# DEDICATED TO SECURITIES SERVICES

17TH ANNUAL REPORT
FOR THE YEAR ENDED
MARCH 31, 2023

ORBIS

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# CORPORATE INFORMATION

**Corporate Identification Number (CIN)**

U67120HR2005PLC036952

**Board of Directors**

Atul Gupta, Executive Chairman
Shyamsunder Agarwal, Managing Director & CEO
Pranay Kothari, Independent Director
S.A.R. Acharya, Independent Director
Rup Chand Jain, Non-Executive Director
Manasi Gupta, Non-Executive Director
Nikhil Godika, Non-Executive Additional Director

**Company Secretary**

Prachi Khanna

**Chief Financial Officer**

Rishav Bagrecha

**Statutory Auditors**

M S K A & Associates, Chartered Accountants
(FRN: 105047W)

**Secretarial Auditors**

Pankaj Nigam & Associates,
Company Secretaries
(C.P. No. 7979)

**Internal Auditors**

Ravi Rajan & Co. LLP,
Chartered Accountants
(FRN: 009073N/N500320)

**Bankers**

ICICI Bank Ltd.
IDBI Bank Ltd.
IndusInd Bank Ltd.
State Bank of India
RBL Bank Ltd.
SBM Bank (India) Ltd.
Federal Bank Ltd.
Bandhan Bank Ltd.
IDFC First Bank Ltd.
HDFC Bank Ltd.

**Registrar & Share Transfer Agent**

Skyline Financial Services Private Limited
D-153 A, 1st Floor
Okhla Industrial Area, Phase - I
New Delhi - 110020, India

**Registered Office**

4A, Ocus Technopolis, Sector-54
Golf Club Road, Gurugram
Haryana - 122002, India

**Corporate Office**

Vaibhav Chambers, 7th Floor
Bandra-Kurla Complex
Bandra (East)
Mumbai - 400051, India

www.orbisfinancial.in

# ABOUT US

Established in 2005, Orbis Financial Corporation Limited ('Orbis' or 'We') is an established Financial Services Company committed towards Investor servicing in inter-related verticals namely Custody & Fund Accounting services, Equity and Commodity derivatives clearing, Currency derivatives clearing, Registrar and Transfer Agency and Trustee services.

ASSET UNDER CUSTODY
**INR 81,160 CRORE**

CUSTODY CLIENTS BASE
**2726**

NET WORTH
**INR 429 CRORE**

PROFIT AFTER TAX
**INR 89.57 CRORE**

EMPLOYEES
**121**

SHAREHOLDERS BASE
**744**

** As on March 31, 2023*

This operational structure is fundamental to our value proposition: to become end-to-end solution provider to a varied category of institutional and retail investors including FPI, FDI, Mutual Funds, Endowments & Trusts, High Networth Individuals, AIFs, Stock Brokers, Private Bankers and Portfolio Managers.

Orbis is a registered Custodian with SEBI and a Clearing Member in all the market segments.

Orbis holds multiple accreditations with SEBI including National Securities Depository Limited, Central Depository Services (India) Limited, National Stock Exchange, Bombay Stock Exchange, Multi Commodity Exchange of India Ltd. and National Commodity & Derivatives Exchange Limited. We strive hard to continue building a reliable brand name within the financial services industry.

The Company is headquartered in Gurugram, Haryana, while the Marketing Office is situated in Mumbai, Maharashtra. Recently, we have also set up our full fledged presence in GIFT City, Gujarat to strengthen our global outreach. GIFT City is a planned business district and an exciting new business destination offering competitive edge to financial services and technology related activities.

# OUR STRATEGIC ADVANTAGE

In a 'class of its own', Orbis provides services to investors, on its 'zero conflict' business platform, without ever being in competition with its own clients. We are a flexible and resilient organization fully equipped to provide rock solid support to our clients so that they can withstand the challenges due to the volatile nature of capital markets.

While many players are now competing in this segment, however high barriers to scale and succeed, we are one of the leading pure play custodian catering to clients .

## OUR EVOLUTION

Custody centric business to a full service middle & back office service provider to Asset Managers

## OUR TRANSITION

From closely held company to an independently governed company

## OUR CLIENTS

Asset Management Institutions, Businesses and People

## OUR STRATEGIC ADVANTAGE

### WELL SCALED BUSINESS

- *AUC of over INR 811 Billion*
- *Servicing 250+ FPIs, 300 PMSs, 150+ AIFs, 2 MFs, 800+ NRIs*

### ONE-STOP SOLUTIONS

*Offering Custody, Trustee, RTA, Fund Accounting and other Fund Administration services under one roof*

### CUSTOMISABLE OFFERINGS

*In-house developed IT platforms enabling personalised features and functionality as per our clients' demand*

### FOCUSED TEAM

*121 number of employees dedicated to custody and allied services*

# ASPIRATIONS

## OUR VISION

Provide our clients with a comprehensive tailored made custody and fund administration solutions and advice. Remain a custody & fund administration focused no-conflict service provider

## OUR GOAL

Achieve significant growth momentum over next 3 years across all business verticals

01
MAINTAIN LEADERSHIP IN AIF's & PMS CUSTODY AND ALLIED SERVICES

02
GROW RTA BUSINESS

03
SIGNIFICANTLY SCALE TRUSTEE BUSINESS

04
POISED TO CAPTURE THE STRUCTURAL AND SCALABLE GIFT CITY OPPORTUNITIES

05
INCREASE FOCUS ON FOREIGN TERRITORIES FOR INDIA IN-BOUND INVESTMENTS

# KEY MILESTONES

## 2005
- Incorporated in November, 2005

## 2007
- In – Principal approval from SEBI as a Custodian in February
- Owned office premises at Gurugram in July
- Commenced recruitments in July
- Capitalisation of Company with Net worth of Rs. 50 crore as per SEBI requirements

## 2008
- Received SEBI licence as a Custodian in November

## 2009
- Onboarded the first Custody Client

## 2011
- Obtained numerous regulatory registrations with SEBI / Exchanges / Depositories

## 2013
- SEBI granted certificate of registration as a Designated Depository Participant

## 2014
- Crossed 100 mark of Custody Clients

## 2015
Turned into a profit making Company in FY16

## 2017
- Commenced CSR initiative for the progress of communities

## 2018
- Became Clearing Member in all Market segments – Equity, Currency and Commodities
- Obtained SEBI Registration as a 'Debenture Trustee'
- Obtained SEBI Registration as a 'Registrar and Transfer Agent'

## 2019
- SEBI approval as a Custodian in the Commodities Markets
- Crossed 1,000 mark of onboarded custody clients

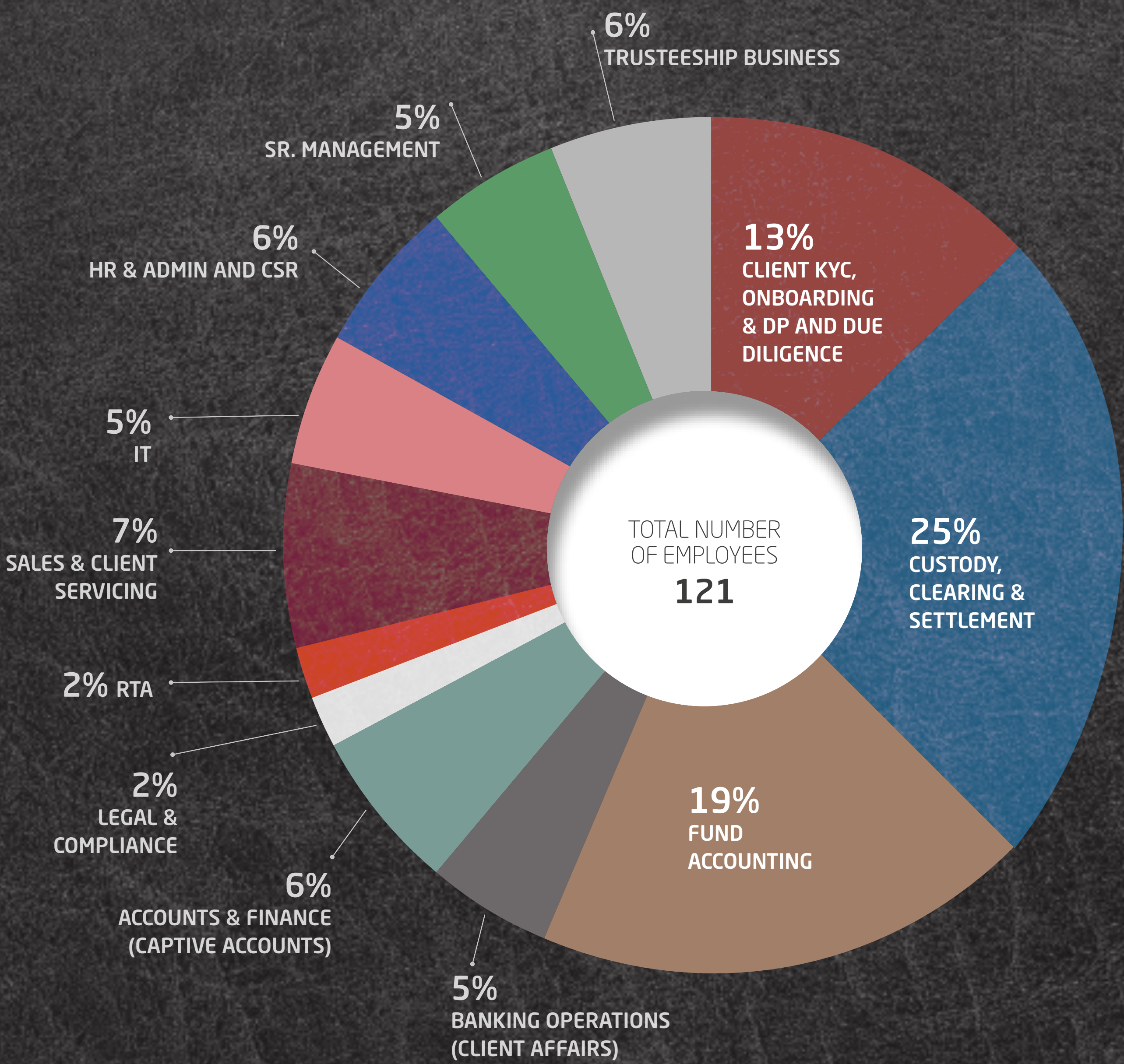
## 2020
- Maiden Dividend in FY20
- Assets under Custody increased to Rs. 10,000 crores in March 2020

## 2021
- Additional capital raising in FY21@ Rs. 27 per share
- Branch office in Gift City operationalised to provide Trusteeship services as per regulatory guidelines
- Assets under Custody increased to Rs. 34,128 crores in March 2021

## 2022
- Additional capital raising in FY22 @ Rs. 40.50 per share
- Net worth increases to Rs. 220 crores as at March 31, 2022
- Crossed 2,000 mark of onboarded custody clients
- Assets under custody increased to Rs. 67,369 crores in March 31, 2022

## 2023
- Another round of capital raising of Rs. 112 crores in January 2023 from marquee investors
- Crossed 2,700 mark of onboarded custody clients with Assets under Custody increasing to INR 81,160 crores as on March 31, 2023
- Record PAT of INR 89 crores for FY23
- Average volume across cash and derivative markets increases to INR 13,000 crores on daily basis

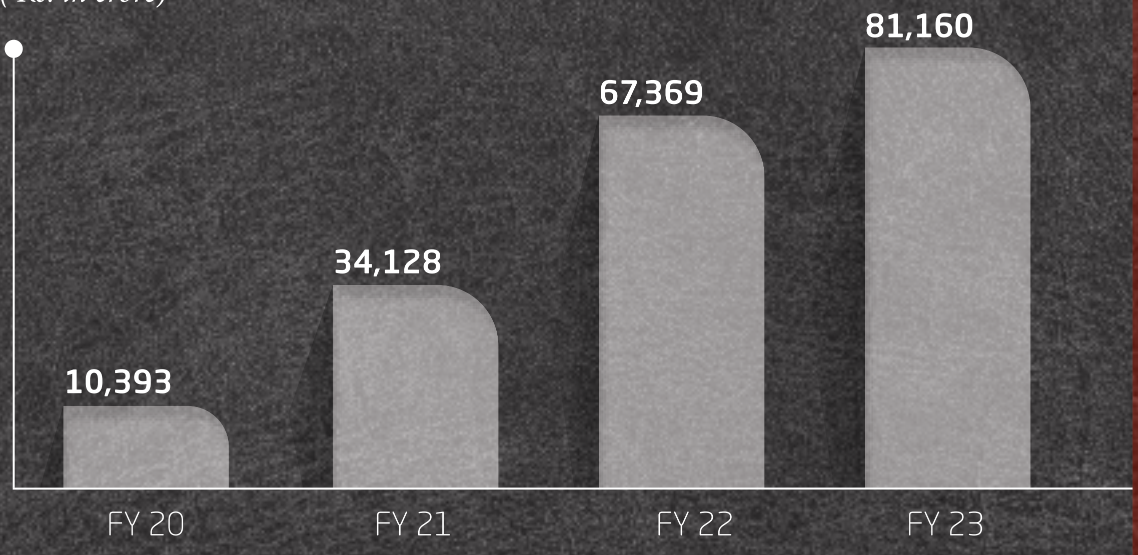
# DEPARTMENT-WISE STAFF ALLOCATION



# FINANCIAL HIGHLIGHTS

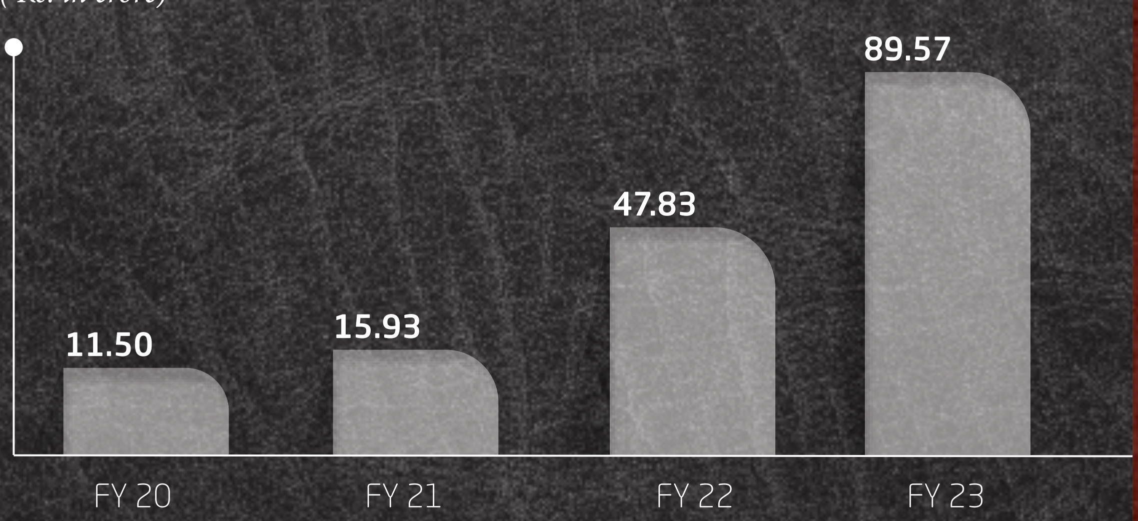
## ASSETS UNDER CUSTODY

*( Rs. in crore)*



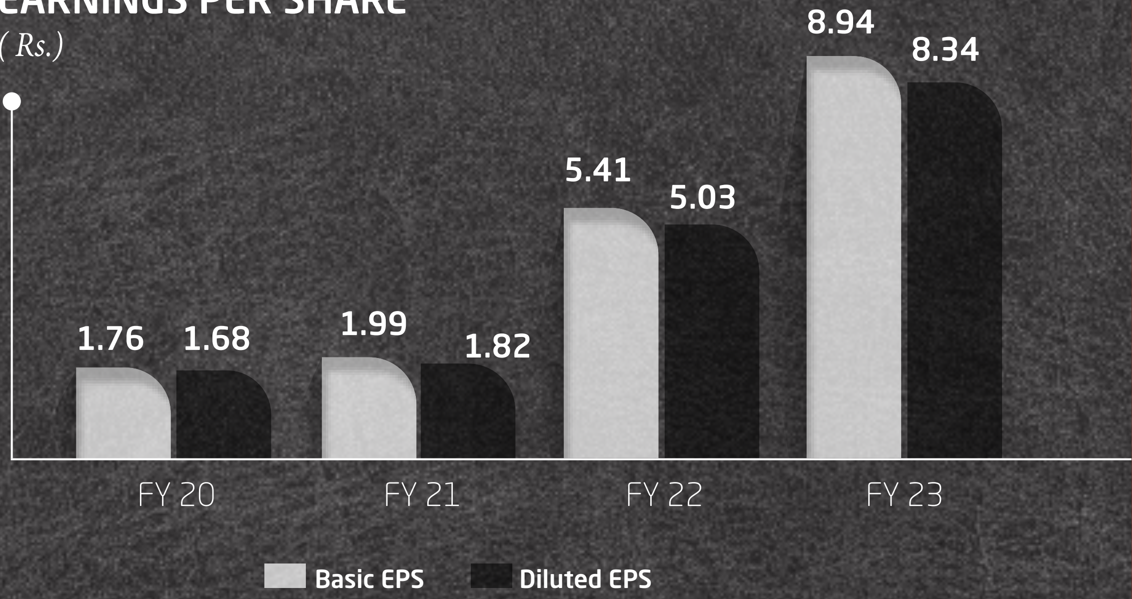

## PROFIT AFTER TAX

*( Rs. in crore)*

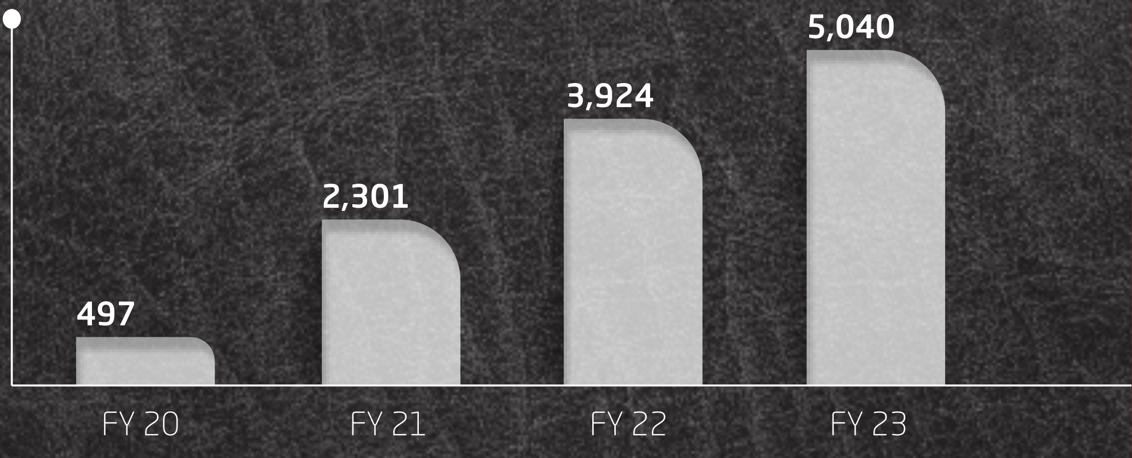


# FINANCIAL HIGHLIGHTS

## EARNINGS PER SHARE
*( Rs.)*



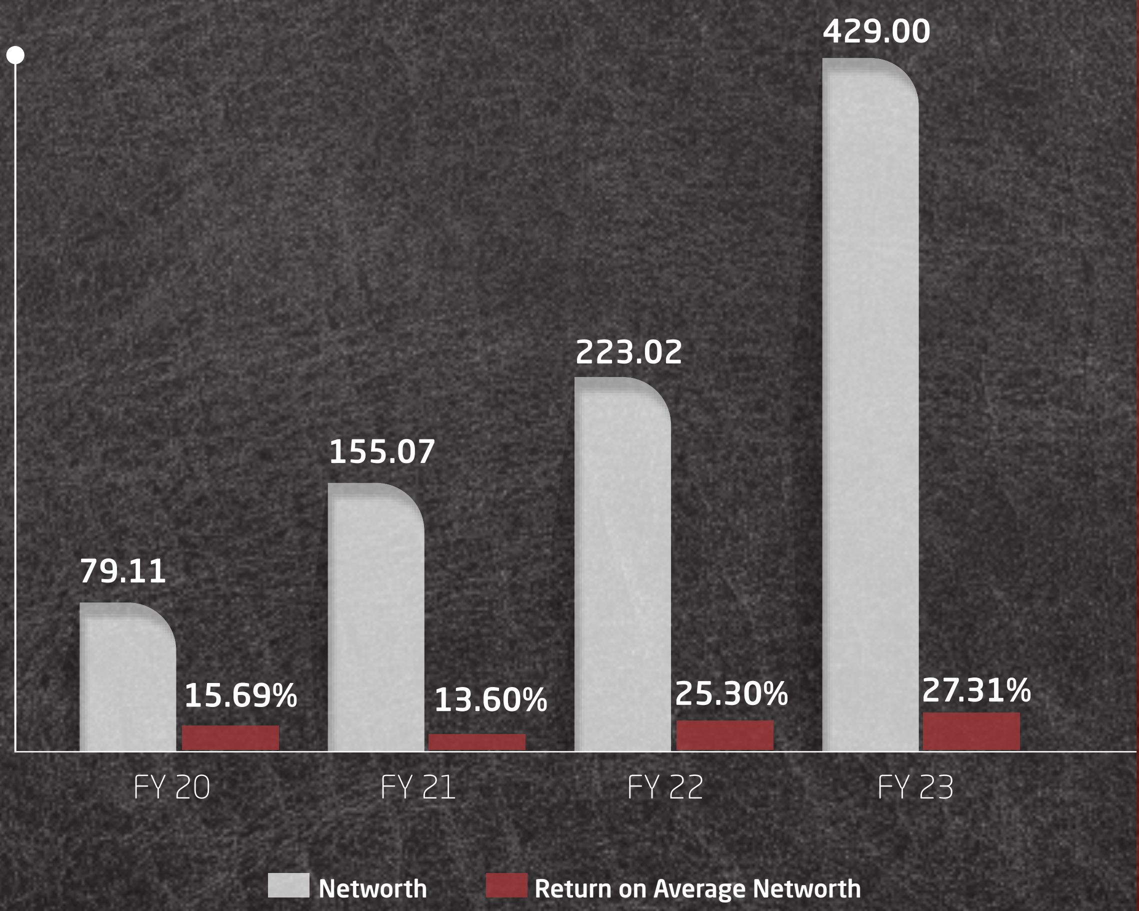

## TOTAL ASSETS
*( Rs. in crore)*



# FINANCIAL HIGHLIGHTS

## NET WORTH

*( Rs. in crore)*



# FOUNDER'S MESSAGE

I am delighted to share with you another rewarding and memorable year just gone by - FY23!

We remain ambitious and optimistic in this dynamic and challenging industry environment taking small steps in our focussed direction of Investor Servicing without getting distracted by unrelated opportunities that often appear to be tempting.

Throughout the year, we have navigated through the regulatory challenges with resilience and adaptability, leveraging our expertise creating value through constantly upgraded technology for our clients and more efficient and effective processes for our stakeholders. Our dedicated team has worked tirelessly to deliver you these results, guided by our core principles of integrity, transparency, and customer centricity.

The year under review has been another memorable year in our journey without ever losing focus on return on networth to our supportive and patient shareholders.

With five months behind in the current financial year, we are forging ahead towards some key milestones for FY24.

A topline in the vicinity of INR 500 Crores, we are marching towards shareholders networth of INR 500 Crores without raising new capital and the milestone of post-tax profit in excess of INR 100 Crores. Our eyes are constantly on the post-tax return on networth that we have been able to sustain in excess of 25% staying much ahead of industry standards. At no stage are we going to compromise on the trust we have built or the quality of services to our clients.

As I write, the Assets under Custody of the company have crossed INR 100,000 crores (Rupees one hundred thousand crores).

We are constantly facing the dilemma of higher distribution to shareholders and the growing business demands of greater working capital. Conservatively, as you would notice, we have gradually raised our shareholders distribution to 8% on Equity that works to 10.3% of company's post tax profits. I seek your continued tolerance in the interest of continuing growth.

At the heart of our journey lie our adherence to the principles of responsible Corporate Governance and constantly updating and upgrading our practices ahead of industry standards.

I take this opportunity to extend my gratitude, from the core of my heart, to our Clients, Orbis team members, Banks and my supportive and patient shareholders.

Our journey wouldn't be possible without your belief in us.

Sincerely,

**ATUL GUPTA**
*Founder & Executive Chairman*

# FROM THE DESK OF MANAGING DIRECTOR & CEO

**Dear Shareholders**

We are pleased to present you our Annual Report for the Financial Year (FY) 2022-23. As the Managing Director of your Company, I remain proud of our company's resiliency and of what our employees have achieved, collectively and individually. Throughout these challenging past few years, we never stopped doing all the things we should be doing to serve our clients and our communities.

FY 2022-23 was another strong year for Orbis, with the company firm generating record revenue for the fourth year in a row, as well as setting numerous records in each of our lines of business. We have achieved net profit of Rs. 89 crores as compared to Rs. 48 crores of previous year, stellar growth of 86%. Our AUC too jumped by 20% to Rs. 81,160 crores as on 31st March 2023. We ultimately reported EPS of 8.94, total revenue of Rs. 297 crores and return on common equity (ROE) of 27%.

