



CDSL Commodity Repository Limited
Annual Report 2023-24

CDSL COMMODITY REPOSITORY LIMITED

(CIN: U74999MH2017PLC292113)

Board of Directors

| | |
|-------------------------|--|
| Mr. Basanta Kishore Bal | Independent Director (w.e.f. 1 st March, 2018) |
| Mr. J. Balasubramanian | Independent Director (w.e.f. 20 th January, 2018) |
| Mr. S K Goel | Independent Director (w.e.f. 30 th March, 2019) |
| Mr. Pitambar Chowdhury | Chief Executive Officer & Managing Director (w.e.f. 1 st November, 2019) |
| Ms. Nayana Ovalekar | Shareholder Director (w.e.f. 22 nd July, 2021) |
| Mr. Vinay Madan | Shareholder Director (w.e.f. 2 nd August 2023) |
| Mr. Sameer Patil | Shareholder Director (w.e.f. 19 th January 2022) |
| Mr. Manoj Jain | Shareholder Director (w.e.f. 2 nd August, 2022) |

Management

| | |
|------------------------|---|
| Mr. Pitambar Chowdhury | Managing Director & Chief Executive Officer |
| Mr. Ajay Agarwal | Assistant Vice President (Business Development) |
| Ms. Aditi Shah | Company Secretary & Compliance Officer |
| Ms. Urvi Shah Gada | Chief Financial Officer |

Auditors

Lodha & Co., Chartered Accountants,
Karim Chambers,
40 A.D. Marg (Hamam Street),
Mumbai - 400 001.

Registered Office

A-Wing, Marathon Futurex, 25th Floor,
Mafatlal Mills Compound,
N.M. Joshi Marg, Lower Parel (E),
Mumbai - 400 013.

Bankers

Axis Bank
Jeevan Prakash Building, Ground Floor,
Sir P. M. Road, Fort, Mumbai - 400 001.

ICICI Bank
F.P. House, Nariman Point, Mumbai branch, 215,
Free Press House, Free Press Marg, Nariman Point,
Mumbai - 400 021.

Directors' Report

To
All Members,
CDSL Commodity Repository Limited

Your Directors are pleased to present the Seventh Annual Report along with Audited Financial Statements of your Company for the Financial Year ended 31st March, 2024.

Financial Highlights

| Particulars | Year ended 31 st March, 2024 (₹ in Lakhs) | Year ended 31 st March, 2023 (₹ in Lakhs) |
|--|--|--|
| Income | 534.4 | 415.07 |
| Expenditure | 554.25 | 520.69 |
| Profit/ (Loss) before Depreciation and Tax | (19.85) | (105.62) |
| Depreciation | 36.18 | 28.58 |
| Profit / (Loss) before Tax | (56.03) | (134.2) |
| Deferred Tax/Current Tax | 2.71 | (27.77) |
| MAT net of credit entitlement | 0 | 0 |
| Profit/ (Loss) after Tax | (58.74) | (106.43) |
| Other comprehensive income (Net of Tax) | (2.06) | (0.03) |
| Total comprehensive income | (60.8) | (106.46) |

During the year under review your Company reported a total income of 534.4 lakhs representing a growth of 29%. Revenue from non-exchange operations grew sharply on the back of a 257% growth in business volumes from the segment. This was the third successive year of triple digit growth in business from the non-exchange segment. Sustained growth in the non-exchange segment has helped the business to partly absorb the shock of a steep decline (54%) in revenues from the exchange segment. Thus, for the first time in the last seven years, revenues from the non-exchange segment far outstripped the revenues from the exchange segment. Yet, barely 26% of the total costs was met from operating revenues. The investment income rose sharply by 43% to restrict the loss of the company to ₹ 60.8 lakhs compared to ₹ 106.48 lakhs the previous year.

Transfer to Reserves

During the year the Company did not transfer any amount to the reserves.

Capital Structure

The Company was incorporated on 7th of March, 2017. The Authorized and Paid-up Equity Share Capital of your Company is ₹ 50 crores, while net worth as on 31st March 2024 stood at ₹ 501,877,000/-. The present shareholding pattern of the Company is as tabulated below:

| Shareholder | Percentage Shareholding |
|--|-------------------------|
| Central Depository Services (India) Limited (CDSL) | 52% |
| Multi Commodity Exchange of India Ltd (MCX) | 24% |
| BSE Investments Ltd (BSEIL) | 24% |

Business Review - 2023-24

The decision taken three years back to expand the non-exchange business has started delivering the benefits. The FY 2023-24 was the 3rd successive year to achieve the continuous 3-digit growth (257%). In the seven years of the operational history, for the first time, the CCRL's non-exchange business and revenues surpassed those of the exchange segment. We have augmented the strength of our business team to 12 to cover all the potential states.

2023-24 was again an average year in terms of the exchange business. The Revenues from exchange segment fell sharply by 54% compared to that of the last year. The performance of the modified cotton contract is yet to be seen. The notification to commence the business in non-agricultural commodities is still awaited from the regulator despite sustained efforts by the CCRL. It is a matter of concern that the operating revenues covered only a fourth of the total expenditures, while the return on investments met 65%, resulting in a loss of ₹ 56.03 lakhs. As per the advisory of the SEBI to our holding company CDSL, CCRL has now completely separated its infrastructure from that of CDSL. This did have some bearing on costs, as benefits of scale had to be sacrificed to achieve separation of assets.

Sustained growth in non-exchange business allowed the Company to partly absorb the shock of steep decline in exchange revenues and helping in 3% growth in overall operational revenue. However, the exchange income has declined from a peak of ₹ 167 lakhs in FY'22 to ₹ 59 lakhs in FY'24 (65% decline). There is an expectation that the launch of a new cotton contract in the next financial year could revive the fortunes of this segment. The Company is planning to increase market share in the non-exchange business by adding more business officials in the field.

The management is expectantly awaiting the green signal from the regulator for the commencement of the non- agricultural commodities business as operationally the CCRL is fully ready.

Business Outlook:

The repositories are facing persistent pressure from the regulator to reduce tariffs. Despite adopting a tariff that was advised by the regulator earlier in 2021 and continued financial stress faced by the repositories, there is a belief that reducing the tariff to very low levels could help bring in large volumes.

The expected commencement of business in non-agricultural commodities, for which the last enabling gazette notification was published in July 2023, remains a non-starter. The regulator's attempts to take all market participants along through holding stake-holder discussions have not been successful owing to a significant exchange disapproving repository tariff.

Further, the Government of India has on the 4th of June 2024 issued a Gazette notification authorizing the WDRA itself to issue eNWRs, or in other words act as a repository. If this is implemented, this poses a serious business risk to the Company.

On the other hand, there is a strong expectation that the Government will shortly introduce a credit guarantee fund for Banks lending against eNWRs. This will be a significant development which could create a strong “pull” for eNWRs and repository services.

Material changes and commitments if any

There are no material changes or commitments which would affect the financial position of the Company from the end of the financial year 2023-24 till the signing of financials date of this report.

Risk management of the Company

The Company has a robust framework to identify, evaluate and mitigate business risks. This strategy seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company’s competitive advantage.

Change in nature of business, if any

There was no change in the nature of business of the Company.

Maintenance of Cost records

The Company is not required to maintain the cost records as prescribed under section 148 of the Companies Act, 2013.

Board Meetings

The Board of Directors of your Company met 4 times during the Year under review as under:

| Name of the Director | 20/04/2023 | 20/07/2023 | 20/10/2023 | 19/01/2024 |
|------------------------------|-------------------|-------------------|-------------------|-------------------|
| Mr. B. K. Bal | Yes | Yes | Yes | Yes |
| Mr. J. Balasubramanian | Yes | Yes | Yes | Yes |
| Dr. Sudhir Kumar Goel | Yes | Yes | Yes | Yes |
| Mr. Pitambar Chowdhury | Yes | Yes | Yes | Yes |
| Mr. Manoj Jain | Yes | Yes | Yes | Yes |
| Ms. Nayana Ovalekar | Yes | Yes | Yes | Yes |
| Mr. Sameer Patil | No | Yes | Yes | Yes |
| Mr. Vinay Madan [#] | NA | NA | Yes | Yes |

[#] Mr. Vinay Madan appointed w.e.f. 2nd August 2023

Directors and KMP

Mr. Ramkumar K had resigned from the Board on 13th July 2023. Mr. Vinay Madan was appointed on 2nd August, 2023.

Annual Return

In accordance with the provisions of Section 134(3)(a) of the Companies Act, 2013 the Annual Return referred in sub-section (3) of Section 92 will be placed on the website of the Company www.ccrl.co.in

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to sub-section (5) of Section 134 of the Companies Act, 2013 and to the best of their knowledge and belief and according to the information and explanations obtained/received from the management, your Directors make the following statement and confirm that-

- (a) in the preparation of the annual financial statements for the year ended 31st March, 2024, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis; and
- (e) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DECLARATION BY INDEPENDENT DIRECTORS UNDER SECTION 149(6) OF THE COMPANIES ACT, 2013

Pursuant to Section 149(4) of the Companies Act, 2013 read with The Companies (Appointment and Qualifications of Directors) Rules, 2014 the Central Government has prescribed that your Company shall have minimum two Independent Directors.

Following is the list of Independent Directors on the Board of Company:

| Sr. No. | Name of the Independent Director | Date of appointment |
|---------|----------------------------------|---------------------|
| 1. | Mr. J. Balasubramanian* | 20.01.2018 |
| 2. | Mr. B K Bal** | 01.03.2018 |
| 3. | Mr. Sudhir Kumar Goel*** | 30.03.2019 |

* The term of director has been extended for 3 years as re-appointed on 20th January 2023

** The term of director has been extended for 3 years as re-appointed on 1st March 2023

*** The term of director has been extended for 3 years and reappointed on 30th March 2022

All the above Independent Directors meet the criteria of 'independence' prescribed under section 149(6) and have submitted their declarations to that effect.

NOMINATION AND REMUNERATION COMMITTEE

The present constitution of the Nomination and Remuneration Committee is as under:

- i. Mr. Sudhir Kumar Goel (Chairman)
- ii. Mr. B. K. Bal
- iii. Mr. J. Balasubramanian
- iv. Mr. Sameer Patil

The Nomination and Remuneration Committee met four times during the Year under review as under:

| Name of the Member | 20/04/2023 | 19/07/2023 | 18/10/2023 | 18/01/2024 |
|------------------------|------------|------------|------------|------------|
| Mr. Sudhir Kumar Goel | Yes | Yes | Yes | Yes |
| Mr. B. K. Bal | Yes | Yes | Yes | Yes |
| Mr. J. Balasubramanian | Yes | Yes | Yes | No |
| Mr. Sameer Patil | Yes | Yes | No | Yes |

In accordance with section 134(3)(e), company's policy on director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters is placed on the website of the Company www.ccrl.co.in.

AUDIT COMMITTEE

The present constitution of the Audit Committee is as under:

- i. Mr. J. Balasubramanian (Chairman)
- ii. Mr. Sudhir Kumar Goel
- iii. Mr. B. K. Bal
- iv. Mr. Manoj Jain

The Audit Committee met four times during the Year under review as under:

| Name of the Member | 20/04/2023 | 19/07/2023 | 18/10/2023 | 18/01/2024 |
|------------------------|------------|------------|------------|------------|
| Mr. J. Balasubramanian | Yes | Yes | Yes | No |
| Mr. Sudhir Kumar Goel | Yes | Yes | Yes | Yes |
| Mr. B. K. Bal | Yes | Yes | Yes | Yes |
| Mr. Manoj Jain | Yes | Yes | Yes | Yes |

ANNUAL EVALUATION BY THE BOARD OF ITS OWN PERFORMANCE AND THAT OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS

As required under section 178(2) of the Companies Act, 2013 and under Schedule IV to the Companies Act, 2013 on Code of conduct for Independent Directors, a comprehensive exercise for evaluation of the performances of every individual director, of the Board as a whole and its Committees and of the Chairperson of the Company has been carried out by your Company during the year under review.

For the purpose of carrying out performance evaluation exercise, five types of evaluation forms were devised in which the evaluating authority has allotted appropriate rating depending upon the performance to the individual Director, the Board as a whole, its Committees and the Chairperson.

Loans and Investments

The Company has made investments in mutual funds, fixed deposits and Bonds which are within the limits as per Section 185 and Section 186 of the Companies Act, 2013. The details of the same can be referred in the note No. 4 of the financials.

Related Party Transactions

Your Company has entered into transactions with related parties and all such transactions were in the ordinary course of business and on an arm's length basis which is attached as Annexure A.

Dividend

The operations of your Company during the year under review have not generated adequate cash flow for consideration of declaration of Dividend for the year under review. As such, your Directors do not recommend Dividend for the year. However, it will be the endeavor of the Management of your Company to have a stable dividend policy in the future.

Deposits

Your Company has not accepted any deposits within the meaning of Section 73(1) of the Companies Act, 2013 and the Rules made thereunder.

Auditors

M/s. Lodha & Co., Chartered Accountants, Mumbai, bearing Firm Registration No. 301051E with the Institute of Chartered Accountants of India were re-appointed as the Statutory Auditors of the Company at the sixth AGM of the Company held on August 29, 2023 till the conclusion of the 11th Annual General Meeting for the financial years 2027-28 on such remuneration of ₹ 1,00,000/- for audit fees and ₹ 50,000/- for tax audit fees.

Internal Financial Controls

The Company has adequate internal financial control in place. Refer Annexure B of the Auditors report for further details.

Secretarial Audit

Your Directors have appointed M/s Vatsal Doshi & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of your Company. They have submitted the Secretarial Audit Report for the year 2023-24. A copy of the secretarial audit report issued in form MR-3 by M/s. Vatsal Doshi & Associates, Secretarial Auditors is enclosed as an **Annexure B** to this report. It may be observed that the below three observations are listed in the Secretarial Auditor.

