immovable Properties not held in name of the Company

The Company does not hold or in control of any immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not in favour of the Company. Other then note number 33

Notes forming part of the financial statements (contd.)

(B) Transactions with specified persons

The Company has not made any loans or advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013). either severally or jointly with any other person that are repayable on demand or without specifying any terms or period of repayment.

(C) Disclosure on Benami Property held

No proceedings have been initiated against the company for holding any benami property under the Benami Transactions (Prohibition) Act., 1988 (45 of 1988) and rules made thereunder.

(D) Disclosure on borrowings

No borrowings from banks or financial institutions on the basis of security of current assets during the year.

(E) Disclosure on wilful defaulter

The company has not declared wilful defaulter by any bank or financial institution or other lender.

(F) Relationship with Struck off Companies

The Company has not made any transaction with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

(G) Registration of charges or satisfaction with Registrar of Companies

No charges were created during the year and hence no satisfaction yet to be registered with Registrar of Companies.

(H) Compliance with number of layers of companies

The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rule, 2017.

(I) Ratios

Additional regulatory information required under (WB) (xvi) of Division III of Schedule III amendment, disclosure of ratios, is not applicable to the Company as it is in broking business and not an NBFC registered under Section 45-IA of Reserve Bank of India Act, 1934.

(J) Utilisation of Borrowed funds and share premium

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 or entity including foreign entities.

The Company has not received any funds from any person or entity including foreign entities for the purpose mentioned in the said notification.

(K) Undisclosed income

The Company has not received any funds from any person or entity including foreign entities for the purpose mentioned in the said notification.

(L) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the year.

(M) Subsequent events

There were no significant events after the end of the reporting period that required any adjustment or disclosure in the financial statements.

Note 49 : Changes in accounting policy or prior period errors

"The Comptroller and Auditor General of India has conducted the audit for the financial year 2021-22 and issued the Preliminary Objection Memos (POMs). The one of the POMs stated that software maintenance AMC expenses to be amortised over the period of the contract which were accounted as expenses due to error. Accordingly, ₹9.23 lakhs should have been accounted as Prepaid Expense, however, it is accounted as Expense for the financial year 2021-22. This has resulted in the overstatement of expenses, understatement of Profit and understatement of other Financial Assets by ₹9.23 lakhs.

Notes forming part of the financial statements (contd.)

To give effect of the above, the Retained Earnings has been increased to that extent and accounted as an expenses in the previous year ended March 31, 2023."

Note 50 : Dividend

Following dividend is declared and paid during the current financial period.

| Particulars | For the financial year | Dividend per share (₹) | No. of shares | Total Dividend (₹ in lakhs) |
|--|------------------------|------------------------|---------------|-----------------------------|
| Final dividend | | | | |
| - at Annual General Meeting held on September 15, 2023 | 2022-23 | 1.5 | 60,89,703 | 91.35 |
| Interim dividend | | | | |
| - at Board Meeting held on January 24, 2024 | 2023-24 | 2.5 | 60,89,703 | 152.24 |
| | | 4 | | 243.59 |

The Board has recommended the final dividend of ₹15 per equity share for the financial year 2023-24 subject to the approval of the Shareholders in the Annual General Meeting. The total dividend amount would be ₹ 913.45 lakhs.

Note 51 :

Figures for the corresponding previous Financial period have been regrouped and rearranged to confirm those of current financial year.

As per our report of even date attached

**For and on behalf of
A BAFNA & CO**
Chartered Accountants
FRN: 003660C

**For and on behalf of Board of Directors
STOCKHOLDING SERVICES LIMITED**

Vivek Gupta
Partner
Membership No. 400543

Manoj Kumar Parida
Non-Executive Chairman
DIN:09230827

Sanjay Pote
Managing Director
& Chief Executive Officer
DIN:08085505

G. Anantharaman
Director
DIN: 02229822

Place: Mumbai
Date: April 12, 2024

Sarala Menon
Director
DIN: 08499105

Hemang Ladani
Chief Financial Officer

Swati Goyal
Company Secretary



On the occasion of the Company's 28th Foundation Day, the Independent Directors, MD & CEO, and employees gathered to celebrate 28th Foundation Day. Also present on the occasion (sitting left to right) Shri Amit Dassi, Shri Sanjay Pote, MD & CEO, Shri Manoj Kumar Parida, Shri G. Anantharaman, Independent Director, Shri D. C. Jain, Independent Director, Shri Jagdish Thakur, Group CFO, Stockholding, Shri Shashikant Nayak, Company Secretary, Stockholding, Smt Sarala Menon, Director, Smt Vibha Doshi, Chief Risk Officer, Shri Vinay Purohit, CFO, Stockholding. Also gracing the occasion Shri Prabhat Kumar Dubey, AVP, Stockholding, along with senior dignitaries.



Shri Rajneesh Singh, Company Secretary & Compliance Officer, presenting the Runner-Up trophy to Ms. Nutan Bhoir, Captain of the women's team, at the Inter-Group Cricket Tournament held at Vashi Sports Club, Navi Mumbai.



The SSL team, along with the distinguished winners of the Achiever's Club 2023-24 recognized for their exceptional branch-level achievements, participated in the event held in Goa. The occasion was further honoured by the presence of Shri Sanjay Pote, Managing Director & CEO; Shri Prabhat Kumar Dubey, Assistant Vice President at StockHolding; and Shri Amit Dassi, Director.



StockHolding Services Limited employees marked Diwali 2023 with exuberant celebrations, sharing in the warmth and joy of this vibrant festival.

Photo Gallery



Under its CSR initiatives, SSL supported the Gurudeva Charitable Trust in Vizianagaram, Andhra Pradesh by distributing medical equipment to recipients with disabilities.

Assisting Little More, Tata Memorial Centre (Tata Memorial Hospital & Cancer Research Institute), Parel, Mumbai to enhance and strengthen existing healthcare services, SSL supports patients from underprivileged backgrounds by providing crucial aid for treatment, recovery, nutrition, and sanitation



The National Association of Disabled Enterprises (NADE), Mumbai, an NGO dedicated to creating extensive educational, training, employment, and welfare opportunities for individuals with disabilities. SSL under its CSR initiatives supports NADE.



Sri Sai Trust, an NGO established with an objective of imparting marketable tangible skills like self-employment training like tailoring and beautician workshops, and embroidery workshops for tribal youths and women. SSL under its CSR initiatives supports Sri Sai Trust.



Distribution of Vocational Training Equipments to Navjivini school of special education, Sular, Patiala, which works for an objective to create services for the training and development of mentally retarded children where vocational training to improve social interaction is imparted amongst students.

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StockHolding Services Limited *(Formerly Known as SHCIL Services Limited)*

Registered Office:

SHCIL House, P-51, TTC Industrial Area,
MIDC, Mahape, Navi Mumbai - 400 710
Website: www.stockholdingservices.com
CIN - U65990MH1995GOI085602

SEBI Registration No:

Stock Broker (NSE, BSE and MCX): INZ000199936
Depository Participant (CDSL, NSDL): IN-DP-471-2020
Research Analyst: INH000001121
PMS Registration No: INP000007304

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