Adhering to our basic principles and strategies allows us to drive good organic growth and properly manage our capital, as we have consistently demonstrated for past few years. We grew market share in several of our businesses and continued to make significant investments in products, people and technology. Over the past few years, we made progress across a variety of strategic initiatives that have strengthened our leading position in the PMS & AIF space.

At Orbis, our clients are at the heart of everything we do. We remain deeply committed to providing exceptional service, tailored solutions, and a superior client experience. In FY 2022-23, we have further strengthened our client relationships by expanding our product offerings, enhancing our digital capabilities, and deepening our industry expertise. We are proud of the trust our clients have placed in us, and we will continue to strive for excellence in meeting their evolving needs.

As a responsible participant, we prioritize regulatory compliance and uphold the highest ethical standards. We have worked closely with regulatory authorities to ensure that our operations adhere to the evolving regulatory landscape. Our robust internal controls, risk management frameworks, and compliance programs enable us to mitigate risks and protect the interests of our stakeholders.

Further, we firmly believe in the importance of giving back to society. We have actively engaged in various corporate social responsibility initiatives, supporting education, environmental conservation, and community development. Our commitment to sustainability and responsible business practices remains unwavering as we strive to create a positive impact on the communities in which we operate.

As we enter a new fiscal year, we recognize that the capital market industry will continue to face challenges and opportunities. Recognizing that more work remains for us as a management team, I believe with our strong foundation, talented team, and unwavering commitment, we

# MANAGING DIRECTOR & CEO MESSAGE

are well-positioned to navigate the ever-changing landscape and deliver sustainable growth for our stakeholders.

I take this opportunity to extend our thanks to our customers, employees, Board of Directors, our well-wishers and all other stakeholders for their wholehearted and continued support and contribution in the success. Together, we will forge ahead, embracing the future with confidence and agility.

Warm Regards

**SHYAMSUNDER AGARWAL**
*Managing Director & CEO*

# BOARD OF DIRECTORS

### ATUL GUPTA
**Founder & Executive Chairman**
**DIN: 00528086**

Mr. Atul Gupta is a qualified Chartered Accountant and a first-generation entrepreneur with 40+ years of rich multi-faceted experience including Management Consulting, Manufacturing Sector, Banking and Financial Services in India & Australia. He had authored a professional reference book titled "Guide to Project Financing" that was a best seller in its year of publication. During his years in Melbourne, he had conceived the need for Custody services beyond the institutional segment leading to the conception of Orbis.

**Committee Membership:** Audit, Nomination & Remuneration Committee and Corporate Social Responsibility

### SHYAMSUNDER AGARWAL
**Managing Director & CEO**
**DIN: 08516709**

Shyam is a Chartered Financial Analyst and a Chartered Accountant with nearly 16 years of rich, rare, and diverse experience in Banking, Custody and Capital Markets. He brings rich domain expertise and thorough understanding of the specialized segments of the Capital Market. In his previous role as the Business Head at ICICI Ltd, he had been responsible for business and product development, delivering superior client satisfaction with enhanced financial results through proactive engagement with Foreign & Domestic Institutional Clients, Broker Dealers & Investors.

**Committee Membership:** Corporate Social Responsibility

### S.A.R. ACHARYA
**Independent Director**
**DIN: 08255401**

Mr. Acharya is a PhD holder. He is a renowned and respected Corporate trainer and has extensive experience as Corporate Trainer and HR Consultant.

**Committee Membership:** Audit and Nomination & Remuneration Committee

# BOARD OF DIRECTORS

## RUP CHAND JAIN
**Non-Executive Director**
**DIN: 00092600**

Mr. Jain did his B. Tech. (Hons) from IIT Bombay followed by a double Masters in Engineering & Business Management from USA. His 40 years of rich and diversified experience includes key positions with large multi-national and Indian Companies.

## MANASI GUPTA
**Non-Executive Director**
**DIN: 05355444**

Ms. Manasi is a graduate in Law and Commerce from the University of Melbourne. She has rich litigation experience in the Delhi High Court and Supreme Court through her employments at Karanjawala & Co and Trilegal.

**Committee Membership:** Nomination & Remuneration Committee, Corporate Social Responsibility and Independent Advisor to the Risk Management Committee

## NIKHIL GODIKA
**Additional Director**
**DIN: 09079354**

Mr. Nikhil Godika is a qualified Chartered Accountant. Currently, he is CEO at Plutus Wealth Management LLP, a boutique proprietary investment firm with a mission to build long-term wealth by investing in select stories. Before joining Plutus, he functioned as the CFO of Jaipur-based MRS Group, where he played a crucial role in group restructuring, value creation, negotiations, and analyzing new opportunities. He was also part of the PwC M&A Tax practice for over half a decade, advising clients on transactions, financial restructurings, and divestitures from a tax and regulatory perspective.

# BOARD OF DIRECTORS

**PRANAY KOTHARI**
**Independent Director**
**DIN: 00004003**

Mr. Kothari is a qualified Chartered Accountant and a Member of Institute of Chartered Accountants of India. He is also a qualified Company Secretary. He has over 34 years of Corporate experience in various professional capacities. He is the Executive Director of Polyplex Corporation Limited since 1996.

**Committee Membership:** Audit, Nomination & Remuneration Committee and Corporate Social Responsibility

# LEADERSHIP TEAM

**ATUL GUPTA**
Executive Chairman

**SHYAMSUNDER AGARWAL**
Managing Director & CEO

**VINEET PAREKH**
President

**SANDEEP ARORA**
President

**UPENDRA DUTT TRIPATHI**
President

**RISHAV BAGRECHA**
CFO

**PRACHI KHANNA**
Company Secretary

**TEJASH GANGAR**
Head-Products, Legal and Compliance

**MAYANK NARANG**
Head of Trustee & RTA

**ASHU AGGARWAL**
Financial Controller

## CORPORATE SOCIAL RESPONSIBILITY

CONTRIBUTING TO THE PROGRESS OF COMMUNITIES

### EDUCATION THROUGH PURKAL YOUTH DEVELOPMENT

Purkal Youth Development is a registered society located in the village Purkal, a semi-rural region on the outskirts of Dehradun. The school is affiliated to CBSE Board and provides education upto Grade12. The school enrolls children with potential (predominantly girls) from needy and underprivileged families, preferably from the remoter reaches of Uttarakhand and offers them with holistic care and education, by providing nutrition, healthcare, high quality academics, and full exposure to the co-curricular.

Since 2018, Orbis has been consistently supporting the school. During academic year 2022-2023, the company gave full scholarship to 15 children towards their education and other needs requirements such as books, medical, school trips etc.

# CORPORATE SOCIAL RESPONSIBILITY

CONTRIBUTING TO THE PROGRESS OF COMMUNITIES

## EDUCATION THROUGH JOHN MARTY MEMORIAL SCHOOL


Established in 1985, The John Martyn Memorial School stands as charitable primary institution (Nursery to Class 5) dedicated to serving children hailing from the rural regions of Dehradun. Its inception in Salangaon was a direct response to the urgent requirement for quality primary education for children residing nearby 20 surrounding villages. By extending a helping hand to underprivileged families, who lack access to superior education, the school offered a chance to lay the foundation of learning for a more promising future.

For the past 2 years, Orbis has been a steady supporter of the school. Their steadfast commitment has translated into sponsorship of scholarship of 20 children in the school.

# CORPORATE SOCIAL RESPONSIBILITY

CONTRIBUTING TO THE PROGRESS OF COMMUNITIES

## ARPANA RESEARCH AND CHARITIES TRUST

Arpana Research & Charities Trust, a Charitable Trust is situated at Madhuban, near Karnal in Haryana. Established in 1980, the Hospital's inception addresses a crucial gap in healthcare services. Over the span of 35 years, it has emerged as blessing for countless individuals who would otherwise have been left without viable options during illness.

From over 1000 villages, patients rely upon this institution, that they will be provided with exceptional medical facilities, proficient doctors and compassionate staff who extend both dignity and care. Through Specialised departments such as Ophthalmology, Gynaecology & Obstetrics, General Medicine, Surgery, Orthopaedics and Paediatrics, the underprivileged receive needed medical attention.

Orbis facilitated the acquisition of much-needed Operating Microscope for the Eye Department. This invaluable addition has elevated the level of care provided to patients. The contribution has made a significant impact as the operating microscope has seamlessly integrated into the procedure of routine eye surgeries, enabling skilled surgeons to perform delicate procedures with precision and accuracy.

## DRY-RATION DISTRIBUTION IN VRINDAVAN

Vrindavan, located in the Mathura district of Uttar Pradesh, holds both historical and cultural significance as the city of Lord Krishna. It is also known as the 'City of Widows'. Within its confines, an estimated 15,000 to 20,000 widows live on streets, abandoned by their kins, relatives and their families  upon the loss of their husband. Regrettably, they are often considered burden and inauspicious within the society, leaving them devoid of both financial and emotional support, especially in their advanced age.

Orbis plays a pivotal role in supporting the philanthropic efforts of Ramakrishna Mission, particularly in aiding the widow mothers. The monthly ration includes essential provisions like rice, flour, salt, sugar, milk powder, cooking oil, basic masalas, a seasonal fruit, tea leaves, bathing soap among other necessities.

Each month around 1600 deserving women receive this ration. The distribution process is organised with Ramkrishna Mission issuing ration cards and maintaining register to monitor attendance. For elderly and physically challenged widow mothers who cannot walk are provided with auto fare to take their ration home. Additionally, they receive free medical treatment in the charitable hospital within the Ramakrishna Mission premises in Vrindavan.

The distribution of dry rations brings about a positive transformation in the widows by instilling a sense of assurance against hunger as the distribution happens regularly and in a systematic manner.

# CORPORATE SOCIAL RESPONSIBILITY

CONTRIBUTING TO THE PROGRESS OF COMMUNITIES

## UTILITY ITEM DISTRIBUTION TO THE WIDOWS OF VRINDAVAN

On January 3, 2023, Orbis made a significant contribution by donating essential items to the widows of Vrindavan. This compassionate act of donation spread over a week, helping 1700 widows each of whom is aged 65 years or above. Prior to the distribution, a comprehensive survey was conducted to understand their specific requirements. The items that emerged as most preferable included pressure cooker, kadai, spoon, slippers, gas cylinder with a cook top and trunks.

# CORPORATE SOCIAL RESPONSIBILITY

CONTRIBUTING TO THE PROGRESS OF COMMUNITIES

## PROJECT LEPROSY

Orbis Financial Corporation has been contributing towards the welfare of leprosy patients since August 2021. Food shortage is associated with leprosy. Inadequate intake of nutrients due to food shortage may affect the immune system and influence the progression of infection to clinical leprosy.

Orbis CSR helped intake of nutritious in their diet such as milk and fruits along with other rations- pulses, rice, flour, sugar, tea,  etc. We have also started giving them washing and bathing soaps. A cleanliness drive we have started with the lepers. They are being encouraged to do sharmdaan in their surrounding area.

We are catering  to 134 patients  in Haridwar in three Ashrams-
Sri GangaMata , Chidanand ashram and Vivekanand ashram.

# CORPORATE SOCIAL RESPONSIBILITY

CONTRIBUTING TO THE PROGRESS OF COMMUNITIES

## WATER COOLER AND WATER PURIFIER DONATED


Located in Rewa, Madhya Pradesh, Bal Vidya Maa Mandir stands as an educational institution with deep community roots. In the village of Mahasua, the prevalent hard water situation necessitates residents to embark on long journeys in search of potable water. Amidst this context, Bal Vidya Maa Mandir, serves as a village under the guidance of Shri Arvind Society. This establishment is entrusted with the education of over 500 children spanning from Nursery till class 12 and maintain its affiliation with the State Board.

In June 22, as a gesture of goodwill, Orbis donated a water purifier and a water cooler to the school. These essential requirement addressed the need, evoking heartfelt gratitude both from children and teachers.

# CORPORATE SOCIAL RESPONSIBILITY

CONTRIBUTING TO THE PROGRESS OF COMMUNITIES

## ANIMAL WELFARE: FRIENDICOES

The Friendicoes shelter provides home to numerous abandoned pets, cast aside by their owners. Presently, it treats over 1100 stray animals on monthly basis at its Haryana shelter and at the clinic located in Defence Colony. These animals are left or disowned by their caretakers or communities to look after them. Those compassionate souls who provide sustenance to street animals bring them to the shelter, where each one of them undergoes a treatment or healing process lasting 15-20 days, sometimes stretching to three months.

Friendicoes is committed and dedicated towards the welfare of these stray animals. The society has rendered free medical attention to stray dogs and cats including surgeries and diagnostic path lab investigations.

Orbis has played a pivotal role in this noble cause by aiding in procurement of medicines, ointments, fluids, conducting path lab tests and offering free of charge surgeries and charitable treatments. Their support has also extended to rehabilitation of these abandoned street animals.

Friendicoes through its association with Orbis has managed to positively impact countless stray animals who had nowhere to go.

## CORPORATE SOCIAL RESPONSIBILITY

CONTRIBUTING TO THE PROGRESS OF COMMUNITIES

### EMPLOYEE ENGAGEMENT

On December 15, 2022, an auspicious day, the Ramkrishana Mission celebrated Maa Sharda's birthday. The day commenced with the resonating notes of Mangal Aarti followed by the recitation of chants and Vedic hymns. The veneration of 'havan' ceremony, infusing the atmosphere with spiritual warmth.

During this time, dedicated volunteers from Orbis traveled from Gurgaon to Vrindavan. Their involvement extended to the humanitarian duty of serving food to the Widow mothers. Following the meal, these volunteers also distributed the gifts. This experience created memories to be cherished for life. The blessings and well wishes bestowed upon them by the widow mothers only added to the profound impact of the day.

# DIRECTORS' REPORT

# DIRECTORS' REPORT

Your Directors take pleasure in presenting to you the 17th Annual Report together with the Audited Standalone and Consolidated Financial Statements of the Company for the year ended March 31, 2023.

## FINANCIAL RESULTS (CONSOLIDATED)

*(Rs. in crore)*

| Particulars | March 31, 2023 | March 31, 2022 |
|---|---|---|
| Revenue from Operations | 296.67 | 154.18 |
| Other Income | 3.10 | 36.85 |
| Total Income | 299.78 | 191.03 |
| Total Expenditure | 177.89 | 125.81 |
| **Profit Before interest , depreciation and Tax** | **166.21** | **96.82** |
| **Finance Cost** | **42.32** | **30.29** |
| **Depreciation and amortisation** | **2.00** | **1.32** |
| **Profit before Tax** | **121.89** | **65.21** |
| Tax Expenses | | |
| -Current year | 31.89 | 19.42 |
| -Previous year | (2.96) | (0.39) |
| -Deferred tax | 3.39 | (1.66) |
| **Profit After Tax** | **89.57** | **47.84** |

The standalone and the consolidated financial statements for the financial year ended March 31, 2023, forming part of this Annual Report, have been prepared in accordance with Ind AS notified under section 133 of the Companies Act, 2013 (the 'Act').

## STATE OF THE COMPANY'S AFFAIRS

During the year, the Company has earned a total income of Rs. 299.78 crore as compared to Rs. 191.03 crore in the previous year, recording a growth of 56.93%. Total expenses during the year were Rs. 177.89 crore as compared to Rs. 125.80 crore in the previous year, a growth of 41.41%. During the year, the Company has earned a Profit before Tax of Rs. 121.89 crore as compared to Rs. 65.21 crore in the previous year, recording an increase of 86.92%. The profit after tax was Rs. 89.57 crore as compared to Rs. 47.84 crore in the previous year, growth of 87.23%.

## DIVIDEND

Your directors are pleased to recommend a dividend of Rs. 0.80 per equity share of Rs. 10 each fully paid-up for FY23; as compared to Rs. 0.50 per share in the previous year.

## EQUITY SHARE CAPITAL

During the year under review, there was no change in Authorised Share Capital of the Company. The Company raised Capital amounting to Rs. 16.21 crores (1,62,14,133 equity shares of face value Rs. 10 each at a premium of Rs. 59) through issue of equity shares on rights basis. Further, the Company has allotted 31,04,100 equity shares of Rs. 10 each pursuant to exercise of stock options by the employees under the Employees Stock Option Scheme. Consequent to the above, the total Issued and Paid-up Equity Share Capital of the Company increased to Rs. 113,63,30,040/- divided into 11,36,33,004 equity shares of Rs. 10 each as on March 31, 2023.

Further, after close of the financial year 2022-23 and upto the date of this report, the Company has further allotted 1,41,100 equity shares of Rs. 10 each pursuant to exercise of stock options by the employees under the Employees Stock Option Scheme.

The National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) are the depositories for the equity shares of the Company. The annual custodian fees for the Financial Year 2022-2023 has been paid by the Company to the depositories.

## SUBSIDIARY

As on March 31, 2023, your company has one subsidiary company in terms of Section 2(87) of the Companies Act, 2013 ("Act").

During the year under review, there has been no material changes in the business of the subsidiary company. In terms of Section 129(3) of the Act, the Company has prepared its statement containing the salient features of its Financial Statement in the prescribed form AOC-1 attached as Annexure - III. The said Statement contains a report on the highlights of performance of its Subsidiary. Hence, it is not repeated here for the sake of brevity.

As on date the following is the subsidiary of the Company:

**Orbis Trusteeship Services Private Limited (OTSPL)** is a wholly owned subsidiary registered with Securities and Exchange Board of India (hereinafter referred to as SEBI) as a 'Debentures Trustee'.

OTSPL undertakes the activities of the 'Debenture Trustee' and provides a complete range of trusteeship services including debentures/bond trustee, trustee for funds, securitization & structured finance, security trustee, escrow & securities monitoring, and facility agent.

OTSPL is also authorized to undertake administration, asset management support services and trusteeship services under IFSCA at Gift City in Gujarat.

## REGISTRAR AND TRANSFER AGENT

The company has Skyline Financial Services Private Limited as its registrar and transfer agent, having its Registered office at D-153A, First Floor Okhla Industrial Area, Phase-I, New Delhi – 110020.

## DEPOSITS

During the year under review, no deposits have been accepted by the Company from the public. The Company had no outstanding, unpaid or unclaimed public deposits at the beginning and end of FY 2023.

## BORROWINGS

The outstanding borrowings (Bank Guarantees) as on March 31, 2023 were Rs. 400 crores as compared to Rs. 365 crores as on March 31, 2022.

## CREDIT RATING

The Company has credit rating of "ICRA A-" for its long-term and "ICRA A2+" for short term non-fund based facilities amounting to Rs. 600 crores in FY23.

## RISK MANAGEMENT

The Company operates in Capital Markets and Commodities segment and hence is prone to various risks. The Company has implemented a comprehensive Risk Management Policy which lays down processes and policies to mitigate major risks faced by the Company. The Company through its Risk Management Committee and Board oversees the Risk Management processes including risk identification, impact assessment, effective implementation of the mitigation plans and risk reporting.

## CORPORATE SOCIAL RESPONSIBILITY

Our CSR initiatives are impact oriented and characterised by a project implementation plan, well-defined governance, and monitoring mechanisms. Concerted efforts were made to operate in ways that enhance rather than degrade society and the environment.

The Company undertakes its CSR activities directly and through implementing agencies. The Company has in place a CSR Policy that outlines the Company's philosophy and lays down the mechanism for undertaking programs towards welfare and sustainable development of the community around the area of its operations. The Policy is disclosed on the Company's website (web link: https://www.orbisfinancial.in/updates/)

During the year under review, the Company through the CSR Committee has helped to improved various aspects of the Society by contributing and participating in the following noble causes:

1. We have given scholarship to 15 students of Purkal Youth Development Society (PYDS) and 20 students at John Martyn Memorial School. We had also provided a water cooler and water purifier to Bal Vidya Maa Mandir School, Rewa, Madhya Pradesh.

2. Since 2021, we have been contributing towards the welfare of leprosy patients. At present, we are supporting 134 patients in Haridwar spread over three Ashrams namely Sri Ganga Mata, Chidanand Ashram and Vivekanand Ashram.
3. On the health care front, we had supported the Eye Department of Arpana Research & Charities Trust by donating them their much needed Microscope.
4. We have helped in rehabilitation of stray animals through Friendicoes by providing medicines, lab tests, free surgery and charity treatment.
5. Utility items were regularly distributed to 1600 widows aged 65 years and above at Vrindavan through Ramakrishna Mission.

The details of Company's CSR activities and initiatives are detailed in the Annual Report on CSR activities and is attached as Annexure - I to the Board's Report.

During the year, the Company has spent a sum of Rs. 65.93 Lakhs on various CSR activities.

## HUMAN RESOURCE

The Company is in the service-oriented industry where human resources are most critical. To keep pace with business growth, the Company has hired appropriate mix of people for its various verticals. HR played an important role during the year in supporting its work force and onboarding new human resources.

The Company has offered Employees Stock Option Scheme (ESOPs) with a view to attract, reward and retain talented and key employees in their competitive environment. The Company has Four Employee Stock Option Schemes namely Orbis Employee Stock Option Plan 2018 ('ESOP 2018'), Orbis Employee Stock Option Plan 2020 ('ESOP 2020'), Orbis Employee Stock Option Plan 2020-II ('ESOP 2020-II') and Orbis Employee Stock Option Plan 2022 ('ESOP 2022'). During the year, 31,04,100 Equity Shares of Rs. 10 each were allotted to the eligible employees on exercise of their ESOP options under ESOP Schemes 2018 and 2020.

As on March 31, 2023, Company had a total of 121 Employees on its rolls out of which 26 are female employees. During the year, functional training, POSH training and Cyber Security Training were imparted to the employees of the Company.

## PARTICULARS OF EMPLOYEES

In accordance with the provisions of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and particulars of the top employees in terms of remuneration drawn and details of the aforesaid employees are set out in the annexure to the Directors' Report. The Directors' Report is being sent to all Shareholders of the Company excluding this annexure. Any Shareholder interested in obtaining a copy of this annexure may write and seek from the Company.

## PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

Pursuant to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ('POSH Act'), the Company has adopted a policy on prevention of sexual harassment at the workplace ('POSH Policy'). Members of the Internal Complaints Committee constituted by the Company are responsible for reporting and conducting inquiries pertaining to such complaints. During the year under review, no complaint was received by the committee.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of loans, guarantees and investments are disclosed in notes to the financial statements of the Company for the year ended March 31, 2023.

## PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

In accordance with the provisions of Section 188 of the Act and rules made thereunder, the transactions entered with related parties are in the ordinary course of business and on an arm's length pricing basis, the details of which are included in the notes forming part of the financial statements. There were no material contracts or arrangements or transactions with related parties during the Financial Year 2022-23. Disclosure in Form AOC-2 is therefore not required.

## PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND EXPENDITURE

There is no information to disclose under the head 'Conservation of energy and technology absorption' in terms of Companies (Accounts) Rules, 2014 since the Company is engaged in providing financial /securities services.

Details of foreign exchange earnings and outgo are hereunder:

*(Amount in lakhs)*

| Particulars | March 31, 2023 | March 31, 2022 |
|---|---|---|
| **Earnings in foreign currency** | | |
| Revenue from Operations | 548.97 | 361.00 |
| **Total** | **548.97** | **361.00** |
| **Expenditure in foreign currency** | | |
| Travel and conveyance | 18.25 | 0.67 |
| Fees and subscriptions | - | - |
| Legal & professional | - | - |
| Business Promotion Expenses | 113.88 | 103.40 |
| Commission fees | 385.18 | 1054.88 |
| Software maintenance expenses | 14.69 | 5.07 |

| Particulars | March 31, 2023 | March 31, 2022 |
|---|---|---|
| Total | 532.00 | 1164.02 |

## INTERNAL FINANCIAL CONTROL

The Company has adequate internal financial controls systems in place, which facilitates efficient conduct of its business including adherence to Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy of the accounting records and timely preparation of reliable financial information. The Company's internal control framework are commensurate with the size and nature of its operations.

## MAINTAINENCE OF COST RECORDS

The Company is not required to maintain cost records as per sub-section (1) of Section 148 of the Act.

## STATUTORY AUDITORS

The Company had appointed M/s M S K A & Associates having firm registration no. 105047W as the Statutory Auditors of the Company for a second term of 5 consecutive years at the 16th AGM to hold office until the conclusion of the 21st AGM.

The report of Statutory Auditors on annual accounts is enclosed along with Directors' Report. During the year under review, the Statutory Auditors have not reported any frauds under Section 143 (12) of the Companies Act, 2013 therefore no detail is required to be disclosed under Section 134(3) of the Act.

## SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Company has appointed M/s Pankaj Nigam & Associates, a firm of Company Secretaries in practice to undertake the Secretarial Audit of the Company.

## SECRETARIAL AUDITOR REPORT

The Secretarial Audit Report for the Financial Year ended March 31, 2023 is annexed herewith as Annexure – II to this report.

## INTERNAL AUDITOR

As per Section 138 of the Companies Act, 2013, the Company is required to appoint Internal Auditor for the Financial Year 2022-23. The Company has appointed M/s Ravi Rajan & Co. LLP, a firm of Chartered Accountants in practice to undertake the Internal Audit of the Company.