- i) Whereas in terms of the provisions of the Secretarial Standard – 1 (SS – 1), the Company has not complied with the Clause 7.6.4 of SS – 1 w.r.t. circulation of signed Minutes of the Audit Committee (“AC”) Meeting and Nomination and Remuneration Committee (“NRC”) Meeting held on April 20, 2023, within fifteen days of signing of the Minutes of respective Committee meetings. The Management has submitted that the circulation of the signed Minutes was missed inadvertently. However, the aforesaid signed Minutes were circulated on July 06, 2023, to the Committee Members.
- ii) Whereas in terms of the provisions of the Secretarial Standard – 1 (SS – 1), the Company has not complied with the Clause 7.4 of SS – 1 w.r.t. circulation of draft Minutes of the Board Meeting held on July 20, 2023, within fifteen days from the date of the conclusion of the Meeting. The Management has submitted that the draft Minutes were circulated on August 04, 2023, and the circulation was inadvertently delayed by 1 (One) day.
- iii) Whereas in terms of the provisions of the Companies Act, 2013 read with Rules made thereunder and clause 7.2.1.2 of the Secretarial Standard – 1 (SS – 1), the Minutes of the meeting shall record the names of the Directors present in the meeting. However, the Company inadvertently missed mentioning the name of one Director in the Minutes of the Board Meeting held on April 21, 2023. The Management has submitted that the alteration of the aforesaid minutes would be taken up as an agenda item in the ensuing Board Meeting of the Company scheduled on April 25, 2024 for approval of Board of Directors.

Disclosure under Regulations 12(1), 12(2) and 12 (3) of Guidelines on Corporate Governance for the Repositories registered for Creation and Management of Electronic Negotiable Warehouse Receipts dated 23rd April 2019

- i) The Company has adopted software (Legatrix) for a comprehensive framework to track and comply with all legal and regulatory obligations of the Company across various laws, rules, regulations, guidelines etc.

- ii) Further, the Board has mandated an internal auditor to track and certify quarterly regulatory compliance of the Company.
- iii) As per the mandate of the regulator, the Company has a compliance officer who tracks and ensures compliance with various laws.
- iv) Quarterly certificate of secretarial standards from Secretarial Auditor
- v) The Company has appointed the Company Secretary as Compliance officer of the Company. The team is dedicated towards strengthening regulatory functions and towards ensuring compliance with regulatory requirements applicable to the Repository, as the case may be, in the report under Sec. 134 of the Companies Act, 2013.

Conservation of Energy, Technology Absorption

Considering the nature of operations of your Company, the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 relating to information to be furnished on conservation of energy and technology absorption are not applicable. The Company, however, does utilize information technology for implementation of its commodity repository project.

Details of foreign exchange earnings and outgo

Your Company did not earn any foreign exchange, nor was there any outgo in foreign exchange during the year under review.

Particulars of Employees

None of the employees of the Company is drawing remuneration in excess of the limits prescribed under Rule (5)(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Human Resources

Your Company has 24 employees as on 31st March, 2024.

Report by Internal Complaints Committee

As per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Company's Policy on Prevention of Sexual Harassment at Workplace, the Company has constituted internal Complaints Committee. During the year under review, the Internal Complaints Committee did not receive any complaint.

Secretarial Standards

The Board of Directors of the Company have devised proper systems to ensure compliance with the applicable Secretarial Standards and that such systems are adequate and operating efficiently.

Acknowledgements

Your directors place on record their sincere gratitude for the assistance, guidance and co-operation the Company has received from Warehousing Development and Regulatory Authority (WDRA), Central Depository Services (India) Limited [CDSL], Multi Commodity Exchange of India Ltd, BSE Investments Ltd, Repository Participants (RPs) and all other stakeholders. The Board further places on record its appreciation for the dedicated services rendered by the employees of the Company.

For and on behalf of the Board of CDSL Commodity Repository Limited

Basanta Kishore Bal
Chairman
DIN - 08068927

Date: 22nd July, 2024
Place: Mumbai

Annexure A

FORM NO. AOC 2

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

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

1. Details of contracts or arrangements or transactions not at arm's length basis

| (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) |
|---|---|---|--|--|----------------------------------|---------------------------------|---|
| Name(s) of the related party and nature of relationship | Nature of contracts/arrangements/transactions | Duration of the contracts/arrangements/transactions | Salient terms of the contracts or arrangements or transactions including the value, if any | Justification for entering into such contracts or arrangements or transactions | Date(s) of approval by the Board | Amount paid as advances, if any | Date on which the special resolution was passed in general meeting as required under first proviso to section 188 |
| NIL | | | | | | | |

2. Details of material contracts or arrangement or transactions at arm's length basis

(₹ in Lakh)

| (a) | (b) | (c) | (d) | (e) | (f) |
|---|---|---|--|--|----------------------------------|
| Name(s) of the related party | Nature of contracts/arrangements/transactions | Duration of the contracts/arrangements/transactions | Salient terms of the contracts or arrangements or transactions including the value, if any | Date(s) of approval by the Board, if any: | Amount paid as advances, if any: |
| Central Depository Services (India) Limited Holding Company | Administrative and Other Expenses | As per Approval | 31.16 | As per Board approval dated 21 st April, 2023 | |
| Central Depository Services (India) Limited Holding Company | Shared Service Recovery | As per Approval | 5.94 | As per Board approval dated 21 st April, 2023 | |
| BSE Investments Limited (Entity having Significant influence) | Administrative and Other Expenses | As per Approval | 2.20 | As per Board approval dated 21 st April, 2023 | |

Annexure B
FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

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

To,
The Members,
CDSL Commodity Repository Limited
A-Wing, 25th Floor, Marathon Futurex,
Mafatlal Mills Compound,
N. M. Joshi Marg, Lower Parel (E),
Mumbai – 400013.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **CDSL Commodity Repository Limited (CIN:U74999MH2017PLC292113)** (hereinafter called “**the Company**”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the CDSL Commodity Repository Limited’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2024** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder; **(Not applicable to the Company during the audit period)**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; **(Not applicable to the Company during the audit period)**
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable to the Company during the audit period)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’) as amended from time to time:
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not applicable to the Company during the audit period)**

- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; **(To the extent applicable to the Company for being a subsidiary of the listed entity)**
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company during the audit period)**
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not applicable to the Company during the audit period)**
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the audit period)**
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(To the extent applicable to the Company)**
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the audit period)**
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the audit period)** and
- (vi) I further report that, based on the representation made by the Company and its Officers, compliance mechanism prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has generally complied with the following laws applicable specifically to the Company:

- a. The Warehousing (Development and Regulation) Act, 2007 and Guidelines issued thereunder.

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

- (i) Secretarial Standards (SS – 1 and SS – 2) issued by the Institute of Company Secretaries of India (ICSI).
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (To the extent applicable to a subsidiary of the listed Company).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

- (i) *Whereas in terms of the provisions of the Secretarial Standard – 1 (SS – 1), the Company has not complied with the Clause 7.6.4 of SS – 1 w.r.t. circulation of signed Minutes of the Audit Committee (“AC”) Meeting and Nomination and Remuneration Committee (“NRC”) Meeting held on April 20, 2023 within fifteen days of signing of the Minutes of respective Committee meetings. The Management has submitted that the circulation of the signed Minutes was missed inadvertently. However, the aforesaid signed Minutes were circulated on July 06, 2023 to the Committee Members.*
- (ii) *Whereas in terms of the provisions of the Secretarial Standard – 1 (SS – 1), the Company has not complied with the Clause 7.4 of SS – 1 w.r.t. circulation of draft Minutes of the Board Meeting held on July 20, 2023 within fifteen days from the date of the conclusion of the Meeting. The Management has submitted that the draft Minutes were circulated on August 04, 2023 and the circulation was inadvertently delayed by 1 (One) day.*

- (iii) *Whereas in terms of the provisions of the Companies Act, 2013 read with Rules made thereunder and clause 7.2.1.2 of the Secretarial Standard – 1 (SS – 1), the Minutes of the meeting shall record the names of the Directors present in the meeting. However, the Company inadvertently missed to mention the name of one Director in the Minutes of the Board Meeting held on April 21, 2023. The Management has submitted that The Management has submitted that the alteration of the aforesaid minutes would be taken up as an agenda item in the ensuing Board Meeting of the Company scheduled on April 25, 2024 for approval of Board of Directors.*

I further report that:

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

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

All decisions at the Board and Committees meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors and Committees of the Board, as the case may be and no dissenting views have been recorded.

I further report that based on the review of the compliance mechanism established by the company and on the basis of compliance certificate(s) issued by various departments and taken on record by the Board of Directors at their meetings, I am of the opinion that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there were following events/actions reported having major bearing on Company's affairs:

- (i) The Company has reappointed **Lodha & Company** as **Statutory Auditor** of the Company for a period of 5 years for financial years from F.Y. 2023-24 to 2027-28.
- (ii) **Mr. Ramkumar Krishnan** ceased to be **Director** of the Company with effect from July 13, 2023.
- (iii) **Mr. Vinay Madan** appointed as an **Additional Director** of the Company with effect from August 02, 2023 and he appointed as a **Director** of the Company with effect from August 29, 2023.

For **Vatsal Doshi & Associates**
Company Secretaries

Vatsal K. Doshi
Proprietor

FCS No.: 12399

CP No. : 22976

PR No.: 3191/2023

UDIN : F012399F000221740

Date : April 23, 2024

Place : Mumbai

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

ANNEXURE - I (To the Secretarial Audit Report)

To,
The Members,
CDSL Commodity Repository Limited
A-Wing, 25th Floor, Marathon Futurex,
Mafatlal Mills Compound,
N. M. Joshi Marg, Lower Parel (E),
Mumbai – 400013.

Auditor's responsibility

Based on audit, our responsibility is to express an opinion on the compliance with the applicable laws and maintenance of records by the Company. I conducted the audit in accordance with the auditing standards CSAS 1 to CSAS 4 ("CSAS") prescribed by the Institute of Company Secretaries of India ("ICSI"). These standards require that the auditor complies with statutory and regulatory requirements and plans and performs the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the CSAS. Our report of even date is to be read along with this letter.

- 1) Maintenance of Secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these Secretarial Records based on my audit.
- 2) I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
- 3) I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- 4) Wherever required, I have obtained the Management representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances of laws, rules and regulations and happening of events etc.
- 5) The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.
- 6) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Vatsal Doshi & Associates**
Company Secretaries

Vatsal K. Doshi
Proprietor

FCS No.: 12399

CP No. : 22976

PR No.: 3191/2023

UDIN : F012399F000221740

Date : April 23, 2024

Place : Mumbai

INDEPENDENT AUDITOR'S REPORT

**TO,
THE MEMBERS OF CDSL COMMODITY REPOSITORY LIMITED**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of CDSL Commodity Repository Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, the loss and Other comprehensive income/(loss), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Information Other than the Financial Statements and Auditor’s Report thereon

The Company’s Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board’s Report including Annexures to Board’s Report, but does not include the financial statements and our auditor’s report thereon. The Board report is expected to be made available to us after the date of this auditor’s report.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, Other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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 in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of 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 B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
 - 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were material foreseeable losses.

- iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.
- iv.
 - a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), 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;
 - 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 entity(ies), 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; and
 - 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) contain any material mis-statement.
- v. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.
- vi. The Company has not declared any dividend during the previous financial year and has not proposed dividend for the current financial year.

For Lodha & Co. LLP.
ICAI FRN: 301051E / E300284
Chartered Accountants

R P Baradiya
Partner
Membership No.: 44101
UDIN: 24044101BKCIZU4505

Place: Mumbai
Date : 25th April, 2024

ANNEXURE A REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF CDSL COMMODITY REPOSITORY LIMITED FOR THE YEAR ENDED 31ST MARCH, 2024

On the basis of our examination of the books and records of the Company carried out in accordance with the auditing standards generally accepted in India and according to the information and explanations given to us, we state that:

- i) a) In respect of the Company’s Property, Plant and Equipment and Intangible Assets:
 - 1) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment (PPE).
 - 2) The Company has maintained proper records showing full particulars of intangible assets.
- b) The Company has carried out physical verification of all its property, plant and equipment during the year. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not own any immovable property and accordingly, reporting requirements of paragraph 3(i)(c) of the Order are not applicable to the Company.
- d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not carried out revaluation of its property, plant and equipment and accordingly, reporting requirements of paragraph 3(i)(d) of the Order are not applicable to the Company.
- e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii) a) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company does not hold any inventory and accordingly, reporting requirements of paragraph 3(ii)(a) of the Order are not applicable to the Company.
- b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets accordingly, reporting requirements of paragraph 3(ii)(b) of the Order are not applicable to the Company.

- iii) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the reporting requirements of clause 3(iii) of the Order are not applicable to the Company.
- iv) According to the information and explanations given to us, there are no loans, guarantees and securities given in respect of which provisions of Section 185 of the Companies Act, 2013 are applicable. The Company has complied with the provisions of 186 of the Companies Act, 2013 in respect of investments made by the Company.
- v) According to the information and explanation given to us and on the basis of our examination of the records of the Company, no deposits within the meaning of directives issued by RBI (Reserve Bank of India) and Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder have been accepted by the Company. Accordingly, reporting requirements of paragraph 3(v) of the Order are not applicable to the Company.
- vi) In our opinion and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act, in respect of the services rendered by the Company. Accordingly, reporting requirements of paragraph 3(vi) of the Order are not applicable to the Company.
- vii)
 - a) According to the information and explanations given to us and on the basis of our examination of records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, have been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st March, 2024 for a period of more than six months from the date they became payable.
 - b) According to the information and explanations give to us and the records of the Company, there are no dues of income tax or goods and services tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or goods and service tax which have not been deposited with the appropriate authorities on account of any dispute.
- viii) According to the information and explanation given to us and on the basis of our examination of the records of the Company, 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.
- ix)
 - a) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not taken any loan or other borrowings from

any lender during the year and accordingly, reporting requirements of paragraph 3(ix)(a) of the Order are not applicable to the Company.

- b) According to the information and explanation given to us and on the basis of our examination of the records of the Company, we report that the Company has not been declared as a willful defaulter by any bank or financial institution or government or any government authority.
- c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not taken any term loans during the year and there are no outstanding term loans at the beginning of the year and accordingly, reporting requirements of paragraph 3(ix)(c) of the Order are not applicable to the Company.
- d) According to the information and explanation given to us and on the basis of our examination of the records of the Company, and on an overall examination of the financial statements of the Company, we report that the company has not raised any funds on a short-term basis and accordingly, reporting requirements of paragraph 3(ix)(d) of the Order are not applicable to the Company.
- e) According to the information and explanation given to us and on the basis of our examination of the records of the Company, and on an overall examination of the financial statements of the Company, we report that the Company does not have any subsidiaries, associate or joint venture and accordingly, reporting requirements of paragraph 3(ix)(e) of the Order are not applicable to the Company.
- f) According to the information and explanation given to us and on the basis of our examination of the records of the Company, we report that the Company does not have any subsidiaries, associate or joint venture and accordingly, reporting requirements of paragraph 3(ix)(f) of the Order are not applicable to the Company.
- x)
 - a) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year and accordingly, reporting requirements of paragraph 3(x)(a) of the Order are not applicable to the Company.
 - b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and accordingly, reporting under clause 3(x)(b) of the Order is not applicable.
- xi)
 - a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
 - b) According to the information and explanation given to us and on the basis of our examination of the records of the Company, no report under sub-section (12) of Section 143 of the Act has been

filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

- c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, no whistle blower complaints have been received during the year by the Company.
- xii) The Company is not a Nidhi Company and hence, reporting under clause 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the financial statements as required by the applicable Indian accounting standards. Refer Note 29 to the Ind AS financial statements.
- xiv)
 - a) In our opinion, the Company has an internal audit system commensurate to the size of the Company and nature of its business.
 - b) We have considered, the report of the internal auditors 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) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non- cash transactions with directors or persons connected with them as per the provisions of Section 192 of the Act. Accordingly, reporting requirements under paragraph 3(xv) of the Order are not applicable to the Company.
- xvi)
 - a) According to the information and explanations given to us and based on our examination of the records of the Company, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the reporting requirements of paragraph 3(xvi)(a) of the Order are not applicable to the Company.
 - b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
 - c) According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not a Core Investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Accordingly, the reporting requirements of paragraph 3(xvi)(c) of the Order are not applicable to the Company.
 - d) According to the information and explanation given to us by the management and on the

basis of our examination of the records of the Company, the Group does not have any CIC and accordingly, the reporting requirements of paragraph 3(xvi)(d) of the order are not applicable to the Company.

- xvii) The Company has incurred cash losses during the financial year and the immediately preceding financial year.
- xviii) There has been no resignation of statutory auditors of the Company during the year. Accordingly, reporting requirements under paragraph 3(xviii) of the Order are not applicable to the Company.
- 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 Ind AS 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 that Company is not capable of meeting its liabilities existing as at the date of the 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, will get discharged by the Company as and when they fall due.
- xx) As the provisions of Section 135 of the Act, are not applicable to the Company during the year, the reporting under clauses 3(xx)(a) and 3(xx)(b) of the Order is not applicable.

For Lodha & Co. LLP.
ICAI FRN: 301051E / E300284
Chartered Accountants

R P Baradiya
Partner
Membership No.: 44101
UDIN: 24044101BKCIZU4505

Place: Mumbai
Date : 25th April, 2024

ANNEXURE B REFERRED TO IN PARAGRAPH 2(f) UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF CDSL COMMODITY REPOSITORY LIMITED FOR THE YEAR ENDED 31ST MARCH, 2024

Report on the Internal Financial Controls 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 **CDSL Commodity Repository 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.

Auditors’ Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting includes 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.

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 authorizations of management and directors of the company;
- 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; and
- 4) also provide reasonable assurance by the internal auditors through their internal audit reports given to the Company from time to time.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, broadly 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. s

For Lodha & Co. LLP.
ICAI FRN: 301051E / E300284
Chartered Accountants

R P Baradiya
Partner
Membership No.: 44101
UDIN: 24044101BKCIZU4505

Place: Mumbai
Date : 25th April, 2024

CDSL COMMODITY REPOSITORY LIMITED

CIN : U74999MH2017PLC292113

Balance Sheet as at March 31, 2024

(₹ in Lakh)

| Particulars | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|---|----------|-------------------------|-------------------------|
| ASSETS | | | |
| 1 Non-current assets | | | |
| a. Property, Plant and Equipment | 3 | 5.50 | 10.14 |
| b. Intangible assets | 3 | 3.57 | 5.71 |
| c. Right-of-use assets | 3 | 86.23 | 112.76 |
| d. Financial Assets | | | |
| i. Investments | 4 | | |
| Other investments | | 2,500.75 | 2,500.40 |
| ii. Other financial assets | 5 | 563.89 | 528.46 |
| e. Deferred tax assets (net) | 6 | 24.47 | 26.46 |
| f. Non current tax assets (net) | 7 | 29.82 | 19.81 |
| g. Other non current assets | 8 | 75.26 | 52.21 |
| Total Non-Current Assets | | 3,289.49 | 3,255.95 |
| 2 Current assets | | | |
| a. Financial assets | | | |
| i. Investments | 4 | 1,699.89 | 1,848.56 |
| ii. Trade receivables | 9 | 56.01 | 25.75 |
| iii. Cash and cash equivalents | 10 | 24.65 | 19.55 |
| iv. Other financial assets | 5 | 116.10 | 107.37 |
| b. Other current assets | 8 | 56.95 | 63.96 |
| Total Current Assets | | 1,953.60 | 2,065.19 |
| Total Assets (1+2) | | 5,243.09 | 5,321.14 |
| EQUITY AND LIABILITIES | | | |
| 1 Equity | | | |
| a. Equity share capital | 11 | 5,000.00 | 5,000.00 |
| b. Other equity | 12 | 18.77 | 79.57 |
| Total Equity | | 5,018.77 | 5,079.57 |
| LIABILITIES | | | |
| 2 Non-current liabilities | | | |
| a. Financial Liabilities | | | |
| i. Lease liabilities | 13 | 67.02 | 91.98 |
| b. Provisions | 16 | 16.24 | 7.81 |
| Total Non-current Liabilities | | 83.26 | 99.79 |
| 3 Current liabilities | | | |
| a. Financial liabilities | | | |
| i. Lease liabilities | 13 | 24.96 | 22.27 |
| ii. Trade payables | 15 | | |
| a) Total outstanding dues of micro enterprises and small enterprises | | 2.43 | - |
| b) Total outstanding dues of creditors other than micro enterprises and small enterprises | | 26.26 | 41.40 |
| iii. Other financial liabilities | 14 | 44.67 | 44.22 |
| b. Provisions | 16 | 22.12 | 16.61 |
| c. Other current liabilities | 17 | 20.62 | 17.28 |
| Total Current Liabilities | | 141.06 | 141.78 |
| 4 Total Liabilities (2+3) | | 224.32 | 241.57 |
| Total Equity and Liabilities (1+4) | | 5,243.09 | 5,321.14 |
| Significant accounting policies and accompanying notes form an integral part of the standalone financial statements | 1-41 | | |

In terms of our report of even date attached

For Lodha & Co. LLP
Chartered Accountants
ICAI FRN: 301051E / E300284

R. P. Baradiya
Partner
Membership No. 44101

Place : Mumbai
Date : April 25, 2024

For and on behalf of the Board of Directors of
CDSL Commodity Repository Limited

Nayana Ovalekar
Director
DIN: 02195513

Aditi Shah
Company Secretary
Membership No. A29109

Place : Mumbai
Date : April 25, 2024

Pitambar Chowdhury
Managing Director & CEO
DIN: 08600785

Urvi Shah Gada
Chief Financial Officer
Membership No. 151164

CDSL COMMODITY REPOSITORY LIMITED

CIN : U74999MH2017PLC292113

Statement of Profit and Loss for the year ended March 31, 2024

(₹ in Lakh)

| PARTICULARS | Note No. | For the year ended | |
|--|----------|--------------------|-----------------|
| | | March 31, 2024 | March 31, 2023 |
| 1 | 18 | 151.16 | 146.41 |
| 2 | 19 | 383.24 | 268.66 |
| 3 Total Income (1+2) | | 534.40 | 415.07 |
| 4 Expenses | | | |
| Employee benefits expense | 20 | 310.14 | 293.50 |
| Depreciation and amortisation expense | 21 | 36.18 | 28.58 |
| Finance Cost | | 5.73 | 5.06 |
| Computer technology related expenses | | 69.35 | 56.08 |
| Other expenses | 22 | 169.03 | 166.05 |
| Total expenses | | 590.43 | 549.27 |
| 5 Profit before tax (3-4) | | (56.03) | (134.20) |
| 6 Tax expense: | | | |
| - Current tax | 23 | - | - |
| - Deferred tax | 6 | 2.71 | (27.77) |
| Provision for Income Tax Written Back | | - | - |
| Total tax expense | | 2.71 | (27.77) |
| 7 Profit for the period/year (5-6) | | (58.74) | (106.43) |
| 8 Other comprehensive income / (Loss) | | | |
| Items that will not be reclassified to profit or loss | | | |
| i. Remeasurement of the defined benefit plans; | | (2.78) | (0.04) |
| ii. Income tax relating to items that will not be reclassified to profit or loss | 24 | 0.72 | 0.01 |
| Total other comprehensive income / (loss) (net of tax) (i+ii) | | (2.06) | (0.03) |
| 9 Total Comprehensive Income for the period/year (7+8) | | (60.80) | (106.46) |
| 10 Earnings per equity share (EPS) : | | | |
| Paid up equity share capital (face value per share ₹ 10 each) | | 5,000.00 | 5,000.00 |
| Basic and diluted earnings per equity share (₹) | | (0.12) | (0.21) |
| Significant accounting policies and accompanying notes form an integral part of the standalone financial statements | 1-41 | | |

In terms of our report of even date attached

For Lodha & Co. LLP
Chartered Accountants
ICAI FRN: 301051E / E300284

R. P. Baradiya
Partner
Membership No. 44101

Place : Mumbai
Date : April 25, 2024

For and on behalf of the Board of Directors of
CDSL Commodity Repository Limited

Nayana Ovalekar
Director
DIN: 02195513

Aditi Shah
Company Secretary
Membership No. A29109

Place : Mumbai
Date : April 25, 2024

Pitambar Chowdhury
Managing Director & CEO
DIN: 08600785

Urvi Shah Gada
Chief Financial Officer
Membership No. 151164

CDSL COMMODITY REPOSITORY LIMITED

CIN : U74999MH2017PLC292113

Statement of Cash Flows for the year ended March 31, 2024

(₹ in Lakh)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before tax | (56.03) | (134.20) |
| Adjustments for | | |
| Depreciation and Amortisation expense | 36.18 | 28.58 |
| Interest Expense on Leased Liabilities (Net) | 5.73 | 4.63 |
| Payment of Lease Rental | - | (20.24) |
| Provision for gratuity and compensated absences | | |
| Provision for Expected Credit Loss | 1.00 | 3.62 |
| Provisions written back | - | - |
| Amortisation of premium on Bonds | (0.35) | |
| Interest income recognised on fixed deposit and bonds in profit or loss | (242.24) | (136.23) |
| Net gain arising on financial assets measured at FVTPL | (136.33) | (126.12) |
| Operating cash flow before working capital changes | (392.04) | (379.96) |
| Movements in working capital | | |
| (Increase) / Decrease in trade receivables | (31.26) | 33.83 |
| (Increase) / Decrease in loans | - | - |
| (Increase) / Decrease in other financial assets | (1.92) | - |
| (Increase) / Decrease in other assets | (16.04) | (501.75) |
| Increase / (Decrease) in trade payables | (12.71) | 29.42 |
| Increase / (Decrease) in provisions | 11.16 | (7.76) |
| Increase / (Decrease) in other financial liabilities | 0.45 | 0.81 |
| Increase / (Decrease) in lease liabilities | - | - |
| Increase / (Decrease) in other liabilities | 3.34 | (0.18) |
| Net Movement in Working Capital | (46.98) | (445.63) |
| Cash generated from operations | (439.02) | (825.59) |
| Direct taxes paid (net of refunds) | (10.01) | (19.81) |
| Net cash generated from operating activities | (449.03) | (845.40) |

(₹ in Lakh)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Property, Plant & Equipment and Intangible Assets | (2.87) | (15.80) |
| Proceeds from sale of property, plant and equipment | - | - |
| Proceeds from sale of intangible assets | - | - |
| Purchase of investments | - | (4,900.76) |
| Proceeds from sale of investments | 285.00 | 4,526.46 |
| Proceeds from Sale of Investment in Subsidiaries | | |
| Investments in fixed deposits with banks | - | - |
| Proceeds from maturity of fixed deposits with banks | - | 1,188.00 |
| Dividend received from Subsidiaries | - | - |
| Investment in Subsidiary and Associate | - | - |
| Interest received | 200.00 | 42.58 |
| Net cash (used in) / generated from investing activities | 482.13 | 840.48 |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Payment of lease rental | (28.00) | - |
| Net cash used in financing activities | (28.00) | - |
| Net (Decrease) / Increase in cash and cash equivalents (A+B+C) | 5.10 | (4.92) |
| Cash and cash equivalents at the beginning of the period | 19.55 | 24.47 |
| Cash and cash equivalents at the end of the period | 24.65 | 19.55 |
| Cash and cash equivalents at the end of the period comprises | | |
| i) Cash in hand | - | - |
| ii) Balances with banks | | |
| - In Current Accounts | 24.65 | 19.55 |

- The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard - 7 "Statement of Cash Flows".
- Previous period figures have been regrouped/rearranged/reclassified wherever necessary.