## BOARD EVALUATION

The Board's evaluation process has been adopted by the Company in terms of the Companies Act, 2013. Its main objective is to ensure effective and efficient Board operations towards corporate goals and objectives, to identify ways to improve Board member's functioning and to assess the balance of knowledge and experience on the Board.

The Board evaluation process involve, evaluation of the whole Board, which is to be done by all the Members of the Board; evaluation of the Committees of the Board, which is to be done by all the Members of the respective Committee; and evaluation of the individual which is carried out by the Nomination and Remuneration Committee.

Independent Directors at their meeting without the participation of the Non-Independent Directors & Management, assessed the Performance of the Board and its Committees and individual Directors.

## BOARD OF DIRECTORS & MEETINGS

The Board is overall responsible to oversee the Company's management and to protect the long-term interest of the stakeholders. During the period under review, the Board consisted of Nine Members comprising two Independent Directors, five Non-Executive Directors, one Executive Chairman and one Managing Director & CEO. The composition of the Board is in conformity with Section 149 of the Companies Act, 2013.

The Board is responsible for the long-term strategic planning and direction of the Company. The Board functions through its various Committees, which have been assigned various roles and responsibilities. These Committees closely monitor the performance of the Company. All the Committees of the Board function within the defined terms of reference in accordance with the Companies Act, 2013 and as approved by the Board. The Board regularly reviews Company's overall performance at regular interval.

## DIRECTORS & KMP

During the year, the Board on the recommendation of Nomination and Remuneration Committee, made reappointment of Mr. Shyamsunder Agarwal (DIN: 08516709) as Managing Director and CEO for a period of three years with effect from August 17, 2022 and Mr. Atul Gupta (DIN: 00528086) as Executive Chairman and Whole Time Director for a period of 5 years. The shareholders vide General Meeting dated September 29, 2022 have re-appointed Mr. Shyamsunder Agarwal and Mr. Atul Gupta for the terms mentioned hereinabove.

During the year, Mr. Nikhil Godika was appointed as an Additional Director of the company w.e.f. December 30, 2022.

Further, Ms Chandni Bhatia was appointed as Company Secretary w.e.f. June 01, 2022. However, due to some personal reasons she resigned from the Company w.e.f. December 22, 2022.

All the Directors have confirmed that they are not disqualified to act as a Director in terms of Section 164(2) of the Act.

During the Financial Year 2023-24, the following changes took place in the composition of the Board of Directors and KMP's of the Company:

1. Mr. Shachindra Nath resigned as Independent Director of the Company w.e.f. May 06, 2023;
2. Mr. Michael Johann Eduard Jaeggi vacated the office of the Company u/s 167(2) of the Companies Act, 2013;
3. Mr. Abhimanyu Ramanujacharya Siddhartha (S.A.R. Acharya) resigned as Non-executive Director of the Company w.e.f. June 07, 2023
4. Mr. Abhimanyu Ramanujacharya Siddhartha (S.A.R. Acharya) was appointed as an Independent Director of the Company w.e.f. June 07, 2023
5. Ms. Prachi Khanna was appointed as Company Secretary of the Company w.e.f. June 21, 2023.

As on date, the composition of the Board of Directors of the Company consists of 1 Chairman & Whole – Time Director, 1 Managing Director & CEO, 2 Independent Directors and 3 Non-Executive Directors.

## DISCLOSURES FROM INDEPENDENT DIRECTORS

The independent directors of the company have given the requisite declaration in the first Board meeting stating that they meet the criteria of independence as provided in Section 149(6) of Companies Act, 2013 and that they have adhered and have complied with the Code of Conduct for Independent Directors as prescribed in Schedule IV of the Act and Code of Conduct of the company.

Further, the independent directors of the company have also given the requisite declaration stating that they have complied Rule 6 (1) & (2) of Companies (Appointment & Qualification of Directors) Rules, 2014 regarding registration of their names in the Databank of Independent Directors maintained with Indian Institute of Corporate Affairs (IICA) as per MCA Notification No. G.S.R. 804 (E) dated 22nd October 2019.

The Independent Directors play an important role on the Board and on the various committees of the Board. An Independent Director has been nominated as the Chairman on Audit Committee and Nomination & Remuneration Committee.

The Board is of the opinion that Independent Directors possess requisite qualifications, expertise, and experience.

## BOARD MEETINGS

The Company held Board Meetings by audio-video means. As per MCA guidelines, all precautions were taken, and rules were followed to secure conduct of such board meetings. Board Meetings are scheduled well in advance and prior notice of each Board Meeting is given through electronic mode to every director. The detailed Board Agenda is circulated to the Directors well in advance. The Members of the Board can also recommend inclusion of any matter in the agenda for discussion. The minutes of each Board Meeting are finalised and recorded in the minute book maintained by the Company Secretary.

During the year under review, the Board met five times on June 01, 2022; August 17, 2022, November 21, 2022, December 30, 2022 and February 28, 2023. The attendance of Directors at the Board Meetings and 16th Annual General Meeting held on September 29, 2022 are listed on the next page:

| S. No | Directors | Board Meetings | Attendance at the 16th AGM |
|---|---|---|---|
| 1 | Atul Gupta | 5 | Yes |
| 2 | Shyamsunder Agarwal | 5 | Yes |
| 3 | Shachindra Nath* | 3 | No |
| 4 | Pranay Kothari | 1 | No |
| 5 | R.C. Jain | 1 | No |
| 6 | Manasi Gupta | 5 | No |
| 7 | Michael Jaeggi* | 0 | No |
| 8 | S.A.R. Acharya | 5 | No |
| 9 | Nikhil Godika | 0 | No |

*Erstwhile Directors.

## COMMITTEES OF THE BOARD

The Board functions through its various committees, which have been assigned roles and responsibilities. All the Committees of the Board function within the defined terms of reference in accordance with the Companies Act, 2013 and as per the business requirements. The minutes of all Committee Meetings are finalised and recorded in the minute book maintained by the Company Secretary. The Minutes of Committee Meetings were also placed before the Board.

The various Board Committees, their roles and members are given below:

### Audit Committee

The charter of the Audit Committee is as per section 177 of the Companies Act, 2013. The Audit Committee calls members of senior management as it considers appropriate to be present at the meetings of the Committee. The Statutory Auditors also attend the meeting of the Audit Committee, where financial statement is discussed. During the year, the Audit Committee had met once on August 17, 2022. The details of attendance at the meeting is as under:

| S. No. | Members | Attendance |
|---|---|---|
| 1 | Shachindra Nath, Chairman | Attended |
| 2 | Atul Gupta | Attended |
| 3 | Pranay Kothari | Attended |

### Nomination and Remuneration Committee (NRC)

The Committee has been delegated powers, roles and responsibilities as required under Section 178 of the Companies Act, 2013.

The Committee has been delegated powers, roles and responsibilities as required under Section 178 of the Companies Act, 2013.

The NRC formulates the criteria for determining qualifications, positive attributes and independence of a Director. It recommends to the Board a policy relating to the remuneration for the Directors, key managerial personnel and other employees. It identifies the persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal. The Company has in place a Nomination and Remuneration Policy for Directors, Key Managerial Personnel, Senior Management, and other employees in terms of the provisions of Companies Act, 2013 and is placed at the website on the Company at *https://www.orbisfinancial.in/wp-content/uploads/bsk-pdf-manager/2022/04/OFCL_Nomination-and-Remuneration-Policy.pdf*

During the year, the NRC had met Four times on May 28, 2022, August 17, 2022, October 11, 2022 and February 28, 2023. The details of attendance at the meetings are as under:

| S. No. | Members | Attendance |
|---|---|---|
| 1 | Shachindra Nath, Chairman | 4 |
| 2 | Pranay Kothari | 4 |
| 3 | Atul Gupta | 4 |
| 4 | Manasi Gupta | 4 |

## Corporate Social Responsibility Committee (CSR)

The Committee was reconstituted by the Board with effect from June 01, 2022 in terms of the provisions of Section 135(1) of the Companies Act, 2013. The Committee exercises the roles and responsibilities as per Section 135 of the Companies Act, 2013. It overseas Corporate Social Responsibilities of the Company.

The Company has in place Corporate Social Responsibility Policy in terms of the provisions of the Companies Act, 2013 and is placed at the website on the Company at *https://www.orbisfinancial.in/wp-content/uploads/bsk-pdf-manager/2022/04/OFCL_CSR-Policy.pdf*

During the year, the CSR Committee had met once on March 23, 2023. The details of attendance at the meeting are as under:

| S. No. | Members | Attendance |
|---|---|---|
| 1 | Atul Gupta, Chairman | 1 |
| 2 | Pranay Kothari | 1 |
| 3 | Manasi Gupta | 1 |

### Management Committee

The Board has established a Management Committee that reviews the Banking matters, specific business operational matters and other items that Board may decide to delegate.

During the year, the Management Committee has met five times on June 23, 2022, November 03, 2022, January 23, 2023, March 20, 2023 and March 29, 2023. The details of attendance at the meeting are as under:

| S. No. | Members | Attendance |
|---|---|---|
| 1 | Atul Gupta, Chairman | 5 |
| 2 | Shyamsunder Agarwal | 5 |

### Risk Management Committee (RMC)

The Board has approved Risk Management policy of the Company. The RMC was formulated by the Board on June 01, 2022 to monitor and review various risks aspects of risk management and review risk exposure in the business. The Committee comprises of senior members of the Company and a Non-Executive Director acting as an Independent Advisor. It approves onboarding of a new trading member/CP Client and periodically reviews existing ones; accords deviation approval if any, approval for process of liquidation of collateral to recover the dues from the client.

During the year, the Risk Management Committee has met 3 times on June 06, 2022, July 01, 2022 and November 23, 2022.

### Meeting of Independent Directors

During the Financial Year 2022-23, One separate Meeting of Independent Directors of the Company was held on February 28, 2023 without attendance of non-independent directors and members of the management. Alongwith other matters, the independent directors discussed the matters specified in Schedule IV of the Companies Act, 2013.

## VIGIL MECHANISM / WHISTLE BLOWER POLICY

Pursuant to provisions of Sub-section (9) and (10) of Section 178 of the Act read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014, the company has vigil mechanism named **'Whistle Blower Policy'**, to deal with instances of unethical practices, fraud and mismanagement or gross misconduct by the directors and employees of the company, if any, that can lead to financial loss or reputational risk to the Organisation.

The Audit Committee is entrusted with the responsibility to supervise and deal with all the matters related to whistle blower policy. The vigil mechanism provides adequate safeguards against victimization of employees or directors and also provides for direct access to Mr. Shachindra Nath, erstwhile Chairman of the Audit Committee. During the year under review, no such report has been received by the Company.

## ANNUAL RETURN

The Annual Return in Form MGT-7 as at March 31, 2023 is available on the website of the Company at *www.orbisfinancial.in*

## SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS

During the year, there were no significant and material orders passed by the Regulators that would impact the going concern status or operations of the Company in future.

## MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF THE REPORT

There has been no material changes and commitment affecting the financial position of the Company which has occurred between the close of the financial year to which the financial statement relates and the date of the Report. There has been no change in the nature of business of the Company.

## CORPORATE GOVERNANCE

The Company stands committed to the key elements of good corporate governance, transparency, disclosure and independent supervision to increase value to the stakeholders.

## SECRETARIAL STANDARDS

The Board of Directors affirm that, the Company has complied with applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

## DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(3)(c) of the Companies Act, 2013 and based on the information provided by the management, your Directors state that:

a) In the preparation of annual accounts, the applicable accounting standards have been followed;

b) Accounting policies selected have been applied consistently. Reasonable and prudent judgements and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at March 31, 2023 and of the profit of the Company for the year ended on that date;

c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;

d) The annual accounts of the Company have been prepared on a going concern basis;

e) Internal financial controls have been laid down to be followed by the Company and such internal financial controls are adequate and operating effectively; and

f) Systems to ensure compliance with the provisions of all applicable laws are in place and were adequate and operating effectively.

## ACKNOWLEDGEMENTS

The Directors place on record their gratitude for the support of various regulatory authorities including the Securities and Exchange Board of India, Stock Exchanges and Commodity Exchanges, Ministry of Corporate Affairs, Registrar of Companies, Depositories, Bankers, Customers and other Stakeholders.

The Directors express their appreciation for the dedication and commitment with which the employees of the Company at all levels have worked during the period.

For and on behalf of the Board

| | |
|---|---|
| **Atul Gupta** | **Shyamsunder Agarwal** |
| Executive Chairman | Managing Director & CEO |
| DIN: 00528086 | DIN: 08516709 |

Date: August 11, 2023
Place: Gurugram

# ANNEXURE 1
# TO THE DIRECTORS' REPORT

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

### 1. Brief outline on the CSR Policy of the Company

The CSR policy of the Company lays down the guidelines and mechanism for undertaking socially useful programmes for sustainable development of the community at large. The Company through its CSR activities enables the marginalized community to be empowered and become self-reliant.

The Company has adopted a CSR Policy approved by the CSR Committee and Board of Directors in accordance with the provisions of Section 135 of Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rules, 2014 and Schedule VII of the Companies Act, 2013.

The CSR initiatives to be undertaken by the Company would be as per Section 135 of Companies Act, 2013 and Schedule VII. The focus areas for CSR initiatives are:

- Education
- Women Empowerment
- Green India
- Animal Welfare

### 2. Composition of CSR Committee

| Sl. No. | Name of Director | Designation/Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---|---|---|---|---|
| 1 | Atul Gupta | Chairman, Whole-time Director | 01 | 01 |
| 2 | Pranay Kothari | Member, Independent Director | 01 | 01 |
| 3 | Manasi Gupta | Member, Non-Executive Director | 01 | 01 |

**The CSR Committee was dismantled during the FY 21-22 in view of MCA notification wherein the Companies not required to spend more than INR 50 lakh towards CSR obligation were exempted from constituting CSR Committee and the Board was authorised to discharge the functions of Committee. However, CSR Committee was reconstituted vide Board Meeting dated June 01, 2022.*

**3. Web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company**

*https://www.orbisfinancial.in/updates/*

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

Not Applicable

**5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any**

| S. No. | Financial Year | Amount available for set-off from preceding Financial Years (in Rs.) | Amount required to be set-off for the Financial Year, if any (in Rs.) |
|---|---|---|---|
| NIL | | | |

**6. Average net profit of the Company as per Section 135(5)**

The average Net Profit of the Company as per Section 135(5) is Rs. 32,91,48,431.

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

Rs. 65,82,969 is two percent of the average net profit.

**(b) Surplus arising out of the CSR projects or programmes or activities of previous Financial Years**

There was no surplus amount arising from the CSR projects or programmes or activities that were carried out in the previous Financial Year.

**(c) Amount required to be set off for the Financial Year, if any**

There was no amount set off for the Financial Year.

**(d) Total CSR obligation for the Financial Year (7a+7b-7c)**

The total CSR obligation for the Financial Year is Rs. 65,82,969.

**8. (a) CSR amount spent or unspent for the Financial Year**

| Total amount spent for the Financial Year (in Rs.) | Amount unspent (in Rs.) | | | | |
|---|---|---|---|---|---|
| | Total amount transferred to unspent CSR Account as per Section 135(6) | | Amount transferred to any fund specified under Schedule VII as per proviso to section 135(5) | | |
| | Amount | Date of transfer | Name of the fund | Amount | Date of transfer |
| 65,82,969 | NIL | NIL | Not applicable | Not applicable | Not applicable |

## (b) Details of CSR amount spent against ongoing projects for the Financial Year

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
|---|---|---|---|---|---|---|---|---|---|
| Sl. No. | Name of the Project | Item from the list of activities in schedule VII to the Act | Location of the project | Project duration | Amount allocated for the project (in Rs.) | Amount spent in the current Financial Year (in Rs.) | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.) | Mode of Implementation-Direct (Yes/No) | Mode of Implementation-Through Implementing Agency |
| Nil | | | | | | | | | |

## (c) Details of CSR amount spent against other than ongoing projects for the Financial Year

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|---|---|---|---|---|---|---|---|
| Sr. No. | Name of the project | Item from the list of activities in schedule VII to the Act | Local Area (Y/N) | Location of the project | Amount spent in the current Financial Year (in Rs.) | Mode of implementation Direct (Yes/No) | Mode of Implementation – Through Implementing Agency |
| 1. | Friendicoes SECA – Feed Welfare of Dogs | IV | Y | Haryana | 2,00,000 | Direct | - |
| 2 | 1. Providing educational support to the underprivileged children from the weaker sections of the society.<br>2. Support the School to build some additional requisite infrastructure. | II | N | Dehradun, Uttarakhand | 23,36,249 | No | 1. John Martyn Memorial Trust (Dehradun)<br>2. Purkal Youth Development Society.<br>3. Lok Paryavaran Siksha Sansthan |
| 3 | 1. Providing educational support to the underprivileged children from the weaker sections of the society.<br>2. Support the School to build some additional requisite infrastructure. | II | N | Dehradun, Uttarakhand and Rewa, Madhya Pradesh | 3,06,075 | - | 1. Doon Valley School<br>2. Kasiga School<br>3. Aurbindo Society (Bal Vidhya Mandir)<br>4. Rewa ITI College |
| 4 | To support three Leprosy Centres in Haridwar housing about 139 individuals by providing them with nourishment intake such as milk, fruits and daily rations. | I | N | Haridwar & Rishikesh, Uttarakhand | 12,52,856 | - | Lok Paryavarn Shiksha Sansthan |
| 5 | To support the widows of Vrindavan by providing dry ration, shawls, daily household needs, etc | I | N | Vrindavan, Uttar Pradesh | 16,40,000 | - | Ramakrishna Mission Ashram |
| 6 | To promote heath by providing eye equipment i.e. microscope made carl zeiss model lumero 300 basic model | I | Y | Karnal, Haryana | 5,00,000 | - | Aparna Research and Charity Trust |
| 7 | Medical health care for needy segment of the society | I | N | Rishikesh, Uttarakhand | 2,07,437 | - | Lok Paryavarn Shiksha Sansthan |
| | Total | | | | 64,42,617 | | |

## (d) Amount spent in administrative overheads

INR 1,50,225

## (e) Amount spent on impact assessment, if applicable

Not Applicable

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

Rs. 65,92,842

### (g) Excess amount for set off, if any

| S. No. | Particulars | Amount (in crore) |
|---|---|---|
| i. | Two percent of average net profit of the company as per section 135(5) | 0.66 |
| ii. | Total amount spent for the Financial Year | 0.66 |
| iii. | Excess amount spent for the financial year [(ii)-(i)] | Nil |
| iv. | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | Nil |
| v. | Amount available for set off in succeeding financial years [(iii)-(iv)] | 0.00 |

### 9. (a) Details of Unspent CSR amount for the preceding three Financial Year(s)

| S .No | Preceding Financial Year | Amount transferred to Unspent CSR Account under section 135(6) (In Rs.) | Balance Amount in Unspent CSR Account under subsection (6) of section 135 (In Rs.) | Amount spent in the financial year (In Rs.) | Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any | Amount remaining to be spent in the succeeding financial year (In Rs.) | Deficiency, if any |
|---|---|---|---|---|---|---|---|
| 1 | FY-1 | NIL | NIL | NIL | NIL | NIL | NIL |
| 2 | FY-2 | NIL | NIL | NIL | | | |
| 3 | FY-3 | NIL | NIL | NIL | | | |

### (b) Details of CSR amount spent in the Financial Year for ongoing projects of the preceding Financial Year(s)

| S .No | Project ID | Name of the Project | Financial Year in which the project was commenced | Project duration | Total amount allocated for the project (in Rs.) | Amount spent on the project in the reporting Financial Year (in Rs.) | Cumulative amount spent at the end of reporting Financial Year. (in Rs.) | Status of the project - Completed / Ongoing |
|---|---|---|---|---|---|---|---|---|
| 1 | NIL | | | | | | | |

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the Financial Year: Yes ○ No ●**

If yes, enter the number of capital assets created/ acquired: **Not Applicable**
Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **Not Applicable**

| S. No | Short particulars of the property or asset(s) [including complete address and location of the property] | Pincode of the property or asset(s) | Date of Creation | Amount of CSR amount spent | Details of entity/ Authority beneficiary of the registered owner | | |
|---|---|---|---|---|---|---|---|
| (1) | (2) | (3) | (4) | (5) | (6) | | |
| | | | | | CSR Registration Number, if applicable | Name | Registered address |

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

Not Applicable

**Atul Gupta**
Executive Chairman
DIN: 00528086

# ANNEXURE 2
# TO THE DIRECTORS' REPORT

## FORM NO. MR-3
## SECRETARIAL AUDIT REPORT
## FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

### [PURSUANT TO SECTION 204(1) OF THE COMPANIES ACT, 2013 AND RULE NO. 9 OF THE COMPANIES (APPOINTMENT AND REMUNERATION PERSONNEL) RULES, 2014]

To,
The Members,
ORBIS FINANCIAL CORPORATION LIMITED
4A, Ocus Technopolis, Sector 54
Golf Club Road, Gurugram, Haryana- 122002

1) I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ORBIS FINANCIAL CORPORATION LIMITED (CIN: U67120HR2005PLC036952)** (hereinafter called **"the Company"**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my Opinion thereon.

   Based on my verification of the company 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 31st March, 2023 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:

2) 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 31st March, 2023 according to the provisions of:

   (i) The Companies Act, 2013 (the Act) and the rules made there under;

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

   (iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under;

   (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings.

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(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; ***(Not applicable to the Company during the audit period)***

(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) Regulations, 2014; ***(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;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and ***(Not applicable to the Company during the audit period)***

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; ***(Not applicable to the Company during the audit period)***

(i) The Securities and Exchange Board of India (Intermediaries) Regulations, 2008.

(j) The Securities and Exchange Board of India (Custodian of Securities) Regulations, 1996

(k) The Securities And Exchange Board of India {KYC (Know Your Client) Registration Agency} Regulations, 2011.

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

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

(ii) The Listing Agreement entered into by the Company with the Stock Exchange/SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. (The Company is an unlisted entity hence these regulations are not applicable).

4) During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**I further report that,** the compliance by the Company of applicable financial laws, like Direct & Indirect Tax laws, has not been reviewed in this Audit since the same have been subject to review by Statutory Financial Auditor and other designated professionals.

**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, 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 Board Meetings and Committee Meetings are carried out by majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I have examined the systems and processes of the Company in place to ensure the compliance with general laws like **Labour Laws, Employees Provident Funds Act, Employees State Insurance Act, the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013** considering and relying upon representations made by the Company and its Officers for systems and mechanisms formed by the Company for compliance under these laws and other applicable sector specific Acts, Laws, Rules and Regulations applicable to the Company and its observance by them.

**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the audit period apart from the instances mentioned hereunder; there were no specific events / actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc.

UDIN: F007343D000757037

Date: August 11, 2023
Place: Ghaziabad

**For PANKAJ NIGAM & ASSOCIATES**
**Company Secretaries**

**(Pankaj Kumar Nigam)**
**Membership No. FCS-7343**
**Certificate of Practice No. 7979**

**Encl.: Annexure**

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

# 'ANNEXURE A'

To,
The Members,
**Orbis Financial Corporation Limited**
4A, Ocus Technopolis, Sector 54
Golf Club Road, Gurugram, Haryana- 122002

My 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 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, we have obtained the Management representation about the compliance 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 management. My examination was limited to the verification of procedures on random test basis.

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

Date: August 11, 2023
Place: Ghaziabad

**For PANKAJ NIGAM & ASSOCIATES**
**Company Secretaries**

(Pankaj Kumar Nigam)
Membership No. FCS-7343
Certificate of Practice No. 7979

# ANNEXURE 3
# TO THE DIRECTOR'S REPORT

## FORM AOC-1

### (PURSUANT TO FIRST PROVISO TO SUB-SECTION (3) OF SECTION 129 READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014)

### STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ASSOCIATE COMPANIES/JOINT VENTURES

### PART "A": SUBSIDIARIES

(Information in respect of each subsidiary to be presented with amounts in INR Crore)

| S. No. | Particulars | Details |
|---|---|---|
| 1 | Name of the subsidiary | Orbis Trusteeship Services Pvt Ltd |
| 2 | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | 01-04-2022 to 31-03-2023 |
| 3 | Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries | NA |
| 4 | Share capital | 10.11 |
| 5 | Reserves & surplus | 3.03 |
| 6 | Total assets | 13.91 |
| 7 | Total liabilities | 0.77 |
| 8 | Investments | 0.00 |
| 9 | Turnover | 3.04 |
| 10 | Profit before taxation | 1.83 |
| 11 | Provision for taxation | 0.47 |
| 12 | Profit after taxation | 1.37 |
| 13 | Proposed Dividend | - |
| 14 | % of shareholding | 100% |

Note: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations: **Not Applicable**
2. Names of subsidiaries which have been liquidated or sold during the year: **Not Applicable**

**By order of The Board**
**For and On Behalf of Orbis Financial Corporation Limited**

**Atul Gupta**
Executive Chairman
DIN: 00528086

**Shyamsunder Agarwal**
Managing Director & CEO
DIN: 08516709

Date: August 11, 2023
Place: Gurugram

# INDEPENDENT AUDITOR'S REPORT (STANDALONE)

# INDEPENDENT AUDITOR'S REPORT (STANDALONE)

## REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

### Opinion

We have audited the accompanying Standalone Financial Statements of Orbis Financial Corporation Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (Including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information.

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

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. 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 ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors' report but does not include the Standalone Financial Statements and our auditor's report thereon.

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

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management and Those Charged with Governance for the Standalone 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 Standalone Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

## Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Standalone Financial Statements.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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

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

   (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

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

   (f) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".

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

      i. The Company does not have any material pending litigations which would impact its financial position in its Standalone Financial Statements except disclosed in Note 43(b) and Note 43(c) to the Standalone Financial Statements.

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. Refer Note 44(b) to the Standalone Financial Statements.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. Refer Note 42 to the Standalone Financial Statements.

      iv.

         (1) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any

other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(2) 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, as on the date of this audit report, that the Company shall, 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.

(3) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.

vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014, is applicable for the Company only with effect from April 1, 2023, reporting under this clause is not applicable.

3. In our opinion, according to information and explanations given to us, the remuneration paid by the Company to its directors is within the limits prescribed under Section 197 of the Act and the rules thereunder.

**For M S K A & Associates**
**Chartered Accountants**
ICAI Firm Registration No. 105047W

**Piyush Maheshwari**
Partner
Membership No. 516964
UDIN: 23516964BGXHGY3483

Place: Gurugram
Date: August 11, 2023

# ANNEXURE A

## TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF ORBIS FINANCIAL CORPORATION LIMITED

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

**For M S K A & Associates**
**Chartered Accountants**
ICAI Firm Registration No. 105047W

**Piyush Maheshwari**
Partner
Membership No. 516964
UDIN: 23516964BGXHGY3483

Place: Gurugram
Date: August 11, 2023

# ANNEXURE B

## TO INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF ORBIS FINANCIAL CORPORATION LIMITED FOR THE YEAR ENDED 31ST MARCH 2023

*[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report]*

**i.**

**(a)** A. The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment, Investment property and relevant details of right-of-use assets.

B. The Company has maintained proper records showing full particulars of intangible assets.

**(b)** All the Property, Plant and Equipment, Investment property and right-of-use assets were physically verified by the management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No 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 title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in Note 5A to the Standalone Financial Statements are held in the name of the Company.

**(d)** According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including right-of-use assets) or intangible assets during the year. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.

**(e)** According to the information and explanations given to us, no proceedings have been initiated or pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (45 of 1988), as amended in 2016, and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i)(e) of the Order are not applicable to the Company.

**ii.**

**(a)** The Company is involved in the business of rendering services. Accordingly, the provisions stated in paragraph 3(ii)(a) of the Order are not applicable to the Company.

(b) During the year the Company has been sanctioned working capital limits in excess of Rs. 5 crores in aggregate from Banks/financial institutions on the basis of security of current assets. Quarterly returns / statements filed with such Banks/ financial institutions are in agreement with the books of account.

**iii.**

According to the information and explanations provided to us, the Company has not made any investments in, provided any guarantee or security, or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Hence, the requirements under paragraph 3(iii) of the Order are not applicable to the Company.

**iv.**

According to the information and explanations given to us, the Company has neither, directly or indirectly, granted any loan, or provided guarantee or security to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of Section 185 of the Act nor made investments through more than two layers of investment companies in accordance with the provisions of Section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.

**v.**

According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under. Accordingly, provisions stated in Paragraph 3(v) of the Order are not applicable to the Company.

**vi.**

The provisions of sub-Section (1) of Section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3(vi) of the Order are not applicable to the Company.

**vii.**

(a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including Goods and Services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues have been regularly deposited with the appropriate authorities except TDS where there has been a slight delay in a few cases.

There are no undisputed amounts payable in respect of statutory dues referred to in sub Clause (a) above in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and examination of records of the Company, details of statutory dues referred to in sub Clause (a) above which have not been deposited as on March 31, 2023 on account of any dispute, are as follows:

| Name of the statute | Nature of dues | Amount (INR Lakhs) | Period to which the amount relates | Forum where dispute is pending | Remarks, if any |
|---|---|---|---|---|---|
| Income Tax Act, 1961 | Disallowance under section 56(2)(viib) and added back to income under section 68 read with section 115BBE of the Income Tax Act | 12.94 | AY 2014-15 | CIT (Appeal) | Amount of INR 51.40 Lakhs disallowed by AO under section 56(2)(viib), which reduced carried forward losses pertaining to AY 2014-15, whose credit has been taken by the Company in subsequent years |

**viii.**

According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in tax assessment under the Income Tax Act , 1961 (43 of 1961) of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.

**ix.**

(a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.

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

(c) In our opinion and according to the information and explanations provided to us, no money was raised by way of term loans. Accordingly, the provision stated in paragraph 3(ix)(c) of the Order is not applicable to the Company.

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

(e) According to the information and explanations given to us and on an overall examination of the Standalone Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary. Hence, reporting under the Clause 3(ix)(f) of the Order is not applicable to the Company.

**x.**

(a) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Hence, the provisions stated in paragraph 3(x)(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 made any preferential allotment or private placement of shares or fully, partly, or optionally convertible debentures during the year. Hence, the provisions stated in paragraph 3(x)(b) of the Order are not applicable to the Company.

**xi.**

(a) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we report that no material fraud by the Company or on the Company has been noticed or reported during the course of our audit.

(b) We have not come across of any instance of material fraud by the Company or on the Company during the course of audit of the Standalone Financial Statements for the year ended March 31, 2023, accordingly the provisions stated in paragraph 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the Management, there are no whistle-blower complaints received by the Company during the year. Accordingly, the provisions stated in paragraph 3(xi)(c) of the Order is not applicable to Company.

**xii.**

The Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii)(a) to (c) of the Order are not applicable to the Company.

**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 Standalone Financial Statements as required by the applicable accounting standards.

**xiv.**

(a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered internal audit reports of the Company issued till date, for the period under audit.

**xv.**

According to the information and explanations given to us, in our opinion, during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of Section 192 of the Act are not applicable to Company.

**xvi.**

**(a)** The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph 3(xvi)(a) of the Order are not applicable to the Company.

**(b)** The Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Hence, the reporting under paragraph 3(xvi)(b) of the Order are not applicable to the Company.

**(c)** The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph 3(xvi)(c) of the Order are not applicable to the Company.

**(d)** The Group does not have any CIC as part of its group. Hence the provisions stated in paragraph 3(xvi) (d) of the Order are not applicable to the Company.

**xvii.**

Based on the overall review of Standalone Financial Statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Hence, the provisions stated in paragraph 3(xvii) of the Order are not applicable to the Company.

**xviii.**

There has been no resignation of the statutory auditors during the year. Hence, the provisions stated in paragraph 3(xviii) of the Order are not applicable to the Company.

**xix.**

According to the information and explanations given to us and on the basis of the financial ratios, (Also refer Note 31 to the Standalone Financial Statements), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

**xx.**

**(a)** According to the information and explanations given to us and based on our verification, the provisions of Section 135 of the Act are applicable to the Company. The Company has made the required contributions during the year and there are no unspent amounts which are required to be transferred either to a Fund or to a Special Account as per the provisions of Section 135 of the Act read with schedule VII. Accordingly, reporting under Clause 3(xx)(a) of the Order is not applicable to the Company.

**(b)** There are no ongoing projects and accordingly reporting under Clause 3(xx)(b) of Order is not applicable to the Company.

**xxi.**

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

**For M S K A & Associates**
**Chartered Accountants**
ICAI Firm Registration No. 105047W

**Piyush Maheshwari**
Partner
Membership No. 516964
UDIN: 23516964BGXHGY3483

Date: August 11, 2023
Place: Gurugram

# ANNEXURE C

## TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF ORBIS FINANCIAL CORPORATION LIMITED FOR THE YEAR ENDED 31ST MARCH 2023

*[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report]*

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

### Opinion

We have audited the internal financial controls with reference to Standalone Financial Statements of Orbis Financial Corporation Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

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

### 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 with reference to Standalone Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

## Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Standalone Financial Statements 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 with reference to Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to Standalone Financial Statements.

## Meaning of Internal Financial Controls With reference to Standalone Financial Statements

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

## Inherent Limitations of Internal Financial Controls With reference to Standalone Financial Statements

Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial control with reference to

Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**For M S K A & Associates**
**Chartered Accountants**
ICAI Firm Registration No. 105047W

**Piyush Maheshwari**
Partner
Membership No. 516964
UDIN: 23516964BGXHGY3483

Date: August 11, 2023
Place: Gurugram

# FINANCIAL STATEMENTS (STANDALONE)

# STANDALONE BALANCE SHEET AS AT 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

| Particulars | Notes | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 5 | 965.69 | 963.09 |
| Right-of-use assets | 5A | 1,256.40 | 85.51 |
| Investment property | 6 | 267.15 | 273.36 |
| Intangible assets | 7 | 68.77 | 75.34 |
| Intangible assets under development | 8 | 25.39 | 13.50 |
| Investment in subsidiary | 9A | 1,011.00 | 1,011.00 |
| Financial assets | | | |
| Investments | 9B | 7,957.43 | 8,695.10 |
| Other financial assets | 10 | 27,052.37 | 60,230.76 |
| Deferred tax assets (net) | 30 | - | 171.35 |
| Non-current tax assets (net) | 15(a) | 190.34 | 450.58 |
| Other non-current assets | 16 | 129.49 | - |
| **Total non-current assets** | | 38,924.03 | 71,969.59 |
| | | | |
| **Current assets** | | | |
| Financial assets | | | |
| Investments | 9B | 7,938.37 | 238.87 |
| Trade receivables | 11 | 2,889.96 | 835.20 |
| Cash and cash equivalents | 12 | 48,083.90 | 66,489.56 |
| Bank balances other than cash and cash equivalents | 13 | 365,286.00 | 250,238.34 |
| Other financial assets | 14 | 39,599.03 | 1,646.21 |
| Other current assets | 16 | 972.90 | 760.72 |
| **Total current assets** | | 464,770.16 | 320,208.90 |
| **Total assets** | | **503,694.19** | **392,178.49** |
| | | | |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity share capital | 17 | 11,363.30 | 9,431.48 |
| Other equity | 18 | 31,233.94 | 12,704.16 |
| **Total equity** | | 42,597.24 | 22,135.64 |
| | | | |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| Lease Liabilities | 5A | 1,072.27 | 60.57 |
| Employee benefit obligations | 19 | 162.10 | 59.38 |
| Deferred tax liabilities (net) | 30 | 149.12 | - |
| **Total non-current liabilities** | | 1,383.49 | 119.95 |
| | | | |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| Lease Liabilities | 5A | 169.51 | 35.96 |
| Trade payables | 20 | | |
| i) Total outstanding dues of micro enterprises and small enterprises | | 2.53 | 0.36 |
| ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | | 8,031.97 | 3,108.76 |
| Other financial liabilities | 21 | 450,473.57 | 366,142.51 |
| Contract liabilities | 22 | 128.73 | 78.05 |
| Other current liabilities | 23 | 507.88 | 276.90 |
| Current tax liabilities (net) | 15(b) | 221.76 | 188.21 |
| Employee benefit obligations | 19 | 177.51 | 92.15 |
| **Total current liabilities** | | 459,713.46 | 369,922.90 |
| **Total liabilities** | | 461,096.95 | 370,042.85 |
| **Total equity and liabilities** | | **503,694.19** | **392,178.49** |
| Summary of significant accounting policies | 2 | | |

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

As per our report of even date
**For M S K A & Associates**
Chartered Accountants
Firm Registration No.:105047W

**For and on behalf of the Board of Directors of Orbis Financial Corporation Limited**
CIN: U67120HR2005PLC036952

**Piyush Maheshwari**
Partner
Membership No. 516964
Place: Gurugram
Date: 11 August 2023

**Atul Gupta**
Executive Chairman
DIN No.: 00528086

**Shyamsunder Agarwal**
Managing Director
DIN No.: 08516709

**Rishav Bagrecha**
Chief Financial Officer

**Prachi Khanna**
Company Secretary
M.No. A27428

## STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

| Particulars | Notes | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|---|
| **Income** | | | |
| Revenue from operations | 24 | 29,414.90 | 15,292.68 |
| Other income | 25 | 258.58 | 3,619.32 |
| | | **29,673.48** | **18,912.00** |
| | | | |
| **Expenses** | | | |
| Employee benefits expense | 26 | 3,944.25 | 2,222.74 |
| Finance costs | 27 | 4,229.36 | 3,023.22 |
| Depreciation and amortization expense | 28 | 194.45 | 130.09 |
| Other expenses | 29 | 9,299.64 | 7,166.93 |
| | | **17,667.70** | **12,542.98** |
| | | | |
| **Profit before tax** | | **12,005.78** | **6,369.02** |
| | | | |
| **Tax expense** | | | |
| Current year tax | 30 | 3,142.59 | 1,902.47 |
| Previous year tax | 30 | (295.89) | (42.70) |
| Deferred tax | 30 | 338.98 | (165.97) |
| | | **3,185.68** | **1,693.80** |
| | | | |
| **Profit for the year** | | **8,820.10** | **4,675.22** |
| | | | |
| **Other comprehensive income** | | | |
| Items that will not be reclassified subsequently to profit or loss | | | |
| Remeasurement of net defined benefit liability | | (73.52) | (1.10) |
| Income tax effect | | 18.51 | 0.28 |
| **Other comprehensive income for the year, net of tax** | | **(55.01)** | **(0.82)** |
| | | | |
| **Total comprehensive income for the year** | | **8,765.09** | **4,674.40** |
| | | | |
| **Earnings per share** | 32 | | |
| Basic earnings per share (INR) | | 8.80 | 5.29 |
| Diluted earnings per share (INR) | | 8.21 | 4.91 |
| | | | |
| Summary of significant accounting policies | 2 | | |

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

As per our report of even date
**For M S K A & Associates**
Chartered Accountants
Firm Registration No.:105047W

**For and on behalf of the Board of Directors of Orbis Financial Corporation Limited**
CIN: U67120HR2005PLC036952

**Piyush Maheshwari**
Partner
Membership No. 516964
Place: Gurugram
Date: 11 August 2023

**Atul Gupta**
Executive Chairman
DIN No.: 00528086

**Shyamsunder Agarwal**
Managing Director
DIN No.: 08516709

**Rishav Bagrecha**
Chief Financial Officer

**Prachi Khanna**
Company Secretary
M.No. A27428

## STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

**(A)**

| Equity share capital | As at 31 March 2023 | |
|---|---|---|
| | No. of shares | Amount |
| Equity shares of INR 10 each issued, subscribed and fully paid | | |
| Opening | 94,314,771 | 9,431.48 |
| Add: Issued during the year | 19,318,233 | 1,931.82 |
| Closing | **113,633,004** | **11,363.30** |

| Equity share capital | As at 31 March 2022 | |
|---|---|---|
| | No. of shares | Amount |
| Equity shares of INR 10 each issued, subscribed and fully paid | | |
| Opening | 87,624,000 | 8,762.40 |
| Add: Issued during the year | 6,690,771 | 669.08 |
| Closing | **94,314,771** | **9,431.48** |

**(B)**

| Other equity | Securities premium | Retained earnings | Share based payment reserve | Other comprehensive Income | Total |
|---|---|---|---|---|---|
| | | | | Remeasurement of net defined benefit liability | |
| Balance as at 1 April 2022 | 5,821.49 | 6,886.96 | - | (4.29) | 12,704.16 |
| Profit for the year | - | 8,820.10 | - | - | 8,820.10 |
| Dividend paid | - | (471.70) | - | - | (471.70) |
| Share based payments expense | - | - | 663.99 | - | 663.99 |
| Amount transferred to securities premium on exercise of stock options | 316.47 | - | (316.47) | - | - |
| Premium on shares issued | 9,572.40 | - | - | - | 9,572.40 |
| Other comprehensive income | - | - | - | (55.01) | (55.01) |
| **Balance as at 31 March 2023** | **15,710.36** | **15,235.36** | **347.52** | **(59.30)** | **31,233.94** |

| Other equity | Securities premium | Retained earnings | Share based payment reserve | Other comprehensive Income | Total |
|---|---|---|---|---|---|
| | | | | Remeasurement of net defined benefit liability | |
| Balance as at 1 April 2021 | 4,127.22 | 2,563.00 | - | (3.47) | 6,686.75 |
| Profit for the year | - | 4,675.22 | - | - | 4,675.22 |
| Dividend paid | - | (351.26) | - | - | (351.26) |
| Premium on shares issued | 1,694.27 | - | - | - | 1,694.27 |
| Other comprehensive income | - | - | - | (0.82) | (0.82) |
| **Balance as at 31 March 2022** | **5,821.49** | **6,886.96** | **-** | **(4.29)** | **12,704.16** |

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

As per our report of even date
**For M S K A & Associates**
Chartered Accountants
Firm Registration No.:105047W

**For and on behalf of the Board of Directors of Orbis Financial Corporation Limited**
CIN: U67120HR2005PLC036952

**Piyush Maheshwari**
Partner
Membership No. 516964
Place: Gurugram
Date: 11 August 2023

**Atul Gupta**
Executive Chairman
DIN No.: 00528086

**Shyamsunder Agarwal**
Managing Director
DIN No.: 08516709

**Rishav Bagrecha**
Chief Financial Officer

**Prachi Khanna**
Company Secretary
M.No. A27428

# STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

| Particulars | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| **Cash flows from operating activities** | | |
| Profit before tax | 12,005.78 | 6,369.02 |
| Adjustments for: | | |
| Depreciation and amortization expense | 194.45 | 130.09 |
| Share based payments | 663.99 | - |
| Finance costs | 4,229.36 | 3,023.22 |
| Income from mutual fund investments designated at FVTPL | (170.09) | (3,588.12) |
| Foreign exchange fluctuation gain (net) | (20.02) | (9.61) |
| Bad debts | 11.30 | - |
| Profit on sale of fixed assets | - | (0.73) |
| **Operating profit before working capital changes** | **16,914.77** | **5,923.87** |
| | | |
| **Changes in working capital** | | |
| Increase in trade payables | 4,925.38 | 1,468.87 |
| (Increase)/Decrease in trade receivables | (2,046.06) | 351.89 |
| Increase in other current liabilities | 230.98 | 187.82 |
| Increase in provisions | 114.56 | 35.17 |
| Increase in other financial liabilities | 84,381.74 | 153,571.33 |
| (Increase) in other financial assets | (119,874.57) | (203,474.61) |
| (Increase) in other non current/current assets | (341.67) | (993.68) |
| **Cash (used) in operations** | (15,694.87) | (42,929.34) |
| Income tax paid | (2,552.92) | (1,225.79) |
| **Net cash flows (used) in operating activities (A)** | **(18,247.79)** | **(44,155.13)** |
| | | |
| **Cash flows from Investing activities** | | |
| Purchases of property, plant and equipment and intangible assets | (97.73) | (165.94) |
| Addition to capital work-in-progress and intangible assets under development | (25.79) | (11.75) |
| (Investment) made/Proceeds from Mutual funds (net) | (6,199.91) | 70,713.27 |
| (Investment) made in Bonds | (1,097.33) | (1,099.75) |
| Proceeds from sale of Government Securities | - | 1,601.30 |
| Proceeds from sale of bonds | 505.50 | 5,825.75 |
| Proceeds from sale of property, plant and equipment and intangible assets | - | 3.09 |
| **Net cash flows (used) in/generated from investing activities (B)** | **(6,915.26)** | **76,865.97** |
| | | |
| **Cash flows from Financing activities** | | |
| Proceeds from issuance of equity share capital | 11,504.22 | 2,363.34 |
| Interest paid | (4,191.30) | (3,036.19) |
| Principal paid on lease liabilities | (83.83) | (42.00) |
| Dividend paid | (471.70) | (351.26) |
| **Net cash flows generated from/(used) in financing activities (C)** | **6,757.39** | **(1,066.11)** |
| | | |
| **Net (decrease)/increase in cash and cash equivalents (A+B+C)** | (18,405.66) | 31,644.73 |
| Cash and cash equivalents at the beginning of the year | 66,489.56 | 34,844.83 |
| Cash and cash equivalents at the end of the year | **48,083.90** | **66,489.56** |
| | | |
| **Cash and cash equivalents comprise (Refer note 12)** | | |
| Balances with banks | | |
| On current accounts | 26,144.53 | 30,210.19 |
| Fixed deposits with original maturity of less than 3 months | 21,939.37 | 36,279.37 |
| **Total cash and bank balances at end of the year** | **48,083.90** | **66,489.56** |

Notes:

i. The Standalone Statement of Cash Flows has been prepared in accordance with the 'Indirect Method' set out in Ind AS 7 "Statement of Cash Flows" notified under the section 133 of the Act, read together with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015.

ii. Figures in bracket indicate cash outflow.

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

As per our report of even date
**For M S K A & Associates**
Chartered Accountants
Firm Registration No.:105047W

**For and on behalf of the Board of Directors of Orbis Financial Corporation Limited**
CIN: U67120HR2005PLC036952

**Piyush Maheshwari**
Partner
Membership No. 516964
Place: Gurugram
Date: 11 August 2023

**Atul Gupta**
Executive Chairman
DIN No.: 00528086

**Shyamsunder Agarwal**
Managing Director
DIN No.: 08516709

**Rishav Bagrecha**
Chief Financial Officer

**Prachi Khanna**
Company Secretary
M.No. A27428

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

## 1 GENERAL INFORMATION

Orbis Financial Corporation Limited ("hereinafter referred to as "OFCL" or the "Company") is registered with Securities and Exchange Board of India (SEBI) as a Custodian of Securities and is engaged into depository, clearing and settlement, fund accounting, registered transfer agency services and reporting services.

## 2 SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies adopted by the company are as under:

### 2.1 Basis of Preparation of Financial Statements

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

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

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

**(b) Basis of measurement**

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

i) Certain financial assets and liabilities measured at fair value (refer accounting policy 2.13 on financial instruments)

ii) Share based payment transactions (refer accounting policy 2.14(c) on Share-based payments)

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the rendering of service and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non current classification of assets and liabilities.

The standalone financial statements were authorised for issue in accordance with the resolution of the board of directors on 11 August 2023.

**(c) Use of estimates**

The preparation of financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected. Refer Note 3 for detailed discussion on estimates and judgments.

### 2.2 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of Property, plant and equipment not ready for use before year end are disclosed under 'Capital work-in-progress'.

**Depreciation methods and estimated useful lives**

The Company depreciates property, plant and equipment over their estimated useful lives using the straight line method. The estimated useful lives of assets are as follows:

| Property, plant and equipment | Useful Life |
|---|---|
| Leasehold improvement * | Lease period |
| Improvements to Buildings | 30 years |
| Buildings | 60 years |
| Furniture and Fixtures | 10 years |
| Vehicles | 8 years |
| Office Equipment | 5 years |

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

| Property, plant and equipment | Useful Life |
|---|---|
| Plant and equipment: | |
| -Servers | 6 years |
| -End user devices such as, desktops, laptops etc. | 3 years |

* Leasehold improvements are amortized over the lease period, which corresponds with the useful lives of the assets.

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income'.

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

Losses arising on retirement or gain/loss arising on disposal of Property Plast and equiptment is recognised in the statement of Profit and loss of the year in which such retirement or disposal takes place.

## 2.3 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred.

The Company, based on technical assessment made by technical expert and management estimate, depreciates the building over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The Company depreciates building component of investment property over 30 years from the date of original purchase.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on quotation received from the market for investment properties.

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

## 2.4 Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortization.

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

| Intangible assets | Useful Life |
|---|---|
| Computer Software | 5 years |

Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

## 2.5 Foreign Currency Transactions

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

(b) Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

### 2.6 Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

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

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The Company's management determines the policies and procedures for fair value measurement such as derivative instrument.

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

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

### 2.7 Revenue Recognition

**Rendering of services**

Income comprises revenue from custody services, depository participant services, professional clearing services, fund accounting services and registrar and transfer agent services rendered.

Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met as described below.

The Company recognise revenue from contracts with customers based on a comprehensive assessment model as set out in Ind AS 115 -'Revenue from contract with customers'. The Company identifies contracts with customers and its performance obligation under the contract, determines the transaction price and its allocation to the performance obligation in the contract and recognises revenue only on satisfactory completion of performance obligations.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of indirect taxes, trade allowances, rebates and amounts collected on behalf of third parties and is not recognised in instances where there is uncertainty with regard to ultimate collection. In such cases revenue is recognised on reasonable certainty of collection.

**Other Operating Revenue**

Interest Income is recognised, as other operating revenue since the same is incidental to operations of business, on a basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists.

Income from sale of investment is recognised in Profit & Loss on trade date basis.

### 2.8 Taxes

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

(a) Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(b) Deferred tax

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

### 2.9 Leases

**As a lessee**

The Company's lease asset classes primarily consist of leases for Building. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

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

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

**As a Lessor**

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

### 2.10 Impairment of non-financial assets

The Company assesses at each year end whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized 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 was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss.

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 in flows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

### 2.11 Provisions and contingent liabilities

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

### 2.12 Cash and cash equivalents

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

For the purposes of the standalone statement of cash flows, cash and cash equivalents include cash on hand, cash in banks and short-term deposits net of bank overdraft.

### 2.13 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**(a) Financial assets**

(i) Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

a) at amortized cost; or

b) at fair value through other comprehensive income; or

c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost.

Fair value through other comprehensive income (FVTOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVTOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses).

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortized cost or FVTOCI are measured at fair value through profit or loss.

Equity instruments: All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument- by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

(iii) Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost and FVTOCI.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

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 ECL at each reporting date, right from its initial recognition.