In terms of our report of even date attached

For Lodha & Co. LLP
Chartered Accountants
ICAI FRN: 301051E / E300284

R. P. Baradiya
Partner
Membership No. 44101

Place : Mumbai
Date : April 25, 2024

**For and on behalf of the Board of Directors of
CDSL Commodity Repository Limited**

Nayana Ovalekar
Director
DIN: 02195513

Aditi Shah
Company Secretary
Membership No. A29109

Place : Mumbai
Date : April 25, 2024

Pitambar Chowdhury
Managing Director & CEO
DIN: 08600785

Urvi Shah Gada
Chief Financial Officer
Membership No. 151164

CDSL COMMODITY REPOSITORY LIMITED

CIN : U74999MH2017PLC292113

Statement of Changes in Equity for the year ended March 31, 2024

A. Equity Share Capital

(₹ in Lakh)

| Particulars | No. in lakhs | Amount |
|--|--------------|----------|
| Balance as at beginning of April 01, 2022 | 500.00 | 5,000.00 |
| Changes in Equity Share Capital due to prior period errors | - | - |
| Restated Balance as at beginning of April 01, 2022 | 500.00 | 5,000.00 |
| Changes in equity share capital during the year | - | - |
| Balance as at March 31, 2023 | 500.00 | 5,000.00 |
| Changes in Equity Share Capital due to prior period errors | - | - |
| Restated Balance as at beginning of April 01, 2023 | 500.00 | 5,000.00 |
| Changes in equity share capital during the year | - | - |
| Balance as at March 31, 2024 | 500.00 | 5,000.00 |

B. Other Equity

(₹ in Lakh)

| Particulars | Reserves and Surplus | | Total |
|--|----------------------|----------------------------|---------------|
| | Retained Earnings | Other comprehensive income | |
| Balance as at beginning of April 01, 2022 | 191.29 | (5.26) | 186.03 |
| Profit for the year | (106.43) | - | (106.43) |
| Other comprehensive income for the year (net of tax) | - | (0.03) | (0.03) |
| Balance as at March 31, 2023 | 84.86 | (5.29) | 79.57 |
| Profit for the year | (58.74) | - | (58.74) |
| Other comprehensive income for the year (net of tax) | - | (2.06) | (2.06) |
| Balance as at March 31, 2024 | 26.12 | (7.35) | 18.77 |

In terms of our report of even date attached

For Lodha & Co. LLP
Chartered Accountants
ICAI FRN: 301051E / E300284

R. P. Baradiya
Partner
Membership No. 44101

Place : Mumbai
Date : April 25, 2024

For and on behalf of the Board of Directors of
CDSL Commodity Repository Limited

Nayana Ovalekar
Director
DIN: 02195513

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Place : Mumbai
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Managing Director & CEO
DIN: 08600785

Urvi Shah Gada
Chief Financial Officer
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CDSL COMMODITY REPOSITORY LIMITED

CIN: U74999MH2017PLC292113

Significant Accounting Policies to the Financial Statements for the year ended March 31, 2024

(Rupees in Lakhs, except for share and per share data, unless otherwise stated)

1. Company Overview

1.1 CDSL Commodity Repository Limited. (CCRL) is a Company promoted by Central Depository Services (India) Limited [CDSL] and is currently a subsidiary of CDSL. The Company was incorporated under the provisions of Companies Act, 2013. CCRL allows the Farmer, Farmers Producer Organizations (FPOs), Manufacturers, etc., to obtain electronic warehouse receipts (negotiable or non-negotiable) [eNWRs or eNNWRs] in a demat account against deposit of commodities in any of the warehouses registered with Warehousing Development and Regulatory Authority (WDRA). The depositor/client thereafter can sell the same or pledge the commodities through the eNWR to obtain finance from the banks, NBFC's and other financial institutions. The company is registered with Warehousing Development and Regulatory Authority (WDRA) as Commodity Repository since September 26, 2017.

1.2 The financial statements were authorized for issue by the Company's Board of Directors on 25th April 2024.

2 Significant Accounting Policies

2.1 Basis of preparation and presentation

2.1.1 Statement of compliance

- a) The financial statements as at and for the year ended March 31, 2024 have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act 2013, read together with the companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 as amended time to time and the financials also complies with presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III).

2.1.2 Basis of measurement

- a) The financial statements have been prepared and presented under the historical cost convention, except for certain items that have been measured at fair values at the end of each reporting period as required by the relevant Ind AS:
 - i. Financial assets and liabilities measured at fair value (refer accounting policy at 2.2.3).
 - ii. Employee benefits (Gratuity and Compensated absences) (refer accounting policy at 2.2.12).

2.1.3 Functional and presentation currency

- a) The financial statements of the Company are presented in Indian rupees, the national currency of India, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates. All financial information presented in Indian rupees has been rounded off to the nearest lakh upto two decimal except share and per share data in terms of Schedule III unless otherwise stated.

2.1.4 Use of estimates and judgment

- a) The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses, disclosure of contingent assets and disclosure of contingent liabilities. Actual results may differ from these estimates.
- b) Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:
 - i. Income taxes: The Company's tax jurisdiction is in India. Significant judgments are involved in determining the provision for income taxes, deferred tax assets and liabilities including the amount expected to be paid or recovered in connection with uncertain tax positions.
 - ii. Employee Benefits: Defined employee benefit assets / liabilities determined based on the present value of future obligations using assumptions determined by the Company with advice from an independent qualified actuary.
 - iii. Property plant and equipment and Intangible assets: The charge in respect of periodic depreciation/amortization is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.
 - iv. Impairment of trade receivables: The Company estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer status, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

- v. Fair value measurement of financial instruments: The Company estimates fair values of the unquoted equity shares using discounted cash flow model. “&”The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility, “&”the probabilities of the various estimates within the range can be reasonably assessed and are used in management’s estimate of fair value for these unquoted equity investments (refer note 26).

2.2 Summary of significant accounting policies

2.2.1 Revenue

- a) The Company has applied Ind AS 115 Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). There was no impact on the adoption of the standard on the financial statements of the Company.
- b) The Company derives revenue primarily from services to corporates and capital market intermediary services. The Company recognises revenue when the significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured. The method for recognizing revenues and costs depends on the nature of the services rendered:
 - i. **Time and service contracts:** Revenues and costs relating to time and service contracts are recognised as the related services are rendered.
 - ii. **Annual /monthly fee contracts**

Revenue from annual fee contracts is recognised proportionately over the period of the contract. When services are performed through an indefinite number of repetitive acts over a specified period of time, revenue is recognised on a straight line basis over the specified period or under some other method that better represents the stage of completion.
- c) The Company accounts for volume discounts and pricing incentives to customers by reducing the amount of revenue.
- d) Interest is recognized on a time proportionate basis taking into account the amount outstanding and the rate applicable.

2.2.2 Foreign currency transactions and balances

- a) Transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit and Loss and reported within foreign exchange gains/ (losses).

2.2.3 Financial instruments

- a) Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.
- b) All financial instruments are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.
- c) Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognised on trade date.
- d) For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: financial assets (debt instrument) comprising amortised cost, financial assets (debt instrument) comprising Fair Value Through Other Comprehensive Income (“FVTOCI”), financial asset (equity instruments) at Fair value Through Profit and Loss account (“FVTPL”) and FVTOCI and financial liabilities at amortised cost or FVTPL.
- e) The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company’s Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.
- f) The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.
- g) 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 significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

- h) Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.2.4 Financial Assets

a) Financial assets (debt instruments) at amortised cost

- i. A financial asset shall be measured at amortised cost if both of the following conditions are met:
 - the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
 - the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).
- ii. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.
- iii. Financial Assets measure at amortised cost are represented by investment in interest bearing debt instruments, trade receivables, security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets.
- iv. Cash and cash equivalents comprise cash on hand and in banks and demand deposits with banks with original maturity less than 3 months which can be withdrawn at any time without prior notice or penalty on the principal.
- v. For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand, book overdraft and are considered part of the Company's cash management system.

b) Financial assets (debt instruments) at FVTOCI

- i. A debt instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met:
 - The objective of the business model is achieved by both collecting contractual cash flows and selling financial assets and
 - The asset's contractual cash flow represents Solely Payment of principal and interest (SPPI). Debt instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value plus transaction costs.
- ii. Fair value movements are recognised in other comprehensive income (OCI). However, the Company recognises interest income, impairment losses and reversals and foreign exchange gain or loss in profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to profit and loss. Interest earned is recognised under the effective interest rate (EIR) model.
- iii. Currently the Company has not classified any interest bearing debt instruments under this category.

c) Equity instruments at FVTOCI and FVTPL

- i. All equity instruments are measured at fair value other than investments in unquoted equity shares including investment in subsidiaries. Equity instruments held for trading is classified as FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis.
- ii. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividend are recognised in OCI which is not subsequently reclassified to profit or loss.
- iii. Currently the Company has not classified any equity instrument at FVTOCI.
- iv. If the Company decides to classify an equity instrument as at FVTPL, then all fair value changes on the instrument and dividend are recognised in Profit or Loss.

d) Financial assets at FVTPL

FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as FVTPL. In addition the Company may elect to designate the financial asset, which otherwise meets amortised cost or FVTOCI criteria, as FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

e) Earmarked Funds

Earmarked Funds includes bonus payable to Key Management Personnel of the Company, held for specific purposes as per the SEBI (Depositories and Participants) Regulations 2018. These amounts are invested in mutual fund units / bank fixed deposits and the same are earmarked in the Balance Sheet. Investment income earned on financial instrument is credited to respective earmarked liabilities and not credited to the Statement of Profit or Loss. The Gain / (Loss) on changes in fair value of mutual fund units of such investments are shown as liabilities / assets and are not routed through the Profit or Loss.

2.2.5 Financial liabilities

a) Financial liabilities at amortised cost

Financial liabilities at amortised cost represented by trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method.

b) Financial liabilities at FVTPL

Financial liabilities at FVTPL represented by contingent consideration are measured at fair value with all changes recognised in the profit or loss.

c) Fair value of Financial Instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

d) Equity Instruments

Ordinary shares: Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are recognised as a deduction from equity, net of any tax effect (if any).

2.2.6 Property, plant and equipment (PPE)

a) Recognition and measurement:

- i. Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset.

- ii. The Company had elected to consider the carrying value of all its property, plant and equipment appearing in the financial statements prepared in accordance with Accounting Standards notified under the section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 and used the same as deemed cost in opening Ind AS Balance sheet prepared on April 1, 2016.

b) Derecognition of PPE:

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.2.7 Intangible assets

- a) Intangible assets purchased are measured at cost as of the date of acquisition less accumulated amortization and accumulated impairment, if any.
- b) Amortisation has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.
- c) Intangible assets consists of computer software.
- d) Amortisation methods, useful lives and residual values are reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

2.2.8 Derecognition of intangible assets

- a) An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognised.

2.2.9 Depreciation / Amortisation:

- a) Depreciation has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical

advice, taking into account the 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, etc.

| Name of Asset | Useful life as per Company's Act 2013 (Years) | Useful Life as per Company Policy (Years) (From Jan 1, 2021) |
|--|---|--|
| Computer software – Perpetual | 3 | 3 |
| Computer software–Subscription License | 3 | As per license period |
| Furniture and Fixtures | 10 | 5 |
| Vehicle | 8 | 4 |

- b) Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.
- c) Depreciation methods, useful life and residual values are reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.
- d) When parts of an item of property, plant and equipment have different useful life, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognised in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or disposition of the asset and the resultant gains or losses are recognised in the Profit or Loss.

Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work- in-progress. Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

2.2.10 Leases

a) As a Lessee:

- i. 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.

- ii. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:
 - the contract involves the use of an identified asset;
 - the Company has substantially all of the economic benefits from use of the asset through the period of the lease; and
 - the Company has the right to direct the use of the asset.
- iii. At the date of commencement of the lease, the Company recognizes a right-of-use asset (“ROU”) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.
- iv. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.
- v. 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.
- vi. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.
- vii. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

- viii. For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

b) As a Lessor:

- i. Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

2.2.11 Impairment

a) Financial assets carried at amortised cost and FVTOCI

- i. In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.
- ii. The application of 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, right from its initial recognition.
- iii. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL. Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:
- All contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
 - Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

- iv. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivable based on a detailed analysis of trade receivable by individual departments.
- v. ECL impairment loss allowance (or reversal) recognised during the period is recognised as income / expense in the Statement of Profit and Loss.
- vi. Financial assets measured at amortised cost, contractual revenue receivable: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

b) Non-financial assets

- i. The Company assesses at each reporting date whether there is any observable evidence that a non-financial asset or a company of non-financial assets is impaired. If any such indication exists, the Company estimates the amount of impairment loss. An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in Statement of profit and loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, then the previously recognised impairment loss is reversed through statement of profit and loss.
- ii. The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

2.2.12 Employee benefits

- a) The Company participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee. The expenditure for defined contribution plans is recognized as expense during the period

when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Company. The present value of the defined benefit obligations is calculated using the projected unit credit method.

- i. Short term employee benefits: Performance linked bonus is provided as and when the same is approved by the management.
- ii. Post-employment benefits and other long term employee benefits are treated as follows:

- **Defined Contribution Plans**

Provident Fund: The Provident fund plan is operated by Regional Provident Fund Commissioner (RPFC) and the contribution thereof are paid / provided for.

Contributions to the defined contribution plans are charged to profit or loss for the respective financial year as and when services are rendered by the employees.

- **Defined Benefits Plans**

Gratuity: In accordance with the Payment of Gratuity Act, 1972, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company. Provision for gratuity is made on the basis of actuarial valuation on Projected Unit Credit Method as at the end of the year.

Remeasurement gains or losses are recognised in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognised in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognised as part of re-measurement of net defined liability or asset through Other Comprehensive Income.

Remeasurements comprising gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods.

Compensated absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated

absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end. Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as non-current employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year.

2.2.13 Provisions

- a) Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
- b) The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.
- c) When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.
- d) Provisions for onerous contracts are recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.
 - i. 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.
 - ii. Provisions are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent assets and contingent liabilities are not recognised but disclosed in the Financial Statements when economic inflow is probable.

2.2.14 Investment income

- a) Investment income consists of interest income on funds invested, dividend income and gains on the disposal of FVTPL financial assets.
- b) Interest income on bond is recognised as it accrues in the Profit or Loss, using the effective interest method and interest income on deposits with banks is recognised on a time proportion accrual basis taking into the account the amount outstanding and the rate applicable.

- c) Dividend income is recognised in the Profit or Loss on the date that the Company's right to receive payment is established.

2.2.15 Income tax

- a) Income tax comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

- i. **Current income tax**

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted at the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

- ii. **Deferred tax**

Deferred tax is recognised using the balance sheet approach. Deferred tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred tax asset are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred tax liabilities are recognised for all taxable temporary differences.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

The Company recognises interest levied and penalties related to income tax assessments in income tax expenses.

2.2.16 Earnings per share

- a) The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period.
- b) Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

2.2.17 Current / Non-current classification

- a) The Company present assets and liabilities in the balance sheet based on current/non-current classification
- b) **Assets:** An asset is classified as current when it satisfies any of the following criteria:
 - i. it is expected to be realised in, or is intended for sale or consumption in, the entity's normal operating cycle;
 - ii. it is held primarily for the purpose of being traded;
 - iii. it is expected to be realised within twelve months after the balance sheet date
 - iv. it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at-least twelve months after the balance sheet date
- c) **Liabilities:** A liability is classified as current when it satisfies any of the following criteria:
 - i. it is expected to be settled in, the entity's normal operating cycle;
 - ii. it is held primarily for the purpose of being traded; it is due to be settled within twelve months after the balance sheet date

- iii. the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities

2.2.18 Operating Cycle

- a) Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2.3 New and amended standards

The Company has applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 Apr 2023. The Company has not early adopted any other standard or amendment that has been issued but is not yet effective:

2.3.1 Amendments to Ind AS 109

For paragraph 7.1.9, the following shall be substituted, namely:

Annual Improvements to Ind AS (2021), added paragraphs 7.2.35 and B3.3.6A and amended paragraph B3.3.6. An entity shall apply that amendment for annual reporting periods beginning on or after 1st April, 2022.

For the figures, brackets and words, —7.2.35-7.2.42 [Refer Appendix 1], the following shall be substituted, namely:

Transition for Annual Improvements to Ind AS (2021)

7.2.35 An entity shall apply Annual Improvements to Ind AS (2021) to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

7.2.36-7.2.42 [Refer Appendix 1]

For paragraph B3.3.6, the following shall be substituted, namely:

For the purpose of paragraph 3.3.2, the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees

received and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. In determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

After paragraph B3.3.6, paragraph B3.3.6A shall be inserted, namely:

If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

These amendments had no impact on the Standalone financial statements of the Company.

2.3.2 Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

The definition of "Recoverable amount" is amended such that the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

in paragraph 17, for sub-item (e), the following shall be substituted, namely:- —(e) costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling any items produced while bringing the asset to that location and condition (such as samples produced when testing equipment). Excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment; and;

in Appendix 1, after paragraph 7, the following shall be inserted, namely:- —8. In May, 2020, IASB had issued amendments in IAS 16 on proceeds before intended use to prohibit an entity from deducting from the cost of an item of property, plant and equipment the proceeds from selling items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management. These amendments added paragraphs 20A, 74A, 80D and 81N and amended paragraphs 17(e) and 74 of IAS 16. The said amendments have not been made under Ind AS 16, however, paragraph 17(e) has been amended to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

These amendments had no impact on the Standalone financial statements of the Company.

2.3.3 Amendments to Ind AS 37

After paragraph 68, Paragraph 68A shall be inserted, namely:-

The cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract consist of both-

- (a) the incremental costs of fulfilling that contract—for example, direct labour and materials; and
- (b) an allocation of other costs that relate directly to fulfilling contracts— for example, an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling that contract among others.

For paragraph 69, the following shall be substituted, namely:-

Before a separate provision for an onerous contract is established, an entity recognises any impairment loss that has occurred on assets used in fulfilling the contract (see Ind AS 36).

After paragraph 94, Paragraph 94A shall be inserted, namely:-

Onerous Contracts—Cost of Fulfilling a Contract, added paragraph 68A and amended paragraph 69. An entity shall apply those amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). The entity shall not restate comparative information. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

After paragraph 104, paragraph 105 shall be inserted, namely:-

Onerous Contracts—Cost of Fulfilling a Contract, added paragraphs 68A and 94A and amended paragraph 69. An entity shall apply those amendments for annual reporting periods beginning on or after 1st April, 2022.

These amendments had no impact on the Standalone financial statements of the Company.

2.3.4 Amendments to Ind AS 41

For paragraph 22, the following shall be substituted, namely:-

An entity does not include any cash flows for financing the assets or reestablishing biological assets after harvest (for example, the cost of replanting trees in a plantation forest after harvest).

After paragraph 64, paragraph 65 shall be inserted, namely:-

Annual Improvements to Ind AS (2021), amended paragraph 22. An entity shall apply that amendment to fair value measurements on or after the beginning of the first annual reporting period beginning on or after 1st April, 2022.

These amendments had no impact on the Standalone financial statements of the Company.

2.3.5 Amendments to Ind AS 109

For paragraph 7.1.9, the following shall be substituted, namely:

Annual Improvements to Ind AS (2021), added paragraphs 7.2.35 and B3.3.6A and amended paragraph B3.3.6. An entity shall apply that amendment for annual reporting periods beginning on or after 1st April, 2022.

For the figures, brackets and words, —7.2.35-7.2.42 [Refer Appendix 1], the following shall be substituted, namely:

“Transition for Annual Improvements to Ind AS (2021)

7.2.35 An entity shall apply Annual Improvements to Ind AS (2021) to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

7.2.36-7.2.42 [Refer Appendix 1]

For paragraph B3.3.6, the following shall be substituted, namely:

For the purpose of paragraph 3.3.2, the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. In determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf.

After paragraph B3.3.6, paragraph B3.3.6A shall be inserted, namely:

If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

These amendments had no impact on the Standalone financial statements of the Company.

2.3.6 Amendments to Ind AS 103

Since there are no transaction or events which fall under the definition of Business combination, Ind AS 103 and amendments made are not applicable to the Company.

3. Property, plant and equipment, Intangible assets and Right of Use Assets

As at March 31, 2024 (₹ in Lakh)

| Particulars | DEPRECIATION FOR MARCH 2024 | | | | | Net Block As at March 31, 2024 | | |
|---|-----------------------------|---------------------------|--------------------------------------|----------------------|------------------------------|--------------------------------|--|------------------------------|
| | Balance as at April 1, 2023 | Additions during the year | Gross Block Deductions / adjustments | Currency Fluctuation | Balance as at March 31, 2024 | | Depreciation / Deductions/ amortisation adjustments for the year | Balance as at March 31, 2024 |
| Property, plant and equipment | | | | | | | | |
| Computers | 17.43 | - | - | - | 17.43 | 0.10 | 16.95 | 0.48 |
| Office equipment | 10.40 | 2.87 | - | - | 13.27 | 3.95 | 8.24 | 5.03 |
| Motor vehicles | 20.80 | - | - | - | 20.80 | 3.46 | 20.81 | -0.01 |
| Total of Property, plant and equipment | 48.63 | 2.87 | - | - | 51.50 | 7.51 | 46.00 | 5.50 |
| Intangible assets | | | | | | | | |
| Computer Software | 102.32 | - | - | - | 102.32 | 2.14 | 98.75 | 3.57 |
| Right of Use Assets | 132.66 | - | - | - | 132.66 | 26.53 | 46.43 | 86.23 |

As on March 31, 2023

| Particulars | Gross Block | | | | | Net Block As at March 31, 2023 | | |
|---|-----------------------------|---------------------------|--------------------------|----------------------|------------------------------|--------------------------------|--|------------------------------|
| | Balance as at April 1, 2022 | Additions during the year | Deductions / adjustments | Currency Fluctuation | Balance as at March 31, 2023 | | Depreciation / Deductions/ amortisation adjustments for the year | Balance as at March 31, 2023 |
| Property, plant and equipment | | | | | | | | |
| Computers | 16.83 | 0.60 | - | - | 17.43 | 0.02 | 16.85 | 0.58 |
| Office equipment | 1.60 | 8.80 | - | - | 10.40 | 2.69 | 4.29 | 6.11 |
| Motor vehicles | 20.80 | - | - | - | 20.80 | 5.23 | 17.35 | 3.45 |
| Total of Property, plant and equipment | 39.23 | 9.40 | - | - | 48.63 | 7.94 | 38.49 | 10.14 |
| Intangible assets | | | | | | | | |
| Computer Software | 95.92 | 6.40 | - | - | 102.32 | 0.74 | 96.61 | 5.71 |
| Right of Use Assets | - | 132.66 | - | - | 132.66 | 19.90 | 19.90 | 112.76 |

4. Investments

(₹ in Lakh)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Investments in bonds / debentures measured at amortised cost | | |
| Investment in Bonds | | |
| 7.90% LIC Hsg Fin Ltd taxable NCD 23062027 | 500.00 | 500.00 |
| 7.75% Tata Hsg Fin Ltd NCD 18052027 | 497.79 | 497.25 |
| 7.80% HDFC Ltd. NCD 06092032 | 502.19 | 502.33 |
| 8.07% HDFC Ltd. NCD 12102032 | 500.45 | 500.48 |
| 7.72% BSNL Ltd. NCD 22122032 | 500.32 | 500.34 |
| Total of quoted investments at amortized cost | 2,500.75 | 2,500.40 |
| Total Non-current investments | 2,500.75 | 2,500.40 |
| Aggregate book value of quoted investments | 2,500.75 | 2,500.40 |
| Market value of quoted investments | 2,502.80 | 2,479.94 |
| Aggregate book value of unquoted investments | - | - |

| Particulars | Units as on March 31, 2024 | As at March 31, 2024 | Units as on March 31, 2023 | As at March 31, 2023 |
|---|----------------------------------|----------------------------|----------------------------------|----------------------------|
| Current investments - Unquoted | | | | |
| Investments in mutual funds measured at FVTPL | | | | |
| Units of growth oriented schemes of mutual funds | | | | |
| Axis Banking & PSU Debt Fund - Direct - Growth | 46,211.62 | 1,133.96 | 49,466.61 | 1,132.08 |
| HDFC Floating Rate Income Fund- Short Term Plan - Direct - Growth | 2,42,829.90 | 111.35 | 7,15,889.49 | 303.32 |
| Nippon India Nivesh Lakshya Fund - Direct - Growth | 27,60,998.62 | 454.58 | 27,60,998.62 | 413.16 |
| Total of Unquoted investments | 30,50,040.14 | 1,699.89 | 35,26,354.72 | 1,848.56 |
| Total current investments | 30,50,040.14 | 1,699.89 | 35,26,354.72 | 1,848.56 |
| Aggregate book value of quoted investments | | | - | - |
| Market value of quoted investments | | | - | - |
| Aggregate book value of unquoted investments | | | 1,699.89 | 1,848.56 |

5 Other financial assets (at amortised cost)

(₹ in Lakh)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Non-current | | |
| Sundry deposits - Unsecured considered good | 14.35 | 12.43 |
| Balances with Banks - Earmarked fund | | |
| Bank balance in deposit accounts (Under Lien) | 500.00 | 500.00 |
| Accrued interest on FD | 49.54 | 16.03 |
| Total | 563.89 | 528.46 |
| Current | | |
| Accrued interest on Bonds | 116.10 | 107.37 |
| Total | 116.10 | 107.37 |

6. Deferred tax Assets /(liabilities)

(₹ in Lakh)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--------------------------|-------------------------|-------------------------|
| Deferred tax assets | 80.22 | 75.95 |
| Deferred tax liabilities | (55.75) | (49.49) |
| Total (net) | 24.47 | 26.46 |

Deferred tax assets / (liabilities) in relation to:

| Particulars | Opening balance as at April 01 2022 | Recognised in Profit or loss for year ended March 31 2023 | Recognised in Other Comprehensive Income | Closing balance as at March 31 2023 | Recognised in Profit or loss for quarter ended March 31 2024 | Recognised in Other Comprehensive Income | Closing balance as at March 31 2024 |
|--|---|--|---|---|--|---|---|
| 1. Deferred tax assets | | | | | | | |
| Provision for compensated absences, gratuity and other employee benefits | 19.82 | -3.21 | 0.01 | 16.62 | 3.01 | 0.72 | 20.35 |
| On difference between book balance and tax balance of PPE | 4.48 | -0.21 | - | 4.27 | -0.55 | - | 3.72 |
| Allowance for doubtful debts (expected credit loss allowance) | - | 1.14 | - | 1.14 | 0.14 | - | 1.28 |
| Impact of Ind AS 116 | - | 1.12 | - | 1.12 | 0.95 | - | 2.07 |
| MAT Credit Entitlement | 53.24 | -0.44 | - | 52.80 | 0.00 | - | 52.80 |
| Total | 77.54 | -1.60 | 0.01 | 75.95 | 3.55 | 0.72 | 80.22 |
| 2. Deferred tax liabilities | | | | | | | |
| On changes in fair value of investments | 78.86 | (29.37) | - | 49.49 | 6.26 | - | 55.75 |
| Total | 78.86 | (29.37) | - | 49.49 | 6.26 | - | 55.75 |
| Net Asset / (Liabilities) | (1.32) | 27.77 | 0.01 | 26.46 | (2.71) | 0.72 | 24.47 |

Note:

The Company has not recognized deferred tax asset (DTA) in respect of unabsorbed depreciation / carry forward business losses of Income Tax Act, 1961 amounting to ₹ 179.45 lakhs (Previous Year - ₹ 168.33 lakhs) except to the extent of deferred tax liability on a prudent basis, as there is no reasonable certainty supported by convincing evidence that sufficient future taxable income will be available against which such DTAs can be realized.