For recognition of impairment loss on 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

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

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 years, 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 recognizing impairment loss allowance based on 12 month ECL.

Life time 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 year end.

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.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payment is more than 30 days past due.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost 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.

(iv) Derecognition of financial assets

A financial asset is derecognized only when

a) the rights to receive cash flows from the financial asset is transferred or

b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

**(b) Financial liabilities**

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

(ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

(iii) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

**(c) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

### 2.14 Employee Benefits

**(a) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employee's services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**(b) Other long-term employee benefit obligations**

**(i) Defined contribution plan**

Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

**(ii) Defined benefit plans**

Gratuity: The Company provides for gratuity, a defined benefit plan (the 'Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise.

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 year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

Leaves under defined benefit plans can be encashed only on discontinuation of service by employee.

**(c) Share-based payments**

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions). The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense using graded vesting method. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Companies' best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

The dilutive effect of outstanding exercisable options is reflected as additional share dilution in the computation of diluted earnings per share.

### 2.15 Contributed equity

Equity shares are classified as equity share capital.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

### 2.16 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

the Company's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

### 2.17 Corporate social responsibility (CSR)

The Company discharges its CSR obligation through contribution to the funds as specified in Schedule VII to the Act. These contributions/ expenditure are recognized in Statement of Profit and Loss on payment basis and no provision is made against unspent amount, if any.

### 2.18 Segment reporting

The Company identifies segment basis the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating results are regularly reviewed by Chief Operating Decision Makers (CODM) in deciding allocation of resources and assessing performance.

Shyamsunder Agarwal, Chief Operating Decision Maker (CODM) who reviews the operations of the Company as one operating segment. The Company operates in a single business segment and is primarily engaged into custody, clearing and settlement, depository, fund accounting, registrar and share transfer agency and reporting services.

### 2.19 Rounding off amounts

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

## 3 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements requires Management to make judgments, estimates and assumptions in the application of accounting policies that affect the amounts reported in the financial statements. Actual results may differ from these estimates. These estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### 3.1 Estimates and assumptions

The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

It is reasonably possible, based on existing knowledge, that outcomes within the next financial year that are different from assumptions could require a material adjustment to the carrying amount of the asset or liability affected as disclosed below.

(a) Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 34.

(b) Taxes

Deferred tax assets and liabilities are recognised for deductible temporary differences and unused tax losses for which there is probability of utilisation against the future taxable profit. The Company uses judgement to determine the amount of deferred tax asset that can be recognised, based upon the likely timing and the level of future taxable profits and business developments. Refer Note 30.

(c) Defined benefit plans

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

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. For details refer Note 33.

(d) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value-in-use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/ forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

(e) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit risk associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Refer Note 39.

### 4.1 New and amended standards issued but not effective

The Ministry of Corporate Affairs has vide notification dated 31 March 2023 notified the Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules'), which amend certain accounting standards, and are effective 1 April 2023. The Rules predominantly amend Ind AS 12, Income Taxes and Ind AS 1, Presentation of Financial Statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications. These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

### 5 Property, plant and equipment

| | Gross block | | | | Depreciation | | | | Net block | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 1 April 2022 | Additions | Deductions | As at 31 March 2023 | As at 1 April 2022 | For the year | Deductions | As at 31 March 2023 | As at 31 March 2023 | As at 31 March 2022 |
| **Owned assets** | | | | | | | | | | |
| Improvements to buildings* | 102.54 | - | - | 102.54 | 15.48 | 5.15 | - | 20.63 | 81.91 | 87.06 |
| Buildings* | 698.36 | - | - | 698.36 | 42.91 | 14.30 | - | 57.21 | 641.15 | 655.45 |
| Plant and equipment (data processing) | 143.02 | 19.74 | - | 162.76 | 67.68 | 36.61 | - | 104.29 | 58.47 | 75.34 |
| Furniture and fixtures | 9.06 | 11.38 | - | 20.44 | 1.98 | 1.20 | - | 3.18 | 17.26 | 7.08 |
| Office Equipment | 29.73 | 27.92 | - | 57.65 | 15.40 | 6.78 | - | 22.18 | 35.47 | 14.33 |
| Vehicles | 148.94 | 30.19 | - | 179.13 | 25.11 | 22.59 | - | 47.70 | 131.43 | 123.83 |
| **Total** | **1,131.65** | **89.23** | **-** | **1,220.88** | **168.56** | **86.63** | **-** | **255.19** | **965.69** | **963.09** |

| | Gross block | | | | Depreciation | | | | Net block | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 1 April 2021 | Additions | Deductions | As at 31 March 2022 | As at 1 April 2021 | For the year | Deductions | As at 31 March 2022 | As at 31 March 2022 | At at 31 March 2021 |
| **Owned assets** | | | | | | | | | | |
| Improvements to buildings* | 102.54 | - | - | 102.54 | 10.35 | 5.13 | - | 15.48 | 87.06 | 92.19 |
| Buildings* | 698.36 | - | - | 698.36 | 28.57 | 14.34 | - | 42.91 | 655.45 | 669.79 |
| Plant and equipment (data processing) | 100.99 | 42.22 | 0.19 | 143.02 | 37.47 | 30.40 | 0.19 | 67.68 | 75.34 | 63.52 |
| Furniture and fixtures | 7.40 | 1.66 | - | 9.06 | 1.14 | 0.84 | - | 1.98 | 7.08 | 6.26 |
| Office Equipment | 26.91 | 4.99 | 2.17 | 29.73 | 11.96 | 5.51 | 2.07 | 15.40 | 14.33 | 14.95 |
| Vehicles | 63.17 | 85.77 | - | 148.94 | 16.46 | 8.65 | - | 25.11 | 123.83 | 46.71 |
| **Total** | **999.37** | **134.64** | **2.36** | **1,131.65** | **105.95** | **64.87** | **2.26** | **168.56** | **963.09** | **893.42** |

*Includes net block of 'Improvements to Buildings' and 'Buildings' of INR 81.91 (31 March 2022: INR 87.06) and INR 641.15 (31 March 2022: INR 655.45) respectively, which are mortgaged towards overdraft facility availed by the Company from ICICI Bank Limited.

### 5A Leases where Company is a lessee

(A)(ia) **Changes in the carrying value of Right-of-use (ROU) Assets**

| | Building |
|---|---|
| **Balance as at 1 April 2021** | **120.89** |
| Addition | - |
| Deletion | - |
| Depreciation | 35.38 |
| **Balance as at 31 March 2022** | **85.51** |
| Additions | 1,243.53 |
| Deletion | - |
| Depreciation | 72.64 |
| **Balance as at 31 March 2023** | **1,256.40** |

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

(ib) **Changes in the Lease liabilities**

| | |
|---|---|
| **Balance as at 1 April 2021** | 126.65 |
| Addition | - |
| Less: Lease payments | 42.00 |
| Add: Interest expense | 11.88 |
| **Balance as at 31 March 2022** | **96.53** |
| Additions | 1,191.02 |
| Less: Lease payments | 83.83 |
| Add: Interest expense | 38.06 |
| **Balance as at 31 March 2023** | **1,241.78** |

(ii) **Break-up of current and non-current lease liabilities**

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Current Lease Liabilities | 169.51 | 35.96 |
| Non-current Lease Liabilities | 1,072.27 | 60.57 |

(iii) **Maturity analysis of lease liabilities**

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Less than one year | 291.90 | 44.45 |
| One to five years | 1,061.65 | 65.45 |
| More than five years | 382.92 | - |
| Total | **1,736.47** | **109.90** |

(iv) **Amounts recognised in statement of Profit and Loss account**

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Interest on Lease Liabilities (Refer note 27) | 38.06 | 11.88 |
| Depreciation on Right-of-Use assets (Refer note 28) | 72.64 | 35.38 |
| Rent expenses (Refer note 29) | 31.29 | 23.11 |

(v) **Amounts recognised in statement of Cash Flow**

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Total Cash outflow for leases | 83.83 | 42.00 |

(B) The Company has applied the short-term recognition exemption to its short-term lease of residential accommodation. It also applied the lease of low value assets recognition exemption to lease of office equipments that are considered to be low value. Lease payment exemption on short-term lease and low value assets are recognised as expense amount to INR 29.51 (31 March 2022: INR 21.60) and INR 1.78 (31 March 2022: INR 1.51).

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

## 6 Investment property

| Cost | Amount |
|---|---|
| **Opening as at 1 April 2021** | 292.00 |
| Addition | - |
| **As at 31 March 2022** | 292.00 |
| Addition | - |
| **Closing as at 31 March 2023** | **292.00** |
| | |
| **Accumulated amortization** | |
| **Opening as at 1 April 2021** | **12.43** |
| For the year | 6.21 |
| **Up to 31 March 2022** | 18.64 |
| For the year | 6.21 |
| **Closing as at 31 March 2023** | **24.85** |
| | |
| **Net block** | |
| **As at 31 March 2023** | **267.15** |
| **As at 31 March 2022** | **273.36** |

**Information regarding income and expenditure of Investment property**

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Rental income derived from investment property (Gross) | 31.01 | 15.54 |
| Direct operating expenses (including repairs and maintenance) generating rental income | (2.46) | (1.23) |
| Profit arising from investment properties before depreciation and indirect expenses | 28.55 | 14.31 |
| Less – Depreciation | 6.21 | 6.21 |
| Profit arising from investment property | **22.34** | **8.10** |

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

**Description of valuation techniques used and key inputs to valuation on investment properties:**

| Significant unobservable Inputs | Particulars |
|---|---|
| Valuation | INR 300 (31 March 2022: INR 300) |

The fair valuation is based on market feedback on value of similar properties. The fair market value of the property may increase/decrease depending on the future market conditions and scenarios.

## 7 Intangible assets

| | Gross block | | | | Amortization | | | | Net block | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 1 April 2022 | Additions | Deductions | As at 31 March 2023 | As at 1 April 2022 | For the year | Deductions | As at 31 March 2023 | As at 31 March 2023 | As at 31 March 2022 |
| Computer Software | 128.15 | 22.40 | - | 150.55 | 52.81 | 28.97 | - | 81.78 | 68.77 | 75.34 |
| **Total** | **128.15** | **22.40** | **-** | **150.55** | **52.81** | **28.97** | **-** | **81.78** | **68.77** | **75.34** |

| | Gross block | | | | Amortization | | | | Net block | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 1 April 2021 | Additions | Deductions | As at 31 March 2022 | As at 1 April 2021 | For the year | Deductions | As at 31 March 2022 | As at 31 March 2022 | As at 31 March 2021 |
| Computer Software | 96.85 | 31.30 | - | 128.15 | 29.18 | 23.63 | - | 52.81 | 75.34 | 67.67 |
| **Total** | **96.85** | **31.30** | **-** | **128.15** | **29.18** | **23.63** | **-** | **52.81** | **75.34** | **67.67** |

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

## 8 Intangible assets under development

Intangible assets under development as at 31 March 2023 comprises expenditure for the development of customized softwares. Total amount of Intangible assets under development is INR 25.39 (31 March 2022: INR 13.50).

| | Computer Software | |
|---|---|---|
| | As at 31 March 2023 | As at 31 March 2022 |
| Opening Balance | 13.50 | 1.75 |
| Add: Addition during the year | 25.79 | 18.75 |
| Less: Transfer during the year | (13.90) | (7.00) |
| **Closing Balance** | **25.39** | **13.50** |

**Intangible asset under development ageing schedule:**

| As at 31 March 2023 | Amount for a period of | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 25.39 | - | - | - | 25.39 |
| | **25.39** | **-** | **-** | **-** | **25.39** |

| As at 31 March 2022 | Amount for a period of | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 13.50 | - | - | - | 13.50 |
| | **13.50** | **-** | **-** | **-** | **13.50** |

## 9A Investment in subsidiary

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Investment in equity instruments (fully paid-up)** | | |
| **Unquoted equity shares** | | |
| **Subsidiary company:** | | |
| 1,01,10,000 (31 March 2022: 1,01,10,000) equity shares of INR 10 each fully paid-up in Orbis Trusteeship Services Private Limited | 1,011.00 | 1,011.00 |
| **Total** | **1,011.00** | **1,011.00** |
| | | |
| Current | - | - |
| Non- Current | 1,011.00 | 1,011.00 |
| | | |
| **Aggregate book value of:** | | |
| Quoted investments | - | - |
| Unquoted investments | 1,011.00 | 1,011.00 |
| | | |
| **Aggregate market value of:** | | |
| Quoted investments | - | - |
| Unquoted investments | 1,011.00 | 1,011.00 |
| | | |
| **Aggregate amount of impairment in value of investments** | - | - |

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

### 9B Financial Assets- Investments

| | | |
|---|---|---|
| **Investments at amortized cost (fully paid)** | | |
| - Investments in Government Securities (Unquoted) (Refer note - i) | 8,695.10 | 8,695.10 |
| - Investments in Bonds (Unquoted) | 591.83 | - |
| | | |
| **Investments at fair value through profit and loss (FVTPL)** | | |
| - Investments in Mutual Funds (Quoted) (Refer note - ii) | 6,608.87 | 238.87 |
| | **15,895.80** | **8,933.97** |
| | | |
| Current | 7,938.37 | 238.87 |
| Non- Current | 7,957.43 | 8,695.10 |
| | **15,895.80** | **8,933.97** |
| | | |
| **Aggregate book value of:** | | |
| Quoted investments | 6,608.87 | 238.87 |
| Unquoted investments | 9,286.93 | 8,695.10 |
| | | |
| **Aggregate market value of:** | | |
| Quoted investments | 6,608.87 | 238.87 |
| | | |
| **Aggregate amount of impairment in value of investments** | - | - |

**Note:**

i. Government Securities amounting to INR 8,695.10 held as on 31 March 2023 (31 March 2022: INR 8,675.06) are pledged with Bajaj Finance Limited against credit facility of INR 7,500.00 (31 March 2022: INR 7,500.00).

ii. Mutual funds pledged with clearing corporations as on 31 March 2023: 6,608.87 (31 March 2022: Nil).

### 10

| Other financial assets | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Fixed deposits in banks with remaining maturity for more than 12 months from balance sheet date (Refer note 46) | 26,481.43 | 59,772.59 |
| Deposits with: | | |
| Trade exchanges, clearing agencies and depositories | 465.00 | 415.20 |
| Others | 105.94 | 42.97 |
| **Total** | **27,052.37** | **60,230.76** |

A description of the Company's financial instrument risks, including risk management objectives and policies is given in Note 39.

The methods used to measure financial assets reported at fair value are described in Note 38.

### 11

| Trade receivables | Current | |
|---|---|---|
| | 31 March 2023 | 31 March 2022 |
| Secured | | |
| -Considered good | 2,541.71 | 795.41 |
| Unsecured | | |
| -Considered good | - | 15.45 |
| **Total (A)** | **2,541.71** | **810.86** |
| | | |
| **Further classified as:** | | |
| Related Party | 0.06 | 0.08 |
| Other than Related Party | 2,541.65 | 810.78 |
| **Total** | **2,541.71** | **810.86** |
| All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value. | | |
| Unbilled revenue | 348.25 | 24.34 |
| **Total (B)** | **348.25** | **24.34** |
| **Total (A+B)** | **2,889.96** | **835.20** |

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

**Trade Receivables ageing schedule:**

**As at 31 March 2023**

| Particulars | Unbilled Dues | Current | | | | | |
|---|---|---|---|---|---|---|---|
| | | Less than 6 months | 6 months -1 year | 1-2 Years | 2-3 years | More than 3 years | Total |
| | | | | | | | |
| Undisputed Trade receivables — considered good | 348.25 | 2,114.90 | 127.23 | 146.24 | 99.00 | 54.34 | **2,889.96** |
| **Total** | **348.25** | **2,114.90** | **127.23** | **146.24** | **99.00** | **54.34** | **2,889.96** |

**As at 31 March 2022**

| Particulars | Unbilled Dues | Current | | | | | |
|---|---|---|---|---|---|---|---|
| | | Less than 6 months | 6 months -1 year | 1-2 Years | 2-3 years | More than 3 years | Total |
| | | | | | | | |
| Undisputed Trade receivables — considered good | 24.34 | 473.81 | 83.32 | 157.67 | 76.41 | 19.65 | **835.20** |
| **Total** | **24.34** | **473.81** | **83.32** | **157.67** | **76.41** | **19.65** | **835.20** |

For trade receivables ageing, the date of invoice has been considered as due date of payment. For terms and conditions related to related parties receivables, refer note 35.

| 12 | Cash and cash equivalents | 31 March 2023 | 31 March 2022 |
|---|---|---|---|
| | Balances with banks: | | |
| | On current accounts | 26,144.53 | 30,210.19 |
| | Fixed deposits with original maturity of less than 3 months (Refer note 46) | 21,939.37 | 36,279.37 |
| | **Total** | **48,083.90** | **66,489.56** |

**For the purpose of the Statement of the Cash Flows, cash and cash equivalents comprise the following:**

| Cash and cash equivalents | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Balances with banks: | | |
| On current accounts | 26,144.53 | 30,210.19 |
| Fixed deposits with original maturity of less than 3 months | 21,939.37 | 36,279.37 |
| **Total** | **48,083.90** | **66,489.56** |

| 13 | Bank balances other than Cash and cash equivalents | 31 March 2023 | 31 March 2022 |
|---|---|---|---|
| | Fixed deposits in banks with original maturity of more than 3 months but less than 12 months (Refer note 46) | 28,578.28 | 63,562.93 |
| | Fixed deposits in banks with original maturity for more than 12 months (Refer note 46) | 336,707.72 | 186,675.41 |
| | **Total** | **365,286.00** | **250,238.34** |

| 14 | Other financial assets | 31 March 2023 | 31 March 2022 |
|---|---|---|---|
| | Recoverable from exchange (net) | 36,506.98 | - |
| | Interest accrued | 3,055.70 | 1,646.21 |
| | Other receivables (refer note 35) | 36.35 | - |
| | **Total** | **39,599.03** | **1,646.21** |

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

| 15 | Tax assets (net) | Non Current | | Current | |
|---|---|---|---|---|---|
| | | 31 March 2023 | 31 March 2022 | 31 March 2023 | 31 March 2022 |
| (a) | Advance income tax* | 190.34 | 450.58 | - | - |
| | **Total** | **190.34** | **450.58** | **-** | **-** |

* Advance income tax net of provision in:

- Current portion as at 31 March 2023 INR 3,142.59 (31 March 2022 INR 1,902.47).
- Non current portion as at 31 March 2023 INR 3.81 (31 March 2022 INR 3.81).

| (b) | Current tax liability (net) | Current | |
|---|---|---|---|
| | | 31 March 2023 | 31 March 2022 |
| | Provision for income tax [net of advance tax INR 2,920.83 (31 March 2022 INR 1,713.98)] | 221.76 | 188.21 |
| | **Total** | **221.76** | **188.21** |

| 16 | Other assets | Non-current | | Current | |
|---|---|---|---|---|---|
| | | 31 March 2023 | 31 March 2022 | 31 March 2023 | 31 March 2022 |
| | Advance to suppliers | - | - | 26.21 | 6.91 |
| | Capital advance | 124.35 | - | - | - |
| | Balance with government authorities | - | - | 665.93 | 485.02 |
| | Prepaid expenses | 5.14 | - | 280.76 | 268.79 |
| | **Total** | **129.49** | **-** | **972.90** | **760.72** |

### 17 Share capital

**Equity shares**

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **Authorized** | | |
| 13,30,00,000 (31 March 2022: 13,30,00,000) equity shares of INR 10 each | 13,300.00 | 13,300.00 |
| | **13,300.00** | **13,300.00** |
| **Issued, subscribed and paid up** | | |
| 11,36,33,004 (31 March 2022: 9,43,14,771) equity shares of INR 10 each fully paid | 11,363.30 | 9,431.48 |
| **Total** | **11,363.30** | **9,431.48** |

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

| | 31 March 2023 | | 31 March 2022 | |
|---|---|---|---|---|
| | No. of shares | Amount | No. of shares | Amount |
| Outstanding at the beginning of the year | 94,314,771 | 9,431.48 | 87,624,000 | 8,762.40 |
| Add: Issued during the year under right issue | 16,214,133 | 1,621.41 | 5,546,771 | 554.68 |
| Add: Issued during the year under Employee Stock Option Plan (ESOP) | 3,104,100 | 310.41 | 1,144,000 | 114.40 |
| Outstanding at the end of the year | **113,633,004** | **11,363.30** | **94,314,771** | **9,431.48** |

**(b) Rights, preferences and restrictions attached to shares**

Equity Shares: The Company has only one class of equity shares having par value of INR 10 per share. Each shareholder is entitled to one vote per share held. Dividend if any declared is payable in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

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

| Name of the shareholder | 31 March 2023 | | 31 March 2022 | |
|---|---|---|---|---|
| | No. of shares | % of holding in the class | No. of shares | % of holding in the class |
| **Equity shares of INR 10 each fully paid** | | | | |
| Atul Gupta * | 26,525,601 | 23.34% | 26,525,601 | 28.12% |
| Arpit Khandelwal | 22,498,005 | 19.80% | 20,085,784 | 21.30% |
| Multi-Act Private Equity Investment Trust | 9,173,077 | 8.07% | 9,173,077 | 9.73% |
| Plutus Wealth Management LLP | 7,543,750 | 6.64% | 7,543,750 | 8.00% |
| Orbis Foundation | 6,918,296 | 6.09% | 6,768,296 | 7.18% |

* Including shares held jointly.

**(d)** No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current year end.

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

**(f) Details of shareholding of Promoters:**

| Promotor Name | 31 March 2023 | | | 31 March 2022 | | |
|---|---|---|---|---|---|---|
| | No of shares held | % of total shares | % Change during the year based on no of shares | No of shares held | % of total shares | % Change during the year based on no of shares |
| **Equity shares of INR 10 each fully paid** | | | | | | |
| Atul Gupta* | 26,525,601 | 23.34% | 0.00% | 26,525,601 | 28.12% | 0.13% |
| Manasi Gupta | 1,088,609 | 0.96% | -4.39% | 1,138,609 | 1.21% | 6.25% |
| Rashmi Gupta | 21,388 | 0.02% | 0.00% | 21,388 | 0.02% | 6.25% |
| Karan Gupta | 188,528 | 0.17% | -34.66% | 288,528 | 0.31% | -44.68% |
| Orbis Foundation | 6,918,296 | 6.09% | 2.22% | 6,768,296 | 7.18% | -43.64% |

* Including shares held jointly.

### 18 Other equity

| | | 31 March 2023 | 31 March 2022 |
|---|---|---|---|
| **(A)** | **Securities premium*** | | |
| | Opening balance | 5,821.49 | 4,127.22 |
| | Add: Securities premium credited on shares issued | 9,572.40 | 1,694.27 |
| | Add: Amount transferred from share based payment reserve on exercise of stock options | 316.47 | - |
| | **Closing balance** | **15,710.36** | **5,821.49** |

* Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

| | | | |
|---|---|---|---|
| **(B)** | **Surplus in the Statement of Profit and Loss*** | | |
| | Opening balance | 6,886.96 | 2,563.00 |
| | Add: Net profit for the year | 8,820.10 | 4,675.22 |
| | (Less): Dividend paid | (471.70) | (351.26) |
| | **Closing balance** | **15,235.36** | **6,886.96** |

* Represents the amount of accumulated earnings of the Company

| | | | |
|---|---|---|---|
| **(C)** | **Share based payment reserve*** | | |
| | Opening balance | - | - |
| | Add: Share based payments expense | 663.99 | - |
| | Less: Amount transferred to securities premium on exercise of stock options | (316.47) | - |
| | **Closing balance** | **347.52** | **-** |

* The share based payment reserve is used to recognize the grant date fair value of options issued to employees under the Employees' stock option plan.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

**(D) Other comprehensive income (OCI) - Defined Benefit Obligation***

| | | |
|---|---|---|
| Opening balance | (4.29) | (3.47) |
| Re-measurement (loss)/gain on defined benefit plans (net of tax effect thereon) | (55.01) | (0.82) |
| **Closing balance** | **(59.30)** | **(4.29)** |
| * Other comprehensive income include remeasurement of net defined benefit liability. | | |
| **Total** | **31,233.94** | **12,704.16** |

### 19 Employee benefit obligations

| | Non-Current | | Current | |
|---|---|---|---|---|
| | 31 March 2023 | 31 March 2022 | 31 March 2023 | 31 March 2022 |
| Provision for employee benefits | | | | |
| Provision for gratuity (unfunded) | 162.10 | 59.38 | 12.38 | 7.34 |
| Provision for leave encashment (unfunded)* | - | - | 165.13 | 84.81 |
| **Total** | **162.10** | **59.38** | **177.51** | **92.15** |

*The entire amount of the provision of INR 165.13 (31 March 2022: INR 84.81) is presented as current, since the company does not have an unconditional right to defer settlement for any of these obligations. However based on past experience, the company does not expect all employees to avail the full amount of accrued leave or require payment for such leave within the next 12 months. The amount not expected to be settled within next twelve months is INR 139.87 (31 March 2022 : INR 64.51).