7. Income tax asset and liabilities

(₹ in Lakh)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|-------------------------------------|-------------------------|-------------------------|
| Non-current tax assets | | |
| Balance with Income Tax Authorities | 29.82 | 19.81 |
| Total | 29.82 | 19.81 |

8. Other assets

(₹ in Lakh)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|-----------------------------|-------------------------|-------------------------|
| Non Current | | |
| Prepaid expenses | 9.95 | 6.56 |
| GST Input credit receivable | 65.31 | 45.65 |
| Total | 75.26 | 52.21 |
| Current | | |
| Prepaid expenses | 17.70 | 17.17 |
| GST Input credit receivable | 39.24 | 46.58 |
| Advances to creditors | 0.01 | 0.21 |
| Total | 56.95 | 63.96 |

9. Trade receivables (at amortised cost)

(₹ in Lakh)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Secured, considered good | | |
| Unsecured, considered good | 56.01 | 25.75 |
| Trade Receivable - credit impaired | 4.91 | 4.39 |
| Total | 60.92 | 30.14 |
| Less: Allowance for doubtful debts (refer below table for movement in expected credit loss allowance) | (4.91) | (4.39) |
| Add: Unbilled revenue | - | - |
| Total | 56.01 | 25.75 |

- Trade receivables are dues in respect of services rendered in the normal course of business.
- The average credit period on sale of services is 30 days. No interest is charged on trade receivables for the first 30 days from the date of invoice. Thereafter, interest is charged at 15% per annum on the outstanding balance.
- There are no dues by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

Movement in the expected credit loss allowance

(₹ in Lakh)

| | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Balance at beginning of the year | 4.39 | 1.68 |
| Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses (net off bad debts) | 0.94 | 2.71 |
| Balance at end of the period / year | 5.33 | 4.39 |

Trade receivables ageing schedule as at March 31, 2024

(₹ in Lakh)

| Particulars* | Outstanding for following periods from due date of payment | | | | | | Total |
|--|--|--------------------|-------------------|-------------|-------------|-------------------|--------------|
| | Current but not due | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed trade receivable — considered good and doubtful | 32.46 | 20.70 | 2.85 | - | - | - | 56.01 |
| (ii) Undisputed Trade Receivables — which have significant increase in credit risk | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables — credit impaired | - | - | 2.85 | 1.75 | 0.28 | 0.04 | 4.92 |
| (iv) Disputed Trade Receivables — considered good | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables — which have significant increase in credit risk | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables — credit impaired | - | - | - | - | - | - | - |
| Total | 32.46 | 20.70 | 5.70 | 1.75 | 0.28 | 0.04 | 60.93 |

Trade receivables ageing schedule as at March 31, 2023

(₹ in Lakh)

| Particulars* | Current but not due | 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 receivable - considered good and doubtful | 10.17 | 27.75 | 3.09 | - | - | - | 41.01 |
| (ii) Undisputed Trade Receivables — which have significant increase in credit risk | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables — credit impaired | - | - | 3.25 | 1.91 | 0.15 | 0.02 | 5.33 |
| (iv) Disputed Trade Receivables — considered good | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables — which have significant increase in credit risk | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables — credit impaired | - | - | - | - | - | - | - |
| Total | 10.17 | 27.75 | 6.34 | 1.91 | 0.15 | 0.02 | 46.34 |

*The above ageing schedule does not contain unbilled revenue

10. Cash and cash equivalents and other bank balances

(₹ in Lakh)

| | As at March 31, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|
| Current | | |
| Balance with Banks | | |
| Owned fund | | |
| In current accounts | 24.65 | 19.55 |
| Cash and cash equivalents as per balance sheet | 24.65 | 19.55 |

11. Equity Share Capital

(₹ in Lakh)

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|---|----------------------|-----------------|----------------------|-----------------|
| | Number | (₹ in Lakh) | Number | (₹ in Lakh) |
| Equity Share capital | | | | |
| Authorised share capital: | | | | |
| Equity Shares of ₹ 10/- each with voting rights | 50,000,000 | 5,000.00 | 50,000,000 | 5,000.00 |
| Issued share capital: | | | | |
| Equity Shares of ₹ 10/- each with voting rights | 50,000,000 | 5,000.00 | 50,000,000 | 5,000.00 |
| Subscribed and Paid-up share capital | | | | |
| Equity Shares of ₹ 10/- each with voting rights | 50,000,000 | 5,000.00 | 50,000,000 | 5,000.00 |
| Total | 50,000,000 | 5,000.00 | 50,000,000 | 5,000.00 |

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period/year

| Particulars | Opening Balance | Fresh issue | Closing Balance |
|----------------------------------|-----------------|-------------|-------------------|
| Equity shares with voting rights | | | |
| As at March 31, 2023 | | | |
| Number of shares | 50,000,000 | - | 50,000,000 |
| Amount (₹) In lakh | 5,000 | - | 5,000 |
| As at March 31, 2024 | | | |
| Number of shares | 50,000,000 | - | 50,000,000 |
| Amount (₹) In lakh | 5,000 | - | 5,000 |

Details of shares held by each shareholder holding more than 5% shares

| Class of shares / Name of shareholder | As at March 31, 2024 | | As at March 31, 2023 | |
|--|-----------------------|-----------------------------------|-----------------------|-----------------------------------|
| | Number of shares held | % holding in that class of shares | Number of shares held | % holding in that class of shares |
| Equity shares with voting rights | | | | |
| Central Depository Services (India) Limited (Parent Company) | 26,000,000 | 52.00 | 26,000,000 | 52.00 |
| BSE Investments Limited | 12,000,000 | 24.00 | 12,000,000 | 24.00 |
| Multi Commodity Exchange of India Limited | 12,000,000 | 24.00 | 12,000,000 | 24.00 |

Details of Shares held by promoters as at March 31, 2024

| Sr no. | Promoter's Name | As at March 31, 2024 | | | | |
|--------|--|--|-------------------------|--------------------------------------|-------------------|---------------------------|
| | | No. of shares at the beginning of the year | Changes During the year | No. of shares at the end of the year | % of total shares | % Changes During the year |
| 1 | Central Depository Services (India) Limited (Parent Company) | 26,000,000 | - | 26,000,000 | 52.00 | - |
| 2 | BSE Investments Limited | 12,000,000 | - | 12,000,000 | 24.00 | - |
| 3 | Multi Commodity Exchange of India Limited | 12,000,000 | - | 12,000,000 | 24.00 | - |

Details of Shares held by promoters as at March 31, 2023

| Sr no. | Promoter's Name | As at March 31, 2023 | | | | |
|--------|--|--|-------------------------|--------------------------------------|-------------------|---------------------------|
| | | No. of shares at the beginning of the year | Changes During the year | No. of shares at the end of the year | % of total shares | % Changes During the year |
| 1 | Central Depository Services (India) Limited (Parent Company) | 26,000,000 | - | 26,000,000 | 52.00 | - |
| 2 | BSE Investments Limited | 12,000,000 | - | 12,000,000 | 24.00 | - |
| 3 | Multi Commodity Exchange of India Limited | 12,000,000 | - | 12,000,000 | 24.00 | - |

- The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held.
- There are no equity shares issued as bonus, no equity shares issued for consideration other than cash and no equity shares have been bought back during the period of five years immediately preceding the reporting date.

12. Other equity

(₹ in Lakh)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|----------------------------|----------------------|----------------------|
| Retained Earnings | 26.12 | 84.86 |
| Other Comprehensive Income | (7.35) | (5.29) |
| Total | 18.77 | 79.57 |

12.1 Retained earnings

(₹ in Lakh)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--------------------------------|-------------------------|-------------------------|
| Balance at beginning of year | 84.86 | 191.29 |
| Profit / (Loss) for the period | (58.74) | (106.43) |
| Balance at end of year | 26.12 | 84.86 |

Retained earnings reflect surplus/deficit after taxes in the Statement of Profit and Loss. The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the balance in this reserve and also considering the requirements of the Companies Act, 2013.

12.2 Other Comprehensive Income

(₹ in Lakh)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Balance at beginning of year | (5.29) | (5.26) |
| Other comprehensive income / (loss) arising from remeasurement of defined benefit obligation (net of income tax) | (2.06) | (0.03) |
| Balance at end of year | (7.35) | (5.29) |

13. Lease Liability

(₹ in Lakh)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--------------------|-------------------------|-------------------------|
| Non-current | | |
| Lease Liability | 67.02 | 91.98 |
| Total | 67.02 | 91.98 |
| Current | | |
| Lease Liability | 24.96 | 22.27 |
| Total | 24.96 | 22.27 |

14. Other financial liabilities (at amortised cost)

(₹ in Lakh)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|-----------------------------------|-------------------------|-------------------------|
| Current | | |
| Accrued employee benefits expense | 44.67 | 44.22 |
| Total | 44.67 | 44.22 |

15. Trade Payable

(₹ in Lakh)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| a. Total outstanding dues of micro enterprises and small enterprises | 2.43 | - |
| b. Total outstanding dues of creditors other than micro enterprises and small enterprises | | |
| - Payable to related party | 3.23 | 26.14 |
| - Other trade payables | 1.57 | 15.26 |
| - Unbilled dues | 21.46 | - |
| Total (a+b) | 28.69 | 41.40 |

Trade Payables ageing schedule as at March 31, 2024

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|------------------------------|--|-----------|--------------|----------------------|--------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) MSME | 2.43 | - | - | - | 2.43 |
| (ii) Related party | 3.23 | - | - | - | 3.23 |
| (iii) Others | 1.57 | - | - | - | 1.57 |
| (iv) Disputed dues - MSME | - | - | - | - | - |
| (v) Disputed dues - Others | - | - | - | - | - |
| (vi) Unbilled Trade Payables | 21.46 | - | - | - | 21.46 |
| Total | 28.69 | - | - | - | 28.69 |

Trade Payables ageing schedule as at March 31, 2023

| Particulars* | Outstanding for following periods from due date of payment | | | | Total |
|-----------------------------|--|-----------|--------------|----------------------|--------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) MSME | - | - | - | - | - |
| (ii) Others | 41.40 | - | - | - | 41.40 |
| (iii) Disputed dues - MSME | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - |
| Total | 41.40 | - | - | - | 41.40 |

*The above ageing schedule does not contain unbilled trade payables.

16. Provisions

(₹ in Lakh)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Non Current | | |
| (a) Provision for employee benefits | | |
| Compensated absences | 5.23 | 6.09 |
| Provision for gratuity (net) | 11.01 | 1.72 |
| Total | 16.24 | 7.81 |
| Current | | |
| (a) Provision for employee benefits | | |
| Compensated absences | 13.37 | 5.96 |
| Provision for gratuity (net) | 8.75 | 10.65 |
| Total (a+b) | 22.12 | 16.61 |

17. Other liabilities

(₹ in Lakh)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|----------------------------|-------------------------|-------------------------|
| Non-current | | |
| Income received in advance | - | - |
| Total | - | - |
| Current | | |
| Income received in advance | 3.89 | 3.82 |
| Advances from customers | 2.32 | 1.72 |
| Statutory remittances | 14.41 | 11.74 |
| Total | 20.62 | 17.28 |

18. Income from operations

(₹ in Lakh)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|------------------------------------|---|---|
| Sale of services comprise : | | |
| Exchange Agri | 58.61 | 127.56 |
| Non-Exchange Agri | 92.55 | 18.85 |
| Total | 151.16 | 146.41 |

19. Other income

(₹ in Lakh)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| Interest income earned on financial assets that are measured at amortised cost: | | |
| Bank deposits | 36.96 | 37.29 |
| Bonds | 205.28 | 98.94 |
| Other gains or losses | | |
| Net gain arising on financial assets measured at FVTPL | 136.33 | 126.12 |
| Other Income | | |
| Interest from Trade Receivables | 3.04 | 3.19 |
| Interest on Income tax refund | 0.91 | 1.77 |
| Miscellaneous income | 0.72 | 1.35 |
| Total | 383.24 | 268.66 |

20. Employee benefits expense

(₹ in Lakh)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| Salaries, allowances and bonus | 284.80 | 270.26 |
| Contribution to provident and other funds | 21.76 | 19.33 |
| Staff welfare expenses | 3.58 | 3.91 |
| Total | 310.14 | 293.50 |

21. Depreciation and amortisation expenses

(₹ in Lakh)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|-------------------------------|--------------------------------------|--------------------------------------|
| Property, plant and equipment | 8.58 | 7.94 |
| Intangible Assets | 1.07 | 0.74 |
| Right of Use Asset | 26.53 | 19.90 |
| Total | 36.18 | 28.58 |

22. Other expenses

(₹ in Lakh)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| Auditors' remuneration: | | |
| i. Audit fees | 1.00 | 1.00 |
| ii. Reimbursement of expenses | 0.07 | 0.04 |
| Business Promotion Expenses | 2.22 | - |
| Administrative expenses | 9.72 | 20.94 |
| Directors' sitting fees | 34.25 | 29.85 |
| Insurance Expenses | 14.60 | 11.14 |
| Miscellaneous expenses | 7.10 | 15.18 |
| Office Maintenance | 8.10 | 6.28 |
| Postage, telephone and communication charges | 6.67 | 4.50 |
| Power and fuel | 0.93 | 0.71 |
| Printing and stationery | 1.16 | 1.93 |
| Professional and consultancy fees | 6.12 | 7.67 |
| Rates and taxes | 0.24 | 0.76 |
| Recruitment Charges | 1.41 | 5.83 |
| Short term lease expenses | 10.34 | 17.27 |
| Travelling and conveyance | 24.42 | 18.15 |
| WDRA Annual Fees | 10.00 | 10.00 |
| Impairment loss allowance on trade receivables | 1.00 | 3.62 |
| Outsourced Employees Expenses | 29.68 | 11.18 |
| Total | 169.03 | 166.05 |

23. Taxes
23.1. Income tax expense

The major components of income tax expense for the year ended March 31, 2024 and March 31, 2023 are as under:

23.1.1 Profit or loss section

(₹ in Lakh)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| Current tax expense | - | - |
| Deferred tax | 2.71 | (27.77) |
| Current Tax Expense of earlier years (refer note 44) | - | - |
| Total | 2.71 | (27.77) |

23.1.2 Other comprehensive income

(₹ in Lakh)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| Remeasurement of the defined benefit plans | (2.78) | (0.04) |
| Total income tax expense recognised in other comprehensive income | 0.72 | 0.01 |

23.1.3 The income tax expense reconciliation with the accounting profit as follows:

(₹ in Lakh)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| (A) Profit before tax | (56.03) | (134.20) |
| (B) Enacted tax rate in India | 26.00% | 26.00% |
| (C) Expected tax expenses (A*B) | - | - |
| (D) Other than temporary differences | | |
| Effect of change in tax rate | | |
| Effect of fair value of investments | 6.26 | (34.88) |
| Effect of income that is exempt from taxation | | |
| Expenses disallowed / (allowed) net | (4.27) | 7.12 |
| Total adjustments | 1.99 | (27.76) |
| (E) Tax expenses after adjustments (C+D) | 1.99 | (27.76) |
| (F) Tax expenses recognised in Profit or Loss (including OCI) | 1.99 | (27.78) |

24. Earnings Per Share (EPS)

Reconciliation of number of equity shares used in the computation of basic and diluted earnings per share is set out below:

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| Weighted average number of equity shares (issued share capital) outstanding during the year for the calculation of basic EPS | 5,00,00,000 | 5,00,00,000 |
| Effect of dilutive equity shares outstanding during the year | - | - |
| Weighted average number of equity shares (issued share capital) outstanding during the year for the calculation of dilutive EPS | 5,00,00,000 | 5,00,00,000 |
| Face Value per Share (₹) | ₹ 10/- Each | ₹ 10/- Each |
| Profit/(Loss) for the year (₹ in lakh) | (58.74) | (106.43) |
| Basic and Diluted EPS (₹ per share) | (0.12) | (0.21) |

Note: There have been no other transactions involving Equity shares or potential Equity shares between the reporting date and the date of authorisation of these financial statements.

25 Leases

The company has elected not to apply the requirement of Ind AS 116 to short term leases of all assets that have a lease term of 12 months or less. The lease payments associated with these leases are recognised as an expenses on a straight line basis over the lease term.

The following is the summary of practical expedients elected on initial application:

- Applied a single discount rate to a portfolio of leases of similar assets.
- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2024:

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---------------------------------|--------------------------------------|--------------------------------------|
| Opening Balance | 112.76 | - |
| Add : Additions during the year | - | 132.66 |
| Less: Depreciation | 26.53 | 19.90 |
| Closing Balance | 86.23 | 112.76 |

Amounts recognised in statement of profit and loss

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| Depreciation expense on right-of-use assets | 26.53 | 19.90 |
| Interest expense on lease liabilities | 5.73 | 5.06 |

The following is the break-up of current and non-current lease liabilities as at March 31, 2024:

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|-------------------------------|--------------------------------------|--------------------------------------|
| Current Lease Liabilities | 24.96 | 22.27 |
| Non-Current Lease Liabilities | 67.02 | 91.98 |
| Total | 91.98 | 114.25 |

The following is the movement in lease liabilities during the year ended March 31, 2024:

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| Opening Balance | 114.25 | - |
| Add : Addition during the year | - | 129.43 |
| Add: Finance Cost accrued during the period | 5.73 | 5.06 |
| Less: Payment of Lease Liabilities | 28.00 | 20.24 |
| Closing Balance | 91.98 | 114.25 |

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2024 on an undiscounted basis:

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|----------------------|--------------------------------------|--------------------------------------|
| Less than one year | 24.96 | 22.27 |
| One to Five years | 67.02 | 91.98 |
| More than Five years | - | - |
| Total | 91.98 | 114.25 |

The following is the movement in Security Deposit during the year ended March 31, 2024:

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|------------------------|--------------------------------------|--------------------------------------|
| Opening Balance | 2.81 | 3.24 |
| Add: Interest income | (0.60) | (0.43) |
| Closing Balance | 2.21 | 2.81 |

26. Financial Instruments at Fair Value

The carrying value and fair value of financial instruments by categories: (₹ in Lakh)

| Particulars | Carrying Value | | Fair Value | |
|--|-----------------|-----------------|-----------------|-----------------|
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| i) Financial Assets | | | | |
| a) Amortised Cost | | | | |
| Investment in Bonds, Debentures & Govt Securities | 2,500.75 | 2,500.40 | 2,502.80 | 2,479.94 |
| Trade receivables | 56.01 | 25.75 | 56.01 | 25.75 |
| Cash and cash equivalents | 24.65 | 19.55 | 24.65 | 19.55 |
| Bank balances other than cash and cash equivalents | - | - | - | - |
| Loans | - | - | - | - |
| Other financial assets | 679.99 | 635.83 | 679.99 | 635.83 |
| Total (a) | 3,261.40 | 3,181.53 | 3,263.45 | 3,161.07 |
| b) FVTPL | | | | |
| Quoted mutual funds | - | - | - | - |
| Unquoted mutual funds | 1,699.89 | 1,848.56 | 1,699.89 | 1,848.56 |
| Total (b) | 1,699.89 | 1,848.56 | 1,699.89 | 1,848.56 |
| Total Financial Assets (a+b) | 4,961.29 | 5,030.09 | 4,963.34 | 5,009.63 |

(₹ in Lakh)

| Particulars | Carrying Value | | Fair Value | |
|------------------------------------|----------------|----------------|----------------|----------------|
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| ii) Financial Liabilities | | | | |
| a) Amortised Cost | | | | |
| Trade payables | 28.69 | 41.40 | 28.69 | 41.40 |
| Other financial liabilities | 44.22 | 43.41 | 44.22 | 43.41 |
| Lease liabilities | 91.98 | 114.25 | 91.98 | 114.25 |
| Total Financial Liabilities | 164.89 | 199.06 | 164.89 | 199.06 |

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Fair value of the Company's financial assets that are measured at fair value on a recurring basis

| Financial assets | Fair value as at | | Fair Value hierarchy | Valuation technique(s) and key input(s) |
|-------------------------|------------------|----------------|----------------------|---|
| | March 31, 2024 | March 31, 2023 | | |
| Mutual Funds (Quoted) | - | - | Level 1 | NA |
| Mutual Funds (Unquoted) | 1,699.89 | 1,848.56 | Level 2 | NAV declared by respective mutual funds |
| Taxable Bond | - | - | Level 1 | NA |
| Tax Free Bond | - | - | Level 1 | NA |
| Equity | - | - | Level 3 | NA |

There were no transfers between Level 1, 2 and 3 during the years.

The management assessed that fair value of cash and bank balances, fixed deposits, trade receivables, and trade payables and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- a) The fair value of the quoted bonds and mutual fund are based on price quotations at reporting date. The fair value of unquoted instruments and other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.
- b) The fair values of the unquoted equity shares have been estimated using a discounted cash flow model. The valuation requires the management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility, the probabilities of the various estimates within the range can be reasonably assessed and are used in the management's estimate of fair value for these unquoted equity investments.

27 Financial Risk Management

The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to support its operations. The Company's principal financial assets include trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, market risk (including foreign currency and interest rate risk) and regulatory risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

- **Trade and other receivables**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

The demographics of the customer, including the default risk of the industry in which the customer operates, also has an influence on credit risk assessment.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due of various types of customers (i.e. issuers, DP, RTA, etc). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Group evaluates the concentration of risk with respect to trade receivables as low.

Following customers accounted for more than 10% of the receivables as at March 31, 2024 and revenue for the year ended March 31, 2024.

| Particulars | ₹ In Lakhs | 10% of the receivable and revenue |
|-------------|------------|-----------------------------------|
| Revenue | 151.16 | No such customer |
| Receivables | 60.92 | Customer 1 - 15.08 lacs (24.29%) |

Following customers accounted for more than 10% of the receivables as at March 31, 2023 and revenue for the year ended March 31, 2023.

| Particulars | ₹ In Lakhs | 10% of the receivable and revenue |
|--------------------|------------|-----------------------------------|
| Revenue | 146.41 | No such customer |
| Receivables | 36.14 | Customer 1 - 3.6 lacs (11.96%) |
| | | Customer 2 - 3.19 lacs (10.59%) |

- Investments**

The Company limits its exposure to credit risk by making investment as per the investment policy. Further investment committee of the Company review the investment portfolio on monthly basis and recommend or provide suggestion to the management. The company does not expect any losses from non- performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. The management monitors the Company's net liquidity position through forecasts on the basis of expected cash flows.

The table below provides details regarding the contractual maturities of financial liabilities as at March 31, 2024 and March 31, 2023.

| Particulars | As at March 31, 2024 | | | |
|------------------------------|----------------------|-------------------|----------------------|--------------|
| | Less than one year | One to Five years | More than Five years | Total |
| Financial liabilities | | | | |
| Trade payables | 28.69 | - | - | 28.69 |
| Other financial liabilities | 44.67 | - | - | 44.67 |
| Total | | | | 73.36 |

| Particulars | As at March 31, 2023 | | | |
|------------------------------|----------------------|-------------------|----------------------|--------------|
| | Less than one year | One to Five years | More than Five years | Total |
| Financial liabilities | | | | |
| Trade payables | 41.40 | - | - | 41.40 |
| Other financial liabilities | 44.22 | - | - | 44.22 |
| Total | | | | 85.62 |

The table below provides details regarding the contractual maturities of financial assets as at March 31, 2024 and March 31, 2023.

| Particulars | As at March 31, 2024 | | | |
|--|----------------------|-------------------|----------------------|-----------------|
| | Less than one year | One to Five years | More than Five years | Total |
| Financial Assets | | | | |
| Investments | 111.35 | 4,089.29 | - | 4,200.64 |
| Other financial assets | 116.10 | 563.89 | - | 679.99 |
| Trade receivables | 23.55 | - | - | 23.55 |
| Cash and cash equivalents | 24.65 | - | - | 24.65 |
| Bank balances other than cash and cash equivalents | - | - | - | - |
| Total | | | | 4,928.83 |

| Particulars | As at March 31, 2023 | | | |
|--|----------------------|-------------------|----------------------|-----------------|
| | Less than one year | One to Five years | More than Five years | Total |
| Financial Assets | | | | |
| Investments | 303.32 | 4,045.64 | - | 4,348.96 |
| Other financial assets | 107.37 | 528.46 | - | 635.83 |
| Trade receivables | 21.65 | 0.63 | - | 22.28 |
| Cash and cash equivalents | 19.55 | - | - | 19.55 |
| Bank balances other than cash and cash equivalents | - | - | - | - |
| Total | | | | 5,026.62 |

* Investment does not include investments in equity instruments of subsidiaries

Market risk

The Company's business, financial condition and results of operations are highly dependent upon the levels of activity in the capital markets and in particular upon the trading volume on stock exchanges, the number of listed securities, the number of new listings and subsequent issuances and introduction of new services which will ease in doing business in capital markets.

In addition to the above risk, market risk also include following:

- **Foreign Currency risk**

The Company's foreign currency risk arises in respect of foreign currency transactions. The Company's foreign currency expenses is insignificant, while a significant portion of its costs are in Indian rupees.

As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Company's expenses measured in rupees may decrease. Due to lessor quantum of expenses from foreign currencies, the Company is not much exposed to foreign currency risk.

- **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term / short-term investment with floating interest rates.

All the investments in Bonds are at fixed rate of interest and does not have material interest rate risks. The Company's exposure to investments having interest rate risk is as under:

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--------------|-------------------------|-------------------------|
| Mutual Funds | 1,699.89 | 1,848.56 |

Sensitivity Analysis

The table below summarises the impact of increases/ decreases of the Price on profit for the period. The analysis is based on the assumption that the instrument index has increased/ decreased by 5% with all other variables held constant.

| Particulars | Impact on profit after tax | |
|----------------|----------------------------|----------|
| | 2024 | 2023 |
| Increase by 5% | 1,784.88 | 1,940.99 |
| Decrease by 5% | 1,614.90 | 1,756.13 |

Regulatory risk

The Company requires various regulatory approvals, registrations and permissions to operate its business, including at a corporate level as well as at the level of each of its components. Some of these approvals are required to be renewed from time to time. The Company's operations are subject to continued review by regulator and these regulations may change from time to time in fast changing capital market environment. The Company's compliance team constantly monitors the compliance with these rules and regulations.

28. Capital management:

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The Company is equity financed which is evident from the capital structure. Further, the Company has always been a net cash Company with cash and bank balances along with investment which is predominantly investment in mutual funds being far in excess of financial liabilities.