### 20 Trade payables

| | Current | |
|---|---|---|
| | 31 March 2023 | 31 March 2022 |
| Total outstanding dues of micro enterprises and small enterprises* | 2.53 | 0.36 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises# | 8,031.97 | 3,108.76 |
| **Total** | **8,034.50** | **3,109.12** |

**Trade Payables ageing:**

**As at 31 March 2023**

| | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | Unbilled dues | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Undisputed outstanding dues of micro enterprises and small enterprises | - | 2.53 | - | - | - | 2.53 |
| Undisputed outstanding dues of creditors other than micro enterprises and small enterprises | 2,919.12 | 5,112.85 | - | - | - | 8,031.97 |
| **Total** | **2,919.12** | **5,115.38** | **-** | **-** | **-** | **8,034.50** |

**As at 31 March 2022**

| | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | Unbilled dues | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Undisputed outstanding dues of micro enterprises and small enterprises | - | 0.36 | - | - | - | 0.36 |
| Undisputed outstanding dues of creditors other than micro enterprises and small enterprises | 2,228.15 | 880.61 | - | - | - | 3,108.76 |
| **Total** | **2,228.15** | **880.97** | **-** | **-** | **-** | **3,109.12** |

For trade payables ageing, the date of invoice recognition has been considered as due date of payment.

* Disclosure relating to suppliers registered under MSMED Act is based on the information available with the Company:

# Includes unbilled accruals/ dues.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---|---|
| (a) Amount remaining unpaid to any supplier at the end of each accounting year: | | |
| Principal | 2.53 | 0.36 |
| Interest | - | - |
| | **2.53** | **0.36** |
| (b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year | - | - |
| (c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006 | - | - |
| (d) the amount of interest accrued and remaining unpaid at the end of each accounting year | - | - |
| (e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006 | - | - |

| 21 | Other financial liabilities | 31 March 2023 | 31 March 2022 |
|---|---|---|---|
| | **Other financial liabilities at amortised cost** | | |
| | Clients' cash collateral (net) | 394,204.70 | 353,612.31 |
| | Payable to exchange (net) | - | 2,035.52 |
| | Payable to customers on trades | 54,189.41 | 9,014.57 |
| | Security deposits | 11.10 | 10.72 |
| | Other payables | 2,068.36 | 1,469.39 |
| | **Total** | **450,473.57** | **366,142.51** |

| 22 | Contract Liabilities | 31 March 2023 | 31 March 2022 |
|---|---|---|---|
| | Revenue received in advance | 128.73 | 78.05 |
| | **Total** | **128.73** | **78.05** |

| 23 | Other current liabilities | 31 March 2023 | 31 March 2022 |
|---|---|---|---|
| | Statutory dues payable | 507.88 | 276.90 |
| | **Total** | **507.88** | **276.90** |

| 24 | Revenue from operations | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|---|
| | Revenue from sale of services | 8,449.11 | 4,797.21 |
| | Other operating revenue (Net Income from Treasury Operations including interest on bank deposits and securities considered incidental to Operations) measured at amortised cost using EIR method | 20,965.79 | 10,495.47 |
| | **Total** | **29,414.90** | **15,292.68** |

| 25 | Other income | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|---|
| | Rental income | 31.34 | 16.54 |
| | Interest on: | | |
| | - Income taxes | 31.46 | - |
| | - Security deposits at amortised cost | 2.52 | 1.62 |
| | Income from mutual fund investments designated at FVTPL | 170.09 | 3,588.12 |
| | Foreign exchange fluctuation gain (net) | 21.52 | 9.61 |
| | Profit on sale of fixed assets | - | 0.73 |
| | Miscellaneous income | 1.65 | 2.70 |
| | **Total** | **258.58** | **3,619.32** |

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

| 26 | Employee benefits expense | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|---|
| | Salaries, wages, bonus and other allowances | 3,053.45 | 2,112.60 |
| | Contribution to funds | 72.68 | 51.88 |
| | Share based payments | 663.99 | - |
| | Gratuity (Refer note 33) | 34.93 | 15.00 |
| | Leave encashment | 88.79 | 32.21 |
| | Staff welfare | 30.41 | 11.05 |
| | **Total** | **3,944.25** | **2,222.74** |

| 27 | Finance costs | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|---|
| | **At amortised cost** | | |
| | Interest on: | | |
| | - Margin deposits | 3,816.44 | 2,720.17 |
| | - Lease liabilities | 38.06 | 11.88 |
| | - Bank overdraft | 4.36 | 38.52 |
| | - Delay in deposit of income taxes | 2.20 | 2.01 |
| | - Others | 1.22 | 1.33 |
| | Other borrowing costs | | |
| | - Bank guarantee charges | 367.08 | 249.31 |
| | **Total** | **4,229.36** | **3,023.22** |

| 28 | Depreciation and amortization expense | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|---|
| | Depreciation (Refer note 5) | 86.63 | 64.87 |
| | Depreciation on ROU Assets (Refer Note 5A) | 72.64 | 35.38 |
| | Depreciation on investment property (Refer Note 6) | 6.21 | 6.21 |
| | Amortization (Refer note 7) | 28.97 | 23.63 |
| | **Total** | **194.45** | **130.09** |

| 29 | Other expenses | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|---|
| | Electricity and water | 17.19 | 15.34 |
| | Rent | 31.29 | 23.11 |
| | Repairs and maintenance | | |
| | - Building | 36.01 | 34.08 |
| | - Others | 45.10 | 17.95 |
| | Technology expenses | 166.25 | 111.83 |
| | Travel and conveyance | 116.28 | 40.54 |
| | Communication, broadband and internet expenses | 23.46 | 21.66 |
| | Legal and professional charges* | 389.58 | 429.93 |
| | Commission fee | 7,842.91 | 6,008.09 |
| | Insurance | 22.39 | 18.05 |
| | Fees and subscriptions | 126.62 | 90.08 |
| | Rates and taxes | 23.72 | 22.27 |
| | Corporate Social Responsibility expense (Refer note 45) | 65.93 | 35.49 |
| | Marketing and promotions | 263.66 | 50.52 |
| | Bad debts | 11.30 | 38.12 |
| | Miscellaneous expenses | 117.95 | 209.87 |
| | **Total** | **9,299.64** | **7,166.93** |

*Note: The following is the break-up of Auditor's remuneration (exclusive of GST)

| | | |
|---|---|---|
| **As auditor:** | | |
| Statutory audit | 21.00 | 20.00 |
| **In other capacity:** | | |
| Tax audit | 1.60 | 1.50 |
| Reimbursement of expenses | 0.50 | 0.46 |
| | **23.10** | **21.96** |

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

**30 Income Tax**

(A) **Income tax expense**

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| - Current tax | 2,846.70 | 1,859.77 |
| - Deferred tax charge / (income) | 338.98 | (165.97) |
| **Income tax expense reported in the statement of profit or loss** | **3,185.68** | **1,693.80** |

(B) **Income tax expense charged to OCI**

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Items that will not be reclassified subsequently to profit or loss | | |
| - Remeasurement of net defined benefit liability | 18.51 | 0.28 |
| **Income tax charged to OCI** | **18.51** | **0.28** |

(C) **Reconciliation of tax charge**

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Profit before tax | 12,005.78 | 6,369.02 |
| Income tax expense at tax rates applicable (25.17%) | 3,021.62 | 1,603.08 |
| Tax effects of: | | |
| - Non-deductible expenses | 9.57 | 12.21 |
| - Others | 154.49 | 78.51 |
| **Income tax expense** | **3,185.68** | **1,693.80** |

(D)

| **Deferred tax relates to the following:** | **Year ended 31 March 2023** | **Year ended 31 March 2022** |
|---|---|---|
| **Deferred tax assets** | | |
| Provision for gratuity | 43.91 | 16.79 |
| Provision for leave encashment | 41.56 | 21.34 |
| Provision for Bonus | - | 302.02 |
| Others | - | 9.64 |
| | **85.47** | **349.79** |
| | | |
| **Deferred tax liabilities** | | |
| Property, plant and equipment | 183.01 | 178.44 |
| Others | 51.58 | - |
| | **234.59** | **178.44** |
| (Deferred tax liability)/Deferred tax asset, net | **(149.12)** | **171.35** |

(E) **Reconciliation of deferred tax assets/ (liabilities) (net):**

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Opening balance | 171.35 | 5.10 |
| Deferred tax recognized in Statement of Profit and Loss | (338.98) | 165.97 |
| Deferred tax recognized in Other Comprehensive Income | 18.51 | 0.28 |
| Closing balance | **(149.12)** | **171.35** |

The Company has not recognised deferred tax asset on account of indexation benefit of investment in subsidiary, as there is no reasonable certainty regarding realisability of the same.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

31 **Analytical ratios**

| S No. | Ratio | Particulars | | March 31, 2023 | | March 31, 2022 | | Ratio as on | | % Change | Reason (If variation is more than 25%) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Numerator | Denominator | Numerator | Denominator | Numerator | Denominator | 31 March 2023 | 31 March 2022 | | |
| (a) | Current Ratio | Total Current Assets | Total Current Liabilities | 464,770.16 | 459,713.46 | 320,208.90 | 369,922.90 | 1.01 | 0.88 | 15% | Not Applicable. |
| (b) | Debt-Equity Ratio | Total Debt* = Borrowing + Lease Liability | Shareholders' Equity | 1,241.78 | 42,597.24 | 96.53 | 22,135.64 | 0.029 | 0.004 | 568% | Increase in lease liabilities and share holder's equity during the year has resulted in change in the ratio. |
| (c ) | Debt Service Coverage Ratio | Earnings attributable for debt service = Net profit after tax + Non-cash operating expenses + Finance cost | Debt Service = Interest & Lease payments + Principal Repayments | 13,243.91 | 4,313.19 | 7,828.53 | 3,065.22 | 3.07 | 2.55 | 20% | Not Applicable. |
| (d) | Return on Equity Ratio | Net profit after taxes | Average Shareholder's Equity | 8,820.10 | 32,366.44 | 4,675.22 | 18,792.39 | 27.25% | 24.88% | 10% | Not Applicable. |
| (e ) | Trade Receivables Turnover Ratio | Total sales | Average Accounts Receivable | 8,449.11 | 1,862.58 | 4,797.21 | 1,011.15 | 4.54 | 4.74 | -4% | Not Applicable. |
| (f) | Trade Payables Turnover Ratio | Total Purchases** | Average Accounts Payable | 9,288.34 | 5,571.81 | 7,128.81 | 2,374.69 | 1.67 | 3.00 | -44% | Increase in total purchases and average accounts payable during the year has resulted in change in the ratio. |
| (g) | Net Capital Turnover Ratio | Total Sales including other operating revenue | Working Capital | 29,414.90 | 5,056.70 | 15,292.68 | (49,714.00) | 5.82 | (0.32) | -1931% | Increase in total sales and working capital during the year has resulted in change in the ratio. |
| (h) | Net Profit Ratio | Net profit after taxes | Total Sales including other operating revenue | 8,820.10 | 29,414.90 | 4,675.22 | 15,292.68 | 29.99% | 30.57% | -2% | Not Applicable. |
| (i) | Return on Capital Employed | Earnings before interest and taxes | Capital Employed | 16,235.14 | 42,652.20 | 9,392.24 | 22,046.80 | 38.06% | 42.60% | -11% | Not Applicable. |
| (j) | Return on Investment | Net profit after taxes | Total assets | 8,820.10 | 503,694.19 | 4,675.22 | 392,178.49 | 1.75% | 1.19% | 47% | Increase in net profit and total assets during the year has resulted in change in the ratio. |

* Debt amount represents only lease liabilities.

** Total purchases include other expenses excluding foreign exchange loss and bad debts.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

### 32 Earnings per share

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Profit attributable to equity holders | 8,820.10 | 4,675.22 |
| | | |
| Weighted average number of equity shares for basic EPS | 100,231,526 | 88,358,376 |
| Weighted average number of equity shares adjusted for the effect of dilution | 107,412,126 | 95,144,476 |
| Face value per share (INR) | 10.00 | 10.00 |
| | | |
| Basic earnings per share (INR) | 8.80 | 5.29 |
| Diluted earnings per share (INR) | 8.21 | 4.91 |

### 33 Employee benefits expense

| | | 31 March 2023 | 31 March 2022 |
|---|---|---|---|
| (A) | **Defined Contribution Plans** | | |
| | | | |
| | Employers' Contribution to Provident Fund and Employee State Insurance recognized in the Statement of Profit and Loss (Refer Note 26) | 72.68 | 51.88 |
| | | | |
| (B) | **Defined benefit plans** | | |
| | Gratuity payable | 174.48 | 66.72 |
| | | | |
| i) | **Actuarial assumptions** | | |
| | Discount rate (per annum) | 7.36% | 7.18% |
| | Rate of increase in Salary | 10.00% | 6.78% |
| | Expected average remaining working lives of employees (years) | 24.91 | 25.21 |
| | **Attrition rate (withdrawal rate %)** | | |
| | Up to 30 years | 11.00% | 35.00% |
| | From 31 to 44 years | 13.00% | 25.00% |
| | Above 44 years | 7.00% | 10.00% |
| | Mortality table | 100 % IALM (2012-14) | |
| | | | |
| ii) | **Changes in the present value of defined benefit obligation - Gratuity** | | |
| | **Present value of obligation at the beginning of the year** | 66.72 | 51.05 |
| | Interest cost | 4.79 | 3.47 |
| | Current service cost | 30.14 | 11.53 |
| | Benefits paid | (0.69) | (0.43) |
| | Actuarial (gain)/ loss on obligations | 73.52 | 1.10 |
| | **Present value of obligation at the end of the year** | **174.48** | **66.72** |

**iii) Description of Risk Exposures:**

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follows:

(A) **Salary Increase** - Actual salary increase will increase the Plan's liability. Increase in salary rate assumption in future valuations will also increase the liability.

(B) **Discount Rate** - Reduction in discount rate in subsequent valuations can increase the plan's liability.

(C) **Mortality & disability** – Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

(D) **Withdrawals** – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

**iv) Expense recognized in the Statement of Profit and Loss**

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Current service cost | 30.14 | 11.53 |
| Interest cost | 4.79 | 3.47 |
| **Total expenses recognized in the Statement Profit and Loss** | **34.93** | **15.00** |

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

**v) Expense recognized in Other Comprehensive Income**

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Actuarial (gain) / loss on obligations | 73.52 | 1.10 |
| **Total expenses recognized in Other Comprehensive Income** | **73.52** | **1.10** |

**vi) Assets and liabilities recognized in the Balance Sheet:**

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Present value of unfunded obligation as at the end of the year | 174.48 | 66.72 |
| **Unfunded net (asset)/liability recognized in Balance Sheet** | **174.48** | **66.72** |

**vii) Bifurcation of Present Benefit Obligation at the end of the year:**

| | | |
|---|---|---|
| Non Current Liability | 162.10 | 59.38 |
| Current Liability | 12.38 | 7.34 |
| | **174.48** | **66.72** |

**viii) Expected contribution for the next Annual reporting period**

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| a) Service Cost | 34.08 | 13.01 |
| b) Net Interest Cost | 12.84 | 4.79 |
| **Expected Expense for the next annual reporting period** | **46.92** | **17.80** |

**ix) A quantitative sensitivity analysis for significant assumption is as shown below:**

| Impact on defined benefit obligation | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Discount rate | | |
| 0.5% increase | (6.12) | (1.48) |
| 0.5% decrease | 6.61 | 1.55 |
| Rate of increase in salary | | |
| 0.5% increase | 28.49 | 1.55 |
| 0.5% decrease | (21.86) | (1.49) |

**x) Maturity profile of defined benefit obligation**

| | | |
|---|---|---|
| 0 to 1 year | 12.38 | 7.34 |
| 1 to 2 years | 54.68 | 21.50 |
| 2 to 3 years | 9.08 | 5.79 |
| 3 to 4 years | 8.53 | 4.49 |
| 4 to 5 years | 7.86 | 3.62 |
| 5 to 6 years | 17.06 | 3.01 |
| 6 year onwards | 64.89 | 20.97 |

### 34 Share based payments

The employee stock option plan (ESOP) has been designed to incentivise the employees of the company. During the current year, the Company has introduced employee stock option plan 2022 which was approved by the shareholders on 29 September 2022 granting Employee Stock Options in form of equity shares linked to the completion of a minimum period of continued employment and performance of the eligible employees of the Company, monitored and supervised by the Board of Directors. The employees can purchase equity shares by exercising the options as vested at the price specified at the time of grant.

In addition to ESOP Plan 2022, the Company have adopted Orbis-Employee Stock Option Plan 2018, Orbis -Employee Stock Option Plan 2020 and Orbis -Employee Stock Option Plan 2020-II in previous years.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

| Particulars | 31 March 2023 | | 31 March 2022 | |
|---|---|---|---|---|
| | Number | WAEP (INR) | Number | WAEP (INR) |
| | | | | |
| Options outstanding at beginning of year | 11,520,700 | 12.14 | 12,789,700 | 11.97 |
| **Add:** | | | | |
| Options granted during the year | 2,352,000 | 40.50 | - | - |
| **Less:** | | | | |
| Options exercised during the year | 3,104,100 | 10.20 | 1,144,000 | 10.22 |
| Options lapsed during the year | 51,000 | 19.95 | 125,000 | 12.00 |
| Options outstanding at the end of year | **10,717,600** | 18.89 | **11,520,700** | 12.14 |
| | | | | |
| Option exercisable at the end of year | 7,180,600 | 12.51 | 6,786,100 | 11.39 |

The fair value of each option is estimated on the date of grant using the Black Scholes Merton(BSM) formula. The following tables list the inputs to the Black Scholes Merton(BSM) used for the years ended:

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Weighted average fair value of the options at the grant dates (INR) | 40.50 | 12.33 |
| Dividend yield (%) | 5.00% | - |
| Risk free interest rate (%) | 7.26% | 4.83% |
| Expected volatility (%) | 55.67% | 30.00% |
| Exercise Price | 40.50 | - |
| Weighted average share price (INR) | 61.10 | 25.15 |

### 35 Related Party Disclosures:

**(A) Name of related parties and description of relationship as identified by the Company are provided below:**

**Individual exercising significant influence**

Atul Gupta (Founding Promotor and Executive Chairman)

**Subsidiary Company**

Orbis Trusteeship Services Private Limited (OTSPL)

**Key Management Personnel (KMP) & relatives**

Atul Gupta (Founding Promotor and Executive Chairman)
Shyamsunder Agarwal (Managing Director & Chief Executive Officer)
Rishav Bagrecha (Chief Financial Officer) w.e.f 16 September, 2021
Anil Gadoo (Chief Financial Officer) till 15 September, 2021
Rup Chand Jain (Director)
Manasi Gupta (Director and Daughter of Atul Gupta)
Pranay Kothari (Director)
Shachindra Nath (Director)
Michael Johann Eduard Jaeggi (Director)
Abhimanyu Ramanujacharya Siddhartha (Director)
Nikhil Godika (Director)
Rashmi Gupta (Spouse of Atul Gupta)
Karan Gupta (Son of Atul Gupta)

**Other related parties - Entities in whom Key Management Personnel is interested:**

Orbis Foundation
RC Jain Family Trust
Sanjiv Sarita Consulting Private Limited

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

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

| Nature of transactions | Subsidiary company | | KMP and Relatives | | Other related parties | |
|---|---|---|---|---|---|---|
| | 31 March 2023 | 31 March 2022 | 31 March 2023 | 31 March 2022 | 31 March 2023 | 31 March 2022 |
| | | | | | | |
| **OTSPL:** | | | | | | |
| Transfer of Unbilled Revenue for Trusteeship Services | - | 3.14 | - | - | - | - |
| Recovery of expenses | 38.82 | 9.71 | - | - | - | - |
| | | | | | | |
| **Orbis Foundation:** | | | | | | |
| Rendering of services | - | - | - | - | 2.52 | - |
| Interest on margin deposits | - | - | - | - | 17.88 | - |
| Cash collateral received | - | - | - | - | 600.00 | - |
| | | | | | | |
| **Issue of Equity Shares (including Securities premium)** | | | | | | |
| Sanjiv Sarita Consulting Private Limited | - | - | - | - | 40.37 | - |
| RC Jain Family Trust | - | - | - | - | 73.33 | 15.19 |
| Atul Gupta | - | - | - | 13.94 | - | - |
| Manasi Gupta | - | - | - | 27.13 | - | - |
| Karan Gupta | - | - | - | 6.87 | - | - |
| Rashmi Gupta | - | - | - | 0.51 | - | - |
| Rup Chand Jain | - | - | 386.40 | 65.75 | - | - |
| Shyamsunder Agarwal | - | - | 195.00 | - | - | - |
| Rishav Bagrecha | - | - | 20.00 | - | - | - |
| | | | | | | |
| **Reimbursement of expenses** | | | | | | |
| Atul Gupta | - | - | 4.06 | 3.47 | - | - |
| Shyamsunder Agarwal | - | - | 6.46 | 4.03 | - | - |
| Anil Gadoo | - | - | - | 0.10 | - | - |
| Rishav Bagrecha | - | - | 3.98 | 2.03 | - | - |
| | | | | | | |
| **Remuneration paid** | | | | | | |
| Atul Gupta | - | - | 84.92 | 45.59 | - | - |
| Shyamsunder Agarwal | - | - | 812.19 | 319.03 | - | - |
| Anil Gadoo | - | - | - | 55.86 | - | - |
| Rishav Bagrecha | - | - | 149.16 | 23.33 | - | - |
| | | | | | | |
| **Rent paid:** | | | | | | |
| Atul Gupta | - | - | 1.20 | 0.90 | - | - |
| Manasi Gupta | - | - | 13.50 | 7.20 | - | - |
| Rashmi Gupta | - | - | 13.50 | 7.20 | - | - |

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

**(C) Amount due to/from related party as on:**

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **Key Management Personnel (KMP)** | | |
| **Other financial liabilities** | | |
| Atul Gupta | 0.39 | 0.19 |
| Shyamsunder Agarwal | 0.18 | - |
| Rishav Bagrecha | 0.09 | 0.30 |
| Orbis Foundation | 598.56 | - |
| | | |
| **Trade payables** | | |
| Orbis Foundation | 1.72 | - |
| | | |
| **Trade receivables** | | |
| Manasi Gupta | 0.03 | 0.03 |
| Atul Gupta | 0.03 | 0.03 |
| Orbis Trusteeship Services Private Limited | - | 0.02 |
| | | |
| **Other financial assets** | | |
| Orbis Trusteeship Services Private Limited | 36.35 | - |

**(D) Terms and conditions of transactions with related parties and key management personnel**

The transactions with related parties and key management personnel are made on terms equivalent to those that prevail in arm's length transactions and in ordinary course of business. No borrowings and/or loans and advances transactions with related parties have been entered during the year. There have been no guarantees provided or received for any related party receivables or payables. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

### 36 Segment reporting

The Company operates in a single business segment and is primarily engaged into custody, clearing and settlement, depository, fund accounting, registrar and share transfer agency and reporting services. Shyamsunder Agarwal, Chief Operating Decision Maker (CODM), reviews the operations of the Company as one operating segment. Hence no separate segment information has been furnished herewith.

Geographical revenues is segregated based on the location of the customer in relation to which the revenue is recognised.

| | 31 March 2023 | | |
|---|---|---|---|
| | Within India | Others | Total |
| Revenue from Operations | 28,077.49 | 1,337.41 | 29,414.90 |

| | 31 March 2022 | | |
|---|---|---|---|
| | Within India | Others | Total |
| Revenue from Operations | 14,453.99 | 838.69 | 15,292.68 |

**Non-current operating assets**

The Company has common non-current operating assets for domestic as well as overseas. Hence, separate figures for these assets are not required to be furnished.

### 37 Fair values of financial assets and financial liabilities

The fair value of other current financial assets, cash and cash equivalents, bank balances other than cash and cash equivalents, trade receivables, investments, trade payables, and other financial liabilities approximate the carrying amounts because of the short term nature of these financial instruments.

The amortized cost using effective interest rate (EIR) of non-current financial assets consisting of security and term deposits are not significantly different from the carrying amount and therefore the impact of fair value is not considered for the purpose of disclosure.

Financial assets that are neither past due nor impaired include cash and cash equivalents, bank balances other than cash and cash equivalents, security deposits, term deposits, trade receivables, investments and other financial assets.

Similarly, carrying values of non-current security deposits and non-current term deposits are not significant.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

### 38 Fair value hierarchy

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- 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).

No financial assets/liabilities have been valued using level 1 fair value measurements except mentioned in below table.