29. Information on related party transactions as required by Ind AS 24 – ‘Related party disclosures’ for the year ended March 31, 2024

| Description of relationship | Names of related parties |
|--|---|
| Entity where control exists | Central Depository Services (India) Limited (CDSL) – Holding Company |
| Entity having significant influence | Multi Commodity Exchange of India Limited BSE Investments Limited BSE e-Agricultural Markets Limited |
| Fellow subsidiaries | CDSL Ventures Limited India International Depository IFSC Limited (Erstwhile CDSL IFSC Limited) CDSL Insurance Repository Limited |
| Entity having significant influence in Holding Company | BSE Limited |
| Subsidiaries of entity having significant influence in Holding Company | BSE Technologies Private Limited (Erstwhile Marketplace Technologies Private Limited) Indian Clearing Corporation Limited BSE Administration & Supervision Limited BSE Investments Limited BSE Institute Limited BSE CSR Integrated Foundation India International Exchange (IFSC) Limited India International Clearing Corporation (IFSC) Limited BSE Tech Infra Services Private Limited (formerly known as Marketplace Tech Infra Services Private Limited) BFSI Sector Skill Council of India BIL - Ryerson Technology Startup Incubator Foundation BSE Institute of Research Development & Innovation BSE E-Agricultural Markets Limited India INX Global Access IFSC Limited |
| Associate of Holding Company | India International Bullion Holding IFSC Limited India International Depository IFSC Limited (Erstwhile CDSL IFSC Limited) w.e.f. May 3, 2022 India International Bullion Exchange IFSC Limited |
| Director | Mr. B.K. Bal, Director Mr. J. Balasubramanian, Director Mr. Sudhir K. Goel, Director Mr. Sameer Patil (from Jan 19, 2022) Mr. Manoj Jain (from Aug 2, 2022) Mr. Ramkumar K (from 22 July 2021 to up to July 13, 2023) Mr. Vinay Madan (from August 2, 2023) Ms. Nayana Ovalekar (from 22 July 2021) |
| Key Managerial Personnel of Holding Company | Mr. Nehal Vora, Managing Director & CEO Mr. Girish Amesara, Chief Financial Officer Mr. Nilay Shah, Company Secretary, (From Aug 2, 2021) |
| Key Managerial Personnel | Mr. Pitambar Chowdhury, Managing Director & Chief Executive Officer Ms. Urvi Shah Gada, Chief Financial Officer (from Mar 01, 2023) Ms. Aditi Shah, Company Secretary |

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| Expenditure | | |
| A) Administrative and Other Expenses | | |
| Entity where control exists | | |
| Central Depository Services (India) Limited | 30.45 | 66.73 |
| Subsidiaries of entity having significant influence in Holding Company | | |
| BSE Investments Limited | 2.20 | 4.40 |
| CDSL Insurance Repository Limited | (0.64) | - |
| Total (A) | 32.01 | 71.13 |
| B) Shared Service Recovery (Reimbursement of Salary) | | |
| Entity where control exists | | |
| Central Depository Services (India) Limited | 5.94 | 16.83 |
| Total (B) | 5.94 | 16.83 |
| C) Purchase of Property Plant & Equipment and Intangible Assets | | |
| Entity where control exists | | |
| Central Depository Services (India) Limited | - | 3.95 |
| Total (C) | - | 3.95 |
| D) Expenses paid on behalf of Company | | |
| Entity where control exists | | |
| Central Depository Services (India) Limited | - | 0.06 |
| Total (D) | - | 0.06 |
| Income | | |
| Sale of Exchange Software (Intellectual Property Rights)* | | |
| Entity where control exists | | |
| Central Depository Services (India) Limited | - | - |
| Total | - | - |

*Ratified by the Board of Directors in their meeting held on April 21, 2022.

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| Key Managerial Personnel# | | |
| Remuneration | | |
| Mr. Pitambar Chowdhury - MD & CEO | 100.18 | 96.88 |
| Ms. Krishna Kadam, Chief Financial Officer (from 11.06.2021 upto 31.01.2023) | 0.00 | 13.08 |
| Ms. Urvi Shah Gada, Chief Financial Officer (from 01.03.2023) | 16.50 | 1.38 |
| Ms. Aditi Shah, Company Secretary (from 18.03.2021) | 12.63 | 11.29 |

#Includes gross salary payable charged in the statement of profit and loss as per pay register.
(Remuneration is inclusive of Gross Salary + PF)

Company provides long term benefits in the form of Gratuity to Key Managerial person with all employees, cost of the same is not identifiable separately and not disclosed.

The sitting fees paid to non-executive directors is ₹ 32.05 Lakh and ₹ 25.45 lakh as at March 31, 2024 and 2023, respectively.

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| Payable/(Receivable) | | |
| Entity where control exists | | |
| Central Depository Services (India) Limited - Payable | (3.23) | (26.14) |
| Central Depository Services (India) Limited - Receivable | 1.50 | 1.50 |

| Shares held by each shareholder holding | March 31, 2024 | March 31, 2023 |
|--|----------------|----------------|
| Central Depository Services (India) Limited (Parent Company) | 2600.00 | 2600.00 |
| BSE Investments Limited | 1200.00 | 1200.00 |
| Multi Commodity Exchange of India Limited | 1200.00 | 1200.00 |

Notes:

- Related party relationship is as identified by the management and relied upon by the auditors.
- No amounts in respect of related parties have been written off/ written back during the year.
- All the above transactions are in the ordinary course of business of the Company.

30 Contingent liabilities and capital commitments (to the extent not provided for)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|-----------------------------|-------------------------|-------------------------|
| Contingent liabilities | - | - |
| Capital Commitments | - | - |
| Bank Guarantee (refer note) | 500.00 | 500.00 |

Note:

As per business requirements bank guarantees of ₹ 500 lakhs are issued by banks on behalf of Company against 100% margin (earmarked) on fixed deposit receipts.

31 Additional information to the financial statements Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Based on and to the extent of information received by the Company from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors, the relevant particulars as at the year-end are furnished below:

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| a) Principal amount and interest thereon remaining unpaid at the end of year Interest paid including payment made beyond appointed day | - | - |
| b) Interest due and payable for delay during the year | - | - |
| c) Amount of interest accrued and unpaid as at year end | - | - |
| d) The amount of further interest due and payable even in the succeeding year | - | - |

32 Employee benefits

32.1 Defined benefits plan – Gratuity

The Company has determined the liability of Employee Benefits as at the year-end in accordance with the Ind-AS 20 “Employee Benefits”. The Company has obtained an actuarial valuation for arriving at its gratuity liability.

The following risks are associated with the Gratuity liability of the Company to actuarial risks such as: investment risk, interest rate risk, demographic risk and salary risk.

| | |
|--------------------|--|
| Investment risk | The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to market yields at the end of the reporting period on government bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in equity securities and debt instruments. |
| Interest rate risk | A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments. |
| Demographic risk | This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, medical cost inflation, discount rate and vesting criteria. |
| Salary risk | The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. |

| Valuation Result as at | March 31, 2024 | March 31, 2023 |
|---|----------------|----------------|
| Reconciliation of defined benefit obligation | | |
| Opening Defined Benefit Obligation | 12.37 | 16.81 |
| Transfer in/(out) obligation | - | - |
| Current service cost | 3.81 | 3.79 |
| Interest cost | 0.84 | 0.86 |
| Due to Change in financial assumptions | 0.53 | (0.47) |
| Due to change in demographic assumption | 0.43 | (0.65) |
| Due to experience adjustments | 1.78 | 1.16 |
| Past service cost | - | - |
| Liabilities assumed in an amalgamation in the nature of purchase | - | - |
| Benefits paid | - | - |
| Closing Defined Benefit Obligation | 19.76 | 21.49 |
| Other Comprehensive Income for the current period | | |
| Due to Change in financial assumptions | 0.53 | (0.47) |
| Due to change in demographic assumption | 0.43 | (0.65) |
| Due to experience adjustments | 1.78 | 1.16 |
| Return on plan assets excluding amounts included in interest income | - | - |
| Amounts recognized in Other Comprehensive (Income) / Expense | 2.74 | 0.04 |

| Valuation Result as at | March 31, 2024 | March 31, 2023 |
|---|------------------------|------------------------|
| Profit and loss account for the period | | |
| Service cost: | | |
| Current service cost | 3.81 | 3.79 |
| Past service cost | - | - |
| Net interest cost | 0.84 | 0.86 |
| Total included in 'Employee Benefit Expense' | 4.65 | 4.64 |
| Reconciliation of plan assets | | |
| Opening value of plan assets | - | - |
| Interest Income | - | - |
| Return on plan assets excluding amounts included in interest income | - | - |
| Contributions by employer | - | - |
| Benefits paid | - | - |
| Closing value of plan assets | - | - |
| Funded status of the plan | | |
| Present value of funded obligations | 19.76 | 12.37 |
| Fair value of plan assets | - | - |
| Net Liability (Asset) | 19.76 | 12.37 |
| Reconciliation of net defined benefit liability | | |
| Net opening provision in books of accounts | 12.37 | 16.81 |
| Adjustment to Opening Defined Benefit Obligation | - | - |
| Liabilities assumed in an amalgamation in the nature of purchase | - | (3.73) |
| Employee Benefit Expense | 4.65 | 4.64 |
| Amounts recognized in Other Comprehensive (Income)/ Expense | 2.74 | 0.04 |
| | 19.76 | 17.76 |
| Benefits paid by the Company | - | (5.40) |
| Contributions to plan assets | - | - |
| Closing provision in books of accounts | 19.76 | 12.36 |
| Principle actuarial assumptions (for all employee benefits) | | |
| Discount Rate | 7.15% | 7.30% |
| Salary Growth Rate | 9.69% | 9% |
| Withdrawal Rates | 21.36% p.a at all ages | 23.38% p.a at all ages |
| Rate of Return on Plan Assets | Not applicable | Not applicable |

Sensitivity analysis

| Particulars | March 31, 2024 | | March 31, 2023 | |
|--|----------------|------------------------|----------------|------------------------|
| | Discount Rate | Salary Escalation Rate | Discount Rate | Salary Escalation Rate |
| Impact of increase of 1% on defined benefit obligation | 19.10 | 20.43 | 11.95 | 12.78 |
| Impact of decrease of 1% on defined benefit obligation | 20.43 | 19.14 | 12.81 | 11.97 |

32.2 Compensated Absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulated compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognizes accumulated compensated absences based on actuarial valuation. Non-accumulating compensated absences are recognized in the period in which the absences occur. The Company recognizes remeasurement gains or losses immediately in the statement of profit and loss.

During the year ended March 31, 2024 an amount recognized as an expense in respect of compensated leave absences is ₹ 12.03 lakhs, (Previous year ended March 31, 2023 is ₹ 3.32 lakhs).

33 Chief Operating Decision Maker (CODM) as defined under Indian Accounting Standard 108 Operating Segments:

The Managing Director (MD) and CEO of the Company, has been identified as the chief operating decision maker (CODM) as defined by Indian Accounting Standard 108 “Operating Segments”. The CODM evaluates the Company’s performance, allocates resources based on analysis of the various performance indicators of the Company as a single unit.

The principal business of the Company is of “Depository Services”. All other activities of the Company revolve around its principal business. Therefore, directors have concluded that there is only one operating reportable segment as per Indian Accounting Standard 108 “Operating Segments”.

34 Relationship with Struck off Companies

There are no transactions or outstanding amount with struck off Companies for the year ended March 31, 2024 and March 31, 2023.

35 Long term contracts including derivative contracts

Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses during the year ended March 31, 2024.

36 Interest on income tax refund

During the year FY 2023-24, the Company had received an amount of ₹ 0.91 Lakh as interest on income tax refund and the same has been included in other income during the year ended March 31, 2024.

38 Events after the reporting period

There are no events that have occurred between the end of the reporting period and the date when the financial statements are approved that provide evidence of conditions that existed at the end of the reporting period.

39 Standards and amendments notified but not yet effective

Ministry of Corporate affairs have made amendments on March 31, 2023 in certain Indian Accounting Standards (Ind AS) namely Ind AS 101, Ind AS 102, Ind AS 103, Ind AS 107, Ind AS 109, Ind AS 115, Ind AS 1, Ind AS 8, Ind AS 12 and Ind AS 34. The same are effective from April 01, 2023. However, there are no material changes which will impact the financial statements of the Company.

40 Other Statutory Information

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
 - (ii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period
 - (iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
 - (a) 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
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
 - (vi) The Company has not been declared as wilful defaulter by any bank or financial Institution or other lender, since the company has not undertaken any borrowing during the current year and previous year.
 - (vii) The company has not made any investment in downstream companies during the current year and previous year. Hence the compliance under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017 is not applicable.
 - (viii) The Company has not entered into any scheme of arrangement in terms of sections 230 to 237 of the Companies Act, 2013 during the current year and previous year.
 - (ix) The Company has not revalued its Property, Plant and Equipment or intangible assets or both during the current year and previous year.
 - (x) The Company has not granted/given any loans or advances during the current year and previous year to the promoters, directors, KMPs and the related parties (as defined under 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.
- 41 Previous year figures have been regrouped / reclassified and rearranged wherever necessary to correspond with the current year classification/ disclosure.

Signatures to Notes 1 to 41 forming part of financial statements

**For and on behalf of the Board of Directors of
CDSL Commodity Repository Limited**

Nayana Ovalekar
Director
DIN: 02195513

Pitambar Chowdhury
Managing Director & CEO
DIN: 08600785

Aditi Shah
Company Secretary
Membership No. A29109

Urvi Shah Gada
Chief Financial Officer
Membership No. 151164

Place : Mumbai
Date : April 25,2024