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

| Quantitative disclosures on fair value measurement hierarchy for assets and liabilities | Fair value measurement using | | | |
|---|---|---|---|---|
| | Total | Quoted prices in active markets | Significant observable inputs | Significant unobservable inputs |
| | | (Level 1) | (Level 2) | (Level 3) |
| | | | | |
| **As at March 31, 2023:** | | | | |
| **Financial assets measured at amortised cost:** | | | | |
| Investment in Unquoted equity shares | 1,011.00 | - | - | 1,011.00 |
| Security deposit | 570.94 | - | - | 570.94 |
| Fixed deposits in banks with remaining maturity for more than 12 months | 26,481.43 | - | - | 26,481.43 |
| Trade receivables | 2,889.96 | - | - | 2,889.96 |
| Cash and cash equivalents | 48,083.90 | - | - | 48,083.90 |
| Bank balances other than cash and cash equivalents | 365,286.00 | - | - | 365,286.00 |
| Recoverable from exchange (net) | 36,506.98 | - | - | 36,506.98 |
| Interest accrued | 3,055.70 | - | - | 3,055.70 |
| Other receivables | 36.35 | - | - | 36.35 |
| Investment in Government Securities | 8,695.10 | - | - | 8,695.10 |
| Investment in Bonds | 591.83 | - | - | 591.83 |
| **Financial assets measured at FVTPL** | | | | |
| Mutual Funds | 6,608.87 | 6,608.87 | - | - |
| **Financial liabilities carried at amortised cost** | | | | |
| Trade Payables | 8,034.50 | - | - | 8,034.50 |
| Other financial liabilities | 450,473.57 | - | - | 450,473.57 |
| Lease Liabilities | 1,241.78 | - | - | 1,241.78 |
| | | | | |
| **As at March 31, 2022:** | | | | |
| **Financial assets measured at amortised cost:** | | | | |
| Investment in Unquoted equity shares | 1,011.00 | - | - | 1,011.00 |
| Security deposit | 458.17 | - | - | 458.17 |
| Fixed deposits in banks with remaining maturity for more than 12 months | 59,772.59 | - | - | 59,772.59 |
| Trade receivables | 835.20 | - | - | 835.20 |
| Cash and cash equivalents | 66,489.56 | - | - | 66,489.56 |
| Bank balances other than cash and cash equivalents | 250,238.34 | - | - | 250,238.34 |
| Interest accrued | 1,646.21 | - | - | 1,646.21 |
| Investment in Government Securities | 8,695.10 | - | - | 8,695.10 |
| **Financial assets measured at FVTPL** | | | | |
| Mutual Funds | 238.87 | 238.87 | - | - |
| **Financial liabilities carried at amortised cost** | | | | |
| Trade Payables | 3,109.12 | - | - | 3,109.12 |
| Other financial liabilities | 366,142.51 | - | - | 366,142.51 |
| Lease Liabilities | 96.53 | - | - | 96.53 |

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

The carrying amount of cash and cash equivalents, trade receivables, fixed deposits, trade payables and other payables are considered to be the same as their fair values. The fair values of security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including own and counterparty credit risk.

### 39 Financial risk management objectives and policies

The Company is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk. The Company's risk management is monitored by the Board of Directors who focuses on securing long term and short term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

**(A) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings and derivative financial instruments. Company does not have material investments in market linked financial instruments.

**(i) 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 market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to liquid instruments, government securities and other debt instruments. The interest rates on these instruments are relatively stable but may impact in case of major market fluctuations. The Company does not have long-term debt obligations. However, the company has exposure to bank guarantees but the commission rates on such bank guarantees are not linked to market interest rates.

**Interest rate sensitivity**

Company does not have floating interest rate borrowings and hence interest rate sensitivity is not applicable.

**(ii) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency).

**Foreign currency sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in the USD and AED exchange rate, with all other variables held constant, of the Company's profit before tax (due to changes in the fair value of monetary assets and liabilities). The Company's exposure to foreign currency changes for all other currencies is not material.

| | Change in AED rate (In BPS) | Effect on profit before tax | Change in US$ rate (In BPS) | Effect on profit before tax |
|---|---|---|---|---|
| Year ended March 31, 2023 | - | - | +2 | 7.33 |
| | - | - | -2 | -7.33 |
| | | | | |
| Year ended March 31, 2022 | +2 | 0.04 | +2 | 13.70 |
| | -2 | -0.04 | -2 | -13.70 |

**(B) 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. Credit risk arises principally from the Company's receivables, deposits with landlords and other statutory deposits with regulatory agencies and also arises from cash held with banks and financial institutions. 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.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

Loss allowance

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

(a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

(b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

The Company follows 'simplified approach' for recognition of impairment loss allowance on

(i) Trade receivables or contract revenue receivables; and

(ii) All lease receivables resulting from transactions within the scope of Ind AS 116.

Majority of Company's receivables are secured since the Company have assets of such customers under its custody.

The Company limits its exposure to credit risk of cash held with banks by dealing with highly rated banks and institutions and retaining sufficient balances in bank accounts required to meet operational costs on ongoing basis. The Management reviews the bank accounts on regular basis and fund drawdowns are planned to ensure that there is minimal surplus cash in bank accounts. The Company does not foresee any credit risks on deposits with regulatory authorities and the credit risk on other remaining financial assets is not material.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2023 and 31 March 2022 is the respective carrying amounts.

**(C) 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. Liquidity management practices are followed in the company to ensure availability of funds for the required purpose. Company also has available credit limits which may be utilised in case of need.

The table below summarizes the maturity profile of the Company's financial liabilities:

| | Less than 3 months | 3 to 12 months | 1 to 5 years | More than 5 years | Total |
|---|---|---|---|---|---|
| **31 March 2023** | | | | | |
| Trade payables | 8,034.50 | - | - | - | 8,034.50 |
| Other financial liabilities | 450,462.47 | - | 11.10 | - | 450,473.57 |
| | **458,496.97** | **-** | **11.10** | **-** | **458,508.07** |

| | Less than 3 months | 3 to 12 months | 1 to 5 years | More than 5 years | Total |
|---|---|---|---|---|---|
| **31 March 2022** | | | | | |
| Trade payables | 3,109.12 | - | - | - | 3,109.12 |
| Other financial liabilities | 364,928.96 | 1,202.83 | 10.72 | - | 366,142.51 |
| | **368,038.08** | **1,202.83** | **10.72** | **-** | **369,251.63** |

### 40 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value and to ensure the Company's ability to continue as a going concern.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants, if any. To maintain or adjust the capital structure, the Company reviews the fund management at regular intervals and take necessary actions to maintain the requisite capital structure.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2023 and 31 March 2022.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

### 41 Revenue From Operations

(a) Revenue recognised from Contracts

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Revenue recognised from Customer contracts | 29,414.90 | 15,292.68 |
| | **29,414.90** | **15,292.68** |

(b) Disaggregated revenue information

The company disaggregates the revenue from customers by geography and nature of services. The Company believe that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

**Geographic revenue**

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Outside India | 1,337.41 | 838.69 |
| India | 28,077.49 | 14,453.99 |
| | **29,414.90** | **15,292.68** |

**Nature of Services**

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| - Custody Service | 7,497.94 | 4,080.23 |
| - Professional Clearing Membership (PCM) Services | 916.63 | 690.29 |
| - Registrar Transfer Agent (RTA) Services | 34.54 | 26.69 |
| - Interest on Bank Deposits | 20,412.33 | 9,662.05 |
| - Interest income on bonds and Government securities designated at amortized cost | 553.46 | 833.42 |
| | **29,414.90** | **15,292.68** |

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

### 43 Contingent Liabilities

**a)** The Company has availed bank guarantees from various banks issued in favour of clearing corporations aggregating to INR 40,000 (31 March 2022: INR 36,500) towards margin deposits. Out of which, INR 35,000 (31 March 2022: INR 31,500) is backed by irrevocable and personal guarantee of Mr. Atul Gupta (Founding Promotor and Executive Chairman).

**b)** On going direct tax litigation:

| Name of the statute | Nature of dues | Amount (In INR Lakhs) | Period to which the amount relates | Forum where dispute is pending | Remarks, if any |
|---|---|---|---|---|---|
| Income Tax Act, 1961 | Disallowance u/s 56(2)(viib) and added back to income under Section 68 read with section 115BBE of the Act. | 12.94 | AY 2014-15 | CIT (Appeal) | Amount of INR 51.40 Lakhs disallowed by AO under Section 56(2)(viib), which reduced carried forward losses pertaining to AY 2014-15, whose credit has been taken by the Company in subsequent years. |

**c)** The Company does not have any material pending litigations which would impact its financial position.

### 44 Commitments

**a)** Estimated amount of contracts remaining to be executed on capital account and not provided for is INR 127.20 (net of advance: INR 124.35) [31 March 2022: INR 8.50 (net of advance: INR 13.50)].

**b)** The Company does not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

### 45 Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A CSR committee has been formed by the company as per the Act. The funds are utilized throughout the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

| | | 31 March 2023 | 31 March 2022 |
|---|---|---|---|
| A | **Details of CSR Expenditure:** | | |
| | Gross Amount required to be spent as per Section 135 of the Act | 65.83 | 29.40 |
| | Add: Amount Unspent from previous years | - | 15.30 |
| | Total Gross amount required to be spent during the year | 65.83 | 44.70 |

| | | 31 March 2023 | 31 March 2022 |
|---|---|---|---|
| B | Amount approved by the Board to be spent during the year | 65.83 | 29.40 |

| | | 31 March 2023 | 31 March 2022 |
|---|---|---|---|
| C | **Amount spent during the year on** | | |
| | (i) Construction/acquisition of an asset | - | - |
| | (ii) On purposes other than (i) above | 65.93 | 44.70 |

| | | 31 March 2023 | 31 March 2022 |
|---|---|---|---|
| D | **Details related to amount spent** | | |
| | Contribution for eradicating animal cruelty | 2.00 | 0.95 |
| | Contribution for education and skill building project | 27.93 | 19.24 |
| | Contribution for health care | 7.07 | - |
| | Aiding destitute widows | 16.40 | 10.53 |
| | Aiding leprosy patients | 12.53 | 13.98 |
| | **Total** | **65.93** | **44.70** |

**E Details of CSR expenditure in respect of other than ongoing projects**

| Nature of Activity | Balance unspent as at 1 April 2022 | Amount deposited in Specified Fund of Schedule VII of the Act within 6 months | Amount required to be spent during the year | Amount spent during the year | Balance unspent as at 31 March 2023 |
|---|---|---|---|---|---|
| Multiple activities as mentioned in point no. "D" above | - | - | 65.83 | 65.93 | - |

| Nature of Activity | Balance unspent as at 1 April 2021 | Amount deposited in Specified Fund of Schedule VII of the Act within 6 months | Amount required to be spent during the year | Amount spent during the year | Balance unspent as at 31 March 2022 |
|---|---|---|---|---|---|
| Multiple activities as mentioned in point no. "D" above | 15.30 | - | 29.40 | 44.70 | 0.00 |

**F Details of excess CSR expenditure**

| Nature of Activity | Balance excess as at 1 April 2022 | Amount required to be spent during the year | Amount spent during the year | Balance excess as at 31 March 2023 |
|---|---|---|---|---|
| Multiple activities as mentioned in point no. "D" above | - | 65.83 | 65.93 | (0.10) |

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

**G Disclosures on Shortfall**

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---|---|
| | | |
| Amount Required to be spent by the Company during the year | 65.83 | 44.70 |
| Actual Amount Spent by the Company during the year | 65.93 | 44.70 |
| Shortfall at the end of the year | - | 0.00 |
| Total of previous years shortfall | - | - |
| Reason for shortfall | NA | NA |

### 46 Pledge details with respect to fixed deposits in banks:

| | 31 March 2023 | | | |
|---|---|---|---|---|
| | Original maturity of less than 3 months | Original maturity for more than 3 months but less than 12 months | Original maturity for more than 12 months | Remaining maturity for more than 12 months |
| (i) Pledged with clearing corporations towards exposure deposits | 21,939.37 | 28,578.28 | 327,961.56 | 24,975.18 |
| (ii) Pledged with banks towards bank guarantees | - | - | 8,720.95 | 1,506.25 |
| (iii) Pledged with banks towards bank overdraft facility | - | - | 25.21 | - |
| | **21,939.37** | **28,578.28** | **336,707.72** | **26,481.43** |

| | 31 March 2022 | | | |
|---|---|---|---|---|
| | Original maturity of less than 3 months | Original maturity for more than 3 months but less than 12 months | Original maturity for more than 12 months | Remaining maturity for more than 12 months |
| (i) Pledged with clearing corporations towards exposure deposits | 36,279.37 | 63,550.43 | 177,567.01 | 59,397.59 |
| (ii) Pledged with banks towards bank guarantees | - | 12.50 | 9,081.70 | 375.00 |
| (iii) Pledged with banks towards bank overdraft facility | - | - | 25.20 | - |
| (iv) Pledged with government authorities | - | - | 1.50 | - |
| | **36,279.37** | **63,562.93** | **186,675.41** | **59,772.59** |

### 47 Dividend

(i) The following dividends were declared and paid by the Company during the year:

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| INR 0.50 per equity share (31 March 2022: INR 0.50) | 471.70 | 351.26 |
| | **471.70** | **351.26** |

(ii) After the reporting dates the following dividends were proposed by the directors subject to the approval at the annual general meeting; the dividends have not been recognised as liabilities.

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| INR 0.80 per equity share (31 March 2022: INR 0.50) | 910.19 | 471.70 |
| | **910.19** | **471.70** |

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

**48 Other Statutory Information**

(i) The Company does not have any Benami property and no proceedings has been initiated on or pending against the Company under The Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) [formerly The Benami Transactions (Prohibition) Act, 1988 (45 of 1988)] and rules made thereunder.

(ii) The Company does not have any transactions with stuck off Companies.

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

(iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(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 received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) 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

(b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(vii) There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act 1961, that has not been recorded in the books of account.

(viii) The Company has utilized the borrowings for the purpose it was obtained.

**49** Previous year figures, wherever necessary, have been regrouped/reclassified to conform to current period classification.

As per our report of even date
**For M S K A & Associates**
Chartered Accountants
Firm Registration No.:105047W

**For and on behalf of the Board of Directors of Orbis Financial Corporation Limited**
CIN: U67120HR2005PLC036952

**Piyush Maheshwari**
Partner
Membership No. 516964
Place: Gurugram
Date: 11 August 2023

**Atul Gupta**
Executive Chairman
DIN No.: 00528086

**Shyamsunder Agarwal**
Managing Director
DIN No.: 08516709

**Rishav Bagrecha**
Chief Financial Officer

**Prachi Khanna**
Company Secretary
M.No. A27428

# INDEPENDENT AUDITOR'S REPORT (CONSOLIDATED)

# INDEPENDENT AUDITOR'S REPORT (CONSOLIDATED)

## REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Opinion

We have audited the accompanying Consolidated Financial Statements of Orbis Financial Corporation Limited (hereinafter referred to as the "Holding Company") and its Subsidiary (Holding Company and its Subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated 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 Companies (Indian Accounting Standards) Rules,2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, of consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements in terms of the Code of Ethics issued by Institute of Chartered Accountant of India ("ICAI"), and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' report but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated 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 Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 Standards on Auditing ("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 Consolidated Financial Statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid Consolidated Financial Statements.
    b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books.
    c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
    d. In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
    e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its Subsidiary Company incorporated in India, none of the directors of the Group companies incorporated in India are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
    f. With respect to the adequacy of internal financial controls with reference to Consolidated Financial Statements of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
    g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
        i. The Group does not have any material pending litigations which would impact the consolidated financial position of the Group except disclosed in Note 42(b) and 42(c) to the Consolidated Financial Statements.
        ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. Refer Note 43(b) to the Consolidated Financial Statements.
        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its Subsidiary Company incorporated in India. Refer Note 41 to the Consolidated Financial Statement.
        iv.
            (1) The respective Managements of the Holding Company and its Subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or such Subsidiary to or in any other person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that such parties shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or such Subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(2) The respective Managements of the Holding Company and its Subsidiary, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us, to the best of their knowledge and belief, no funds have been received by the Holding Company or such Subsidiary from any person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company or such Subsidiary shall, 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.

(3) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us for Holding Company and its Subsidiary Company, which are companies incorporated in India whose financial statements have been audited under the Act, and according to the information and explanations provided to us by the Management of the Holding Company in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

v. The final dividend paid by the Holding Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.

vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014, is applicable for the Holding Company, and its Subsidiary Company incorporated in India only with effect from April 1, 2023, reporting under this clause is not applicable.

2. In our opinion, according to information and explanations given to us, the remuneration paid by the Group to its directors is within the limits prescribed under Section 197 of the Act and the rules thereunder.

3. According to the information and explanations given to us, the details of adverse remarks made by us in the Companies (Auditor's Report) Order 2020 (CARO) Report of the Holding Company and Subsidiary Company included in the Consolidated Financial Statements are as follows:

| Sr. No | Name of the Company | CIN | Type of Company (Holding /Subsidiary) | Clause number of the CARO Report which is Adverse |
|---|---|---|---|---|
| 1 | Orbis Financial Corporation Limited | U67120HR2005PLC036952 | Holding Company | 3(vii)(a) |

**For M S K A & Associates**
**Chartered Accountants**
ICAI Firm Registration No. 105047W

**Piyush Maheshwari**
Partner
Membership No. 516964
UDIN: 23516964BGXHGZ1360

Date: August 11, 2023
Place: Gurugram

# ANNEXURE A

## TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ORBIS FINANCIAL CORPORATION LIMITED

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED 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 Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Consolidated Financial Statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and 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 Consolidated 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated 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 Consolidated Financial Statements.

We communicate with those charged with governance of the Holding Company and Subsidiary Company included in the Consolidated Financial Statements of which we are the independent auditors 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

**For M S K A & Associates**
**Chartered Accountants**
ICAI Firm Registration No. 105047W

**Piyush Maheshwari**
Partner
Membership No. 516964
UDIN: 23516964BGXHGZ1360

Date: August 11, 2023
Place: Gurugram

# ANNEXURE B

## TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ORBIS FINANCIAL CORPORATION LIMITED FOR THE YEAR ENDED 31ST MARCH 2023

*[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report]*

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

### Opinion

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to Consolidated Financial Statements of Orbis Financial Corporation Limited (hereinafter referred to as "the Holding Company") and its Subsidiary Company (the Holding Company and its Subsidiary together referred to as "the Group"), which are Companies incorporated in India, as of that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company, its Subsidiary Company, which are Companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at March 31, 2023, based on the internal financial controls with reference to Consolidated Financial Statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI").

### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its Subsidiary Company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to Consolidated Financial Statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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 Act.

## Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to Consolidated Financial Statements of the Holding Company, its Subsidiary Company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Consolidated Financial Statements 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 with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated 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 internal financial controls with reference to Consolidated Financial Statements of the Holding Company and its Subsidiary Company, which are companies incorporated in India.

## Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

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

## Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

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

**For M S K A & Associates**
**Chartered Accountants**
ICAI Firm Registration No. 105047W

**Piyush Maheshwari**
Partner
Membership No. 516964
UDIN: 23516964BGXHGZ1360

Date: August 11, 2023
Place: Gurugram

# FINANCIAL STATEMENTS (CONSOLIDATED)

# CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

| Particulars | Notes | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 5 | 974.29 | 972.05 |
| Right-of-use assets | 5A | 1,273.06 | 103.85 |
| Investment property | 6 | 267.15 | 273.36 |
| Intangible assets | 7 | 75.53 | 75.34 |
| Intangible assets under development | 8 | 25.39 | 20.80 |
| Financial assets | | | |
| Investments | 9 | 7,957.43 | 8,695.10 |
| Other financial assets | 10 | 27,306.13 | 60,234.37 |
| Deferred tax assets (net) | 30 | - | 171.10 |
| Non-current tax assets (net) | 15(a) | 200.72 | 451.91 |
| Other non current assets | 16 | 134.48 | 8.72 |
| **Total non-current assets** | | **38,214.18** | **71,006.60** |
| | | | |
| **Current assets** | | | |
| Financial assets | | | |
| Investments | 9 | 7,938.37 | 238.87 |
| Trade receivables | 11 | 2,982.69 | 883.06 |
| Cash and cash equivalents | 12 | 48,357.19 | 67,478.33 |
| Bank balances other than cash and cash equivalents | 13 | 365,986.00 | 250,338.34 |
| Other financial assets | 14 | 39,562.82 | 1,670.16 |
| Other current assets | 16 | 979.39 | 766.31 |
| **Total current assets** | | 465,806.46 | 321,375.07 |
| **Total assets** | | **504,020.64** | **392,381.67** |
| | | | |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity share capital | 17 | 11,363.30 | 9,431.48 |
| Other equity | 18 | 31,537.30 | 12,870.34 |
| **Total equity** | | **42,900.60** | **22,301.82** |
| | | | |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| Lease Liabilities | 5A | 1,089.95 | 79.01 |
| Employee benefit obligations | 19 | 162.56 | 59.39 |
| Deferred tax liabilities (net) | 30 | 148.88 | - |
| **Total non-current liabilities** | | 1,401.39 | 138.40 |
| | | | |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| Lease Liabilities | 5A | 170.27 | 36.52 |
| Trade payables | 20 | | |
| i) Total outstanding dues of micro enterprises and small enterprises | | 2.53 | 0.36 |
| ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | | 8,033.04 | 3,112.32 |
| Other financial liabilities | 21 | 450,483.99 | 366,144.19 |
| Contract liabilities | 22 | 130.36 | 95.35 |
| Other current liabilities | 23 | 514.93 | 278.93 |
| Current tax liabilities (net) | 15(b) | 204.42 | 181.50 |
| Employee benefit obligations | 19 | 179.11 | 92.28 |
| **Total current liabilities** | | 459,718.65 | 369,941.45 |
| **Total liabilities** | | 461,120.04 | 370,079.85 |
| **Total equity and liabilities** | | **504,020.64** | **392,381.67** |
| Summary of significant accounting policies | 2 | | |

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

As per our report of even date
**For M S K A & Associates**
Chartered Accountants
Firm Registration No.:105047W

**For and on behalf of the Board of Directors of Orbis Financial Corporation Limited**
CIN: U67120HR2005PLC036952

**Piyush Maheshwari**
Partner
Membership No. 516964
Place: Gurugram
Date: 11 August 2023

**Atul Gupta**
Executive Chairman
DIN No.: 00528086

**Shyamsunder Agarwal**
Managing Director
DIN No.: 08516709

**Rishav Bagrecha**
Chief Financial Officer

**Prachi Khanna**
Company Secretary
M.No. A27428

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

| Particulars | Notes | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|---|
| **Income** | | | |
| Revenue from operations | 24 | 29,667.42 | 15,418.17 |
| Other income | 25 | 310.32 | 3,684.78 |
| | | **29,977.74** | **19,102.95** |
| | | | |
| **Expenses** | | | |
| Employee benefits expense | 26 | 4,015.23 | 2,225.49 |
| Finance costs | 27 | 4,232.08 | 3,028.64 |
| Depreciation and amortization expense | 28 | 199.83 | 131.90 |
| Other expenses | 29 | 9,341.40 | 7,195.45 |
| | | **17,788.54** | **12,581.48** |
| | | | |
| **Profit before tax** | | **12,189.20** | **6,521.47** |
| | | | |
| **Tax expense** | | | |
| Current year tax | 30 | 3,189.30 | 1,942.19 |
| Previous year tax | 30 | (295.89) | (38.79) |
| Deferred tax | 30 | 338.50 | (165.73) |
| | | **3,231.91** | **1,737.67** |
| | | | |
| **Profit for the year** | | **8,957.29** | **4,783.80** |
| | | | |
| **Other comprehensive income** | | | |
| Items that will not be reclassified subsequently to profit or loss | | | |
| Remeasurement of net defined benefit liability | | (73.55) | (1.10) |
| Income tax effect | | 18.52 | 0.28 |
| **Other comprehensive income for the year, net of tax** | | **(55.03)** | **(0.82)** |
| | | | |
| **Total comprehensive income for the year** | | **8,902.26** | **4,782.98** |
| | | | |
| **Earnings per share** | 31 | | |
| Basic earnings per share (INR) | | 8.94 | 5.41 |
| Diluted earnings per share (INR) | | 8.34 | 5.03 |
| | | | |
| Summary of significant accounting policies | 2 | | |

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

As per our report of even date
**For M S K A & Associates**
Chartered Accountants
Firm Registration No.:105047W

**For and on behalf of the Board of Directors of Orbis Financial Corporation Limited**
CIN: U67120HR2005PLC036952

**Piyush Maheshwari**
Partner
Membership No. 516964
Place: Gurugram
Date: 11 August 2023

**Atul Gupta**
Executive Chairman
DIN No.: 00528086

**Shyamsunder Agarwal**
Managing Director
DIN No.: 08516709

**Rishav Bagrecha**
Chief Financial Officer

**Prachi Khanna**
Company Secretary
M.No. A27428

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

**(A)**

| Equity share capital | As at 31 March 2023 | |
|---|---|---|
| | No. of shares | Amount |
| Equity shares of INR 10 each issued, subscribed and fully paid | | |
| Opening | 94,314,771 | 9,431.48 |
| Add: Issued during the year | 19,318,233 | 1,931.82 |
| Closing | **113,633,004** | **11,363.30** |

| Equity share capital | As at 31 March 2022 | |
|---|---|---|
| | No. of shares | Amount |
| Equity shares of INR 10 each issued, subscribed and fully paid | | |
| Opening | 87,624,000 | 8,762.40 |
| Add: Issued during the year | 6,690,771 | 669.08 |
| Closing | **94,314,771** | **9,431.48** |

**(B)**

| Other equity | Securities premium | Retained earnings | Share based payment reserve | Other comprehensive Income | Total |
|---|---|---|---|---|---|
| | | | | Remeasurement of net defined benefit liability | |
| Balance at 01 April 2022 | 5,821.49 | 7,053.14 | - | (4.29) | 12,870.33 |
| Profit for the year | - | 8,957.29 | - | - | 8,957.29 |
| Dividend paid | - | (471.70) | - | - | (471.70) |
| Share based payments expense | - | - | 663.99 | - | 663.99 |
| Amount transferred to securities premium on exercise of stock options | 316.47 | - | (316.47) | - | - |
| Premium on shares issued | 9,572.40 | - | - | - | 9,572.40 |
| Other comprehensive income | - | - | - | (55.03) | (55.03) |
| **Balance as at 31 March 2023** | **15,710.36** | **15,538.73** | **347.52** | **(59.32)** | **31,537.29** |

| Other equity | Securities premium | Retained earnings | Share based payment reserve | Other comprehensive Income | Total |
|---|---|---|---|---|---|
| | | | | Remeasurement of net defined benefit liability | |
| Balance at 01 April 2021 | 4,127.22 | 2,620.60 | - | (3.47) | 6,744.35 |
| Profit for the year | - | 4,783.80 | - | - | 4,783.80 |
| Dividend paid | - | (351.26) | - | - | (351.26) |
| Premium on shares issued | 1,694.27 | - | - | - | 1,694.27 |
| Other comprehensive income | - | - | - | (0.82) | (0.82) |
| **Balance as at 31 March 2022** | **5,821.49** | **7,053.14** | **-** | **(4.29)** | **12,870.34** |

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

As per our report of even date
**For M S K A & Associates**
Chartered Accountants
Firm Registration No.:105047W

**For and on behalf of the Board of Directors of Orbis Financial Corporation Limited**
CIN: U67120HR2005PLC036952

**Piyush Maheshwari**
Partner
Membership No. 516964
Place: Gurugram
Date: 11 August 2023

**Atul Gupta**
Executive Chairman
DIN No.: 00528086

**Shyamsunder Agarwal**
Managing Director
DIN No.: 08516709

**Rishav Bagrecha**
Chief Financial Officer

**Prachi Khanna**
Company Secretary
M.No. A27428

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

| | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| **Cash flows from operating activities** | | |
| Profit before tax | 12,189.20 | 6,521.47 |
| Adjustments for: | | |
| Depreciation and amortization expense | 199.83 | 131.90 |
| Share based payments | 663.99 | - |
| Finance costs | 4,232.08 | 3,028.64 |
| Income from mutual fund investments designated at FVTPL | (170.09) | (3,588.12) |
| Foreign exchange fluctuation gain (net) | (20.39) | (9.62) |
| Interest income | (49.78) | (65.46) |
| Bad debts | 12.61 | - |
| Profit on sale of fixed assets | - | (0.73) |
| **Operating profit before working capital changes** | **17,057.45** | **6,018.08** |
| | | |
| **Changes in working capital** | | |
| Increase in trade payables | 4,922.89 | 1,469.66 |
| (Increase)/Decrease in trade receivables | (2,091.85) | 371.31 |
| Increase in other current liabilities | 236.00 | 199.72 |
| Increase in provisions | 116.45 | 35.31 |
| Increase in other financial liabilities | 84,374.81 | 153,572.81 |
| (Increase) in other financial assets | (119,838.42) | (203,477.22) |
| (Increase) in other non current/current assets | (338.85) | (989.37) |
| **Cash (used) in operations** | (15,561.52) | (42,799.70) |
| Income tax paid | (2,619.30) | (1,292.97) |
| **Net cash flows (used) in operating activities (A)** | **(18,180.82)** | **(44,092.67)** |
| | | |
| **Cash flows from Investing activities** | | |
| Purchases of property, plant and equipment and intangible assets | (100.53) | (175.63) |
| Addition to capital work-in-progress and intangible assets under development | (25.79) | (19.05) |
| (Investment) made/Proceeds from sale of Mutual funds (net) | (6,199.91) | 70,713.27 |
| (Investment) made in Bonds | (1,097.33) | (1,099.75) |
| Proceeds from sale of Government Securities | - | 1,601.30 |
| Proceeds from sale of bonds | 505.50 | 5,825.75 |
| (Investment) made in fixed deposits | (849.90) | (100.00) |
| Interest received | 73.53 | 65.42 |
| Proceeds from sale of property, plant and equipment and intangible assets | - | 3.09 |
| **Net cash flows (used) in/generated from investing activities (B)** | **(7,694.43)** | **76,814.40** |
| | | |
| **Cash flows from Financing activities** | | |
| Proceeds from issuance of equity share capital | 11,504.22 | 2,363.34 |
| Interest paid | (4,192.05) | (3,040.45) |
| Principal paid on lease liabilities | (86.36) | (43.43) |
| Dividend paid | (471.70) | (351.26) |
| **Net cash flows generated from/(used) in financing activities (C)** | **6,754.11** | **(1,071.80)** |
| | | |
| **Net (decrease)/increase in cash and cash equivalents (A+B+C)** | (19,121.14) | 31,649.93 |
| Cash and cash equivalents at the beginning of the year | 67,478.33 | 35,828.40 |
| Cash and cash equivalents at the end of the year | **48,357.19** | **67,478.33** |
| | | |
| **Cash and cash equivalents comprise (Refer note 12)** | | |
| Balances with banks | | |
| On current accounts | 26,417.82 | 31,198.96 |
| Fixed deposits with original maturity of less than 3 months | 21,939.37 | 36,279.37 |
| **Total cash and bank balances at end of the year** | **48,357.19** | **67,478.33** |

Notes:
i. The Consolidated Statement of Cash Flows has been prepared in accordance with the 'Indirect Method' set out in Ind AS 7 "Statement of Cash Flows" notified under the section 133 of the Act, read together with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015.
ii. Figures in bracket indicate cash outflow.

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

As per our report of even date
**For M S K A & Associates**
Chartered Accountants
Firm Registration No.:105047W

**For and on behalf of the Board of Directors of Orbis Financial Corporation Limited**
CIN: U67120HR2005PLC036952

**Piyush Maheshwari**
Partner
Membership No. 516964
Place: Gurugram
Date: 11 August 2023

**Atul Gupta**
Executive Chairman
DIN No.: 00528086

**Shyamsunder Agarwal**
Managing Director
DIN No.: 08516709

**Rishav Bagrecha**
Chief Financial Officer

**Prachi Khanna**
Company Secretary
M.No. A27428

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

## 1 GENERAL INFORMATION

These consolidated financial statements ("CFS") comprise the financial statement of Orbis Financial Corporation Limited (hereinafter referred to as "the Parent/Holding") and Orbis Trusteeship Services Private Limited, its subsidiary (together referred to as "the Group") ("hereinafter referred to as the Group") for the year ended March 31, 2023.

Orbis Financial Corporation Limited is registered with Securities and Exchange Board of India (SEBI) as a Custodian of Securities and is engaged into depository, clearing and settlement, fund accounting, registered transfer agency services and reporting services.

Orbis Trusteeship Services Private Limited is registered with Securities and Exchange Board of India (SEBI) as a Debenture Trustee and is also authorised to undertake administration, asset management support services and trusteeship services under International Financial Services Centres Authority (IFSCA), Gift City in Gujarat.

## 2 SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies adopted by the Group are as under:

### 2.1 Basis of Preparation of Financial Statements

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

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

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

**(b) Basis of measurement**

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

i) Certain financial assets and liabilities measured at fair value (refer accounting policy 2.13 on financial instruments)

ii) Share based payment transactions (refer accounting policy 2.14(c) on Share-based payments)

All assets and liabilities have been classified as current or non-current as per the Group operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the rendering of service and their realization in cash and cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of current and non current classification of assets and liabilities.

The consolidated financial statements were authorised for issue in accordance with the resolution of the board of directors on 11 August 2023.

**(c) Use of estimates**

The preparation of financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the Group financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected. Refer Note 3 for detailed discussion on estimates and judgments.

**(d) Basis of consolidation**

The consolidated financial statements comprise the financial statements of the Parent and its subsidiary as at 31 March 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

a. Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee),

b. Exposure, or rights, to variable returns from its involvement with the investee, and

c. The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

a. The contractual arrangement with the other vote holders of the investee,

b. Rights arising from other contractual arrangements,

c. The Group's voting rights and potential voting rights,

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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d. The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of the subsidiary used for the purpose of consolidation are drawn up to same reporting date as that of the parent , i.e., year ended on 31 March 2023.

**Consolidation procedure**

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiary. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in the subsidiary and the parent's portion of equity of the subsidiary.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

### 2.2 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of Property, plant and equipments not ready for use before year end are disclosed under 'Capital work-in-progress'.

**Depreciation methods and estimated useful lives**

The Group depreciates property, plant and equipment over their estimated useful lives using the straight line method. The estimated useful lives of assets are as follows:

| Property, plant and equipment | Useful Life |
|---|---|
| Leasehold improvement * | Lease period |
| Improvements to Buildings | 30 years |
| Buildings | 60 years |
| Furniture and Fixtures | 10 years |
| Vehicles | 8 years |
| Office Equipment | 5 years |
| Plant and equipment: | |
| -Servers | 6 years |
| -End user devices such as, desktops, laptops etc. | 3 years |

* Leasehold improvements are amortized over the lease period, which corresponds with the useful lives of the assets.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income'.

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

Losses arising on retirement or gain/ loss arising on disposal of property, plant and equipment is recognised in the Statement of Profit and Loss of the year in which such retirement or disposal takes place.

### 2.3 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred.

The Group, based on technical assessment made by technical expert and management estimate, depreciates the building over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The Group depreciates building component of investment property over 30 years from the date of original purchase.

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on quotation received from the market for investment properties.

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

### 2.4 Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortization.

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

| Intangible assets | Useful Life |
|---|---|
| Computer Software | 5 years |

Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

### 2.5 Foreign Currency Transactions

**(a) Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Group's functional and presentation currency.

**(b) Transactions and balances**

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

### 2.6 Fair value measurement

The Group measures financial instruments at fair value at each balance sheet date.

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

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The Group's management determines the policies and procedures for fair value measurement such as derivative instrument.

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

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

### 2.7 Revenue Recognition

**Rendering of services**

Income comprises revenue from custody services, depository participant services, professional clearing services, fund accounting services, trusteeship services, registrar and transfer agent services rendered.

Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met as described below.

The Group recognise revenue from contracts with customers based on a comprehensive assessment model as set out in Ind AS 115 -'Revenue from contract with customers'. The Group identifies contracts with customers and its performance obligation under the contract, determines the transaction price and its allocation to the performance obligation in the contract and recognises revenue only on satisfactory completion of performance obligations.

Fixed fees is recognised upon execution of trust deed and periodical fees is recognised in over the period and in accordance with agreement with customer.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of indirect taxes, trade allowances, rebates and amounts collected on behalf of third parties and is not recognised in instances where there is uncertainty with regard to ultimate collection. In such cases revenue is recognised on reasonable certainty of collection.

**Other Operating Revenue**

Interest Income is recognised, as other operating revenue since the same is incidental to operations of business, on a basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists.

Income from sale of investment is recognised in Profit & Loss on trade date basis.

### 2.8 Taxes

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

(a) Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(b) Deferred tax

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

### 2.9 Leases

**As a lessee**

The Group's lease asset classes primarily consist of leases for Building. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group 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 Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

**As a Lessor**

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

### 2.10 Impairment of non-financial assets

The Group assesses at each year end whether there is any objective evidence that a non financial asset or a Group of non financial assets is impaired. If any such indication exists, the Group estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the Group 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 was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss.

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 in flows from continuing use that are largely independent of the cash inflows of other assets or Groups of assets (the "cash-generating unit").

### 2.11 Provisions and contingent liabilities

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

### 2.12 Cash and cash equivalents

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

For the purposes of the consolidated statement of cash flows, cash and cash equivalents include cash on hand, cash in banks and short-term deposits net of bank overdraft.

### 2.13 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**(a) Financial assets**

(i) Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

a) at amortized cost; or

b) at fair value through other comprehensive income; or

c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost.

Fair value through other comprehensive income (FVTOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVTOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in 'Other income' using the effective interest rate method.

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortized cost or FVTOCI are measured at fair value through profit or loss.

Equity instruments: All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument- by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

(iii) Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost and FVTOCI.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

For recognition of impairment loss on financial assets and risk exposure, the Group 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 years, credit quality of the instrument

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Life time 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 year end.

ECL is the difference between all contractual cash flows that are due to the Group 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.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payment is more than 30 days past due.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost 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 Group does not reduce impairment allowance from the gross carrying amount.

(iv) Derecognition of financial assets

A financial asset is derecognized only when

a) the rights to receive cash flows from the financial asset is transferred or

b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

**(b) Financial liabilities**

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

(ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

(iii) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

**(c) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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## 2.14 Employee Benefits

**(a) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employee's services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**(b) Other long-term employee benefit obligations**

**(i) Defined contribution plan**

Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the Group has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Group does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Group has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Group does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

**(ii) Defined benefit plans**

Gratuity: The Group provides for gratuity, a defined benefit plan (the 'Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise.

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 year end are treated as other long term employee benefits. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

Leaves under defined benefit plans can be encashed only on discontinuation of service by employee.

**(c) Share-based payments**

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions). The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense using graded vesting method. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Companies' best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

The dilutive effect of outstanding exercisable options is reflected as additional share dilution in the computation of diluted earnings per share.

## 2.15 Contributed equity

Equity shares are classified as equity share capital.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

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### 2.16 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Group's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

### 2.17 Corporate social responsibility (CSR)

The Group discharges its CSR obligation through contribution to the funds as specified in Schedule VII to the Act. These contributions/ expenditure are recognized in Statement of Profit and Loss on payment basis and no provision is made against unspent amount, if any.

### 2.18 Segment reporting

The Group identifies segment basis the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating results are regularly reviewed by Chief Operating Decision Makers (CODM) in deciding allocation of resources and assessing performance.

Shyamsunder Agarwal, Chief Operating Decision Maker (CODM) who reviews the operations of the Group as one operating segment. The Group operates in a single business segment and is primarily engaged into custody, clearing and settlement, depository, fund accounting, registrar and share transfer agency, trusteeship services and reporting services.

### 2.19 Rounding off amounts

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

## 3 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements requires Management to make judgments, estimates and assumptions in the application of accounting policies that affect the amounts reported in the financial statements. Actual results may differ from these estimates. These estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### 3.1 Estimates and assumptions

The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

It is reasonably possible, based on existing knowledge, that outcomes within the next financial year that are different from assumptions could require a material adjustment to the carrying amount of the asset or liability affected as disclosed below.

**(a) Share-based payments**

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 34.

**(b) Taxes**

Deferred tax assets and liabilities are recognised for deductible temporary differences and unused tax losses for which there is probability of utilisation against the future taxable profit. The Group uses judgement to determine the amount of deferred tax asset that can be recognised, based upon the likely timing and the level of future taxable profits and business developments. Refer Note 30.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

**(c) Defined benefit plans**

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

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. For details refer Note 32.

**(d) Impairment of non-financial assets**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value-in-use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/ forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

**(e) Impairment of financial assets**

The Group assesses on a forward looking basis the expected credit risk associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Refer Note 38.

### 4 NEW AND AMENDED STANDARDS ISSUED BUT NOT EFFECTIVE

The Ministry of Corporate Affairs has vide notification dated 31 March 2023 notified the Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules'), which amend certain accounting standards, and are effective 1 April 2023. The Rules predominantly amend Ind AS 12, Income Taxes and Ind AS 1, Presentation of Financial Statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications. These amendments are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

### 5 Property, plant and equipment

| | Gross block | | | | Depreciation | | | | Net block | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01 April 2022 | Additions | Deductions | As at 31 March 2023 | As at 01 April 2022 | For the year | Deductions | As at 31 March 2023 | As at 31 March 2023 | As at 31 March 2022 |
| **Owned assets** | | | | | | | | | | |
| Improvements to buildings* | 102.54 | - | - | 102.54 | 15.48 | 5.15 | - | 20.63 | 81.91 | 87.06 |
| Buildings * | 698.36 | - | - | 698.36 | 42.91 | 14.30 | - | 57.21 | 641.15 | 655.45 |
| Plant and equipment (data processing) | 149.13 | 19.74 | - | 168.87 | 68.18 | 38.64 | - | 106.82 | 62.05 | 80.95 |
| Furniture and fixtures | 11.24 | 12.48 | - | 23.72 | 2.08 | 1.42 | - | 3.50 | 20.22 | 9.16 |
| Office Equipment | 31.13 | 29.17 | - | 60.30 | 15.53 | 7.24 | - | 22.77 | 37.53 | 15.60 |
| Vehicles | 148.94 | 30.19 | - | 179.13 | 25.11 | 22.59 | - | 47.70 | 131.43 | 123.83 |
| **Total** | **1,141.34** | **91.58** | **-** | **1,232.92** | **169.29** | **89.34** | **-** | **258.63** | **974.29** | **972.05** |

| | Gross block | | | | Depreciation | | | | Net block | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01 April 2021 | Additions | Deductions | As at 31 March 2022 | As at 01 April 2021 | For the year | Deductions | As at 31 March 2022 | As at 31 March 2022 | At at 31 March 2021 |
| **Owned assets** | | | | | | | | | | |
| Improvements to buildings* | 102.54 | - | - | 102.54 | 10.35 | 5.13 | - | 15.48 | 87.06 | 92.19 |
| Buildings * | 698.36 | - | - | 698.36 | 28.57 | 14.34 | - | 42.91 | 655.45 | 669.79 |
| Plant and equipment (data processing) | 100.99 | 48.33 | 0.19 | 149.13 | 37.47 | 30.90 | 0.19 | 68.18 | 80.95 | 63.52 |
| Furniture and fixtures | 7.40 | 3.84 | - | 11.24 | 1.14 | 0.94 | - | 2.08 | 9.16 | 6.26 |
| Office Equipment | 26.91 | 6.39 | 2.17 | 31.13 | 11.96 | 5.64 | 2.07 | 15.53 | 15.60 | 14.95 |
| Vehicles | 63.17 | 85.77 | - | 148.94 | 16.46 | 8.65 | - | 25.11 | 123.83 | 46.71 |
| **Total** | **999.37** | **144.33** | **2.36** | **1,141.34** | **105.95** | **65.60** | **2.26** | **169.29** | **972.05** | **893.42** |

*Includes net block of 'Improvements to Buildings' and 'Buildings' of INR 81.91 (31 March 2022: INR 87.06) and INR 641.15 (31 March 2022: INR 655.45) respectively, which are mortgaged towards overdraft facility availed by the Parent Company from ICICI Bank Limited.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

### 5A Leases where Group is a lessee

(A)(ia) **Changes in the carrying value of Right-of-use (ROU) Assets**

| | Building |
|---|---|
| **Balance as at 01 April 2021** | **120.89** |
| Addition | 19.42 |
| Deletion | - |
| Depreciation | 36.46 |
| **Balance as at 31 March 2022** | **103.85** |
| Additions | 1,243.53 |
| Deletion | - |
| Depreciation | 74.32 |
| **Balance as at 31 March 2023** | **1,273.06** |

(ib) **Changes in the Lease liabilities**

| | |
|---|---|
| **Balance as at 01 April 2021** | 126.65 |
| Addition | 19.26 |
| Less: Lease payments | 43.43 |
| Add: Interest expense | 13.05 |
| **Balance as at 31 March 2022** | **115.53** |
| Additions | 1,191.02 |
| Less: Lease payments | 86.36 |
| Add: Interest expense | 40.03 |
| **Balance as at 31 March 2023** | **1,260.22** |

(ii)

| Break-up of current and non-current lease liabilities | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Current Lease Liabilities | 170.27 | 36.52 |
| Non-current Lease Liabilities | 1,089.95 | 79.01 |

(iii)

| **Maturity analysis of lease liabilities** | | |
|---|---|---|
| Less than one year | 294.56 | 46.98 |
| One to five years | 1,075.09 | 77.62 |
| More than five years | 394.92 | 15.93 |
| Total | **1,764.57** | **140.53** |

(iv)

| **Amounts recognised in statement of Profit and Loss account** | | |
|---|---|---|
| Interest on Lease Liabilities (Refer note 27) | 40.03 | 13.05 |
| Depreciation on Right-of-Use assets (Refer note 28) | 74.32 | 36.46 |
| Rent expenses (Refer note 29) | 35.22 | 24.76 |

(v)

| **Amounts recognised in statement of Cash Flow** | | |
|---|---|---|
| Total Cash outflow for leases | 86.36 | 43.43 |

(B) The Group has applied the short-term recognition exemption to its short-term lease of residential accommodation. It also applied the lease of low value assets recognition exemption to lease of office equipment that are considered to be low value. Lease payment exemption on short-term lease and low value assets are recognised as expense amount to INR 33.44 (31 March 2022: INR 23.25) and INR 1.78 (31 March 2022: INR 1.51).

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

### 6 Investment property

| Cost | Amount |
|---|---|
| **Cost as at 01 April 2021** | 292.00 |
| Addition | - |
| **As at 31 March 2022** | 292.00 |
| Addition | - |
| **Closing as at 31 March 2023** | **292.00** |
| | |
| **Accumulated amortization** | |
| **Opening as at 01 April 2021** | 12.43 |
| For the year | 6.21 |
| **Up to 31 March 2022** | 18.64 |
| For the year | 6.21 |
| **Closing as at 31 March 2023** | **24.85** |
| | |
| **Net block** | |
| **As at 31 March 2023** | **267.15** |
| **As at 31 March 2022** | **273.36** |

**Information regarding income and expenditure of Investment property**

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Rental income derived from investment property (Gross) | 31.01 | 15.54 |
| Direct operating expenses (including repairs and maintenance) generating rental income | (2.46) | (1.23) |
| Profit arising from investment properties before depreciation and indirect expenses | 28.55 | 14.31 |
| Less – Depreciation | 6.21 | 6.21 |
| Profit arising from investment property | **22.34** | **8.10** |

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

**Description of valuation techniques used and key inputs to valuation on investment properties:**

| Significant unobservable Inputs | Particulars |
|---|---|
| Valuation | INR 300.00 (31 March 2022: INR 300) |

The fair valuation is based on market feedback on value of similar properties. The fair market value of the property may increase/decrease depending on the future market conditions and scenarios.

### 7 Intangible assets

| | Gross block | | | | Amortization | | | | Net block | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01 April 2022 | Additions | Deductions | As at 31 March 2023 | As at 01 April 2022 | For the year | Deductions | As at 31 March 2023 | As at 31 March 2023 | As at 31 March 2022 |
| Computer Software | 128.15 | 30.15 | - | 158.30 | 52.81 | 29.96 | - | 82.77 | 75.53 | 75.34 |
| **Total** | **128.15** | **30.15** | **-** | **158.30** | **52.81** | **29.96** | **-** | **82.77** | **75.53** | **75.34** |

| | Gross block | | | | Amortization | | | | Net block | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01 April 2021 | Additions | Deductions | As at 31 March 2022 | As at 01 April 2021 | For the year | Deductions | As at 31 March 2022 | As at 31 March 2022 | As at 31 March 2021 |
| Computer Software | 96.85 | 31.30 | - | 128.15 | 29.18 | 23.63 | - | 52.81 | 75.34 | 67.67 |
| **Total** | **96.85** | **31.30** | **-** | **128.15** | **29.18** | **23.63** | **-** | **52.81** | **75.34** | **67.67** |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

### 8 Intangible assets under development

Intangible assets under development as at 31 March 2023 comprises expenditure for the development of customized softwares. Total amount of Intangible assets under development is INR 25.39 (31 March 2022: INR 20.80).

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Computer Software** | | |
| Opening Balance | 20.80 | 1.75 |
| Add: Addition during the year | 25.79 | 26.05 |
| Less: Transfer during the year | (21.20) | (7.00) |
| **Closing Balance** | **25.39** | **20.80** |

**Intangible asset under development ageing schedule:**

| As at 31 March 2023 | Amount for a period of | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 25.39 | - | - | - | 25.39 |
| | **25.39** | **-** | **-** | **-** | **25.39** |

| As at 31 March 2022 | Amount for a period of | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 20.80 | - | - | - | 20.80 |
| | **20.80** | **-** | **-** | **-** | **20.80** |

### 9 Financial Assets- Investments

| | | |
|---|---|---|
| **Investments at amortized cost (fully paid)** | | |
| - Investments in Government Securities (Unquoted) (Refer note - i) | 8,695.10 | 8,695.10 |
| - Investments in Bonds (Unquoted) | 591.83 | - |
| | | |
| **Investments at fair value through profit and loss (FVTPL)** | | |
| - Investments in Mutual Funds (Quoted) (Refer note - ii) | 6,608.87 | 238.87 |
| | **15,895.80** | **8,933.97** |
| | | |
| Current | 7,938.37 | 238.87 |
| Non- Current | 7,957.43 | 8,695.10 |
| | **15,895.80** | **8,933.97** |
| | | |
| **Aggregate book value of:** | | |
| Quoted investments | 6,608.87 | 238.87 |
| Unquoted investments | 9,286.93 | 8,695.10 |
| | | |
| **Aggregate market value of:** | | |
| Quoted investments | 6,608.87 | 238.87 |
| | | |
| **Aggregate amount of impairment in value of investments** | - | - |

**Note:**

i. Government Securities amounting to INR 8,695.10 held as on 31 March 2023 (31 March 2022: INR 8,675.06) are pledged with Bajaj Finance Limited against credit facility of INR 7,500.00 (31 March 2022: INR 7,500.00).

ii. Mutual funds pledged with clearing corporations as on 31 March 2023: 6,608.87 (31 March 2022: Nil).

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

10

| Other financial assets | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Fixed deposits in banks with remaining maturity for more than 12 months from balance sheet date (Refer note 45) | 26,731.33 | 59,772.59 |
| Deposits with: | | |
| Trade exchanges, clearing agencies and depositories | 465.00 | 415.20 |
| Others | 109.80 | 46.58 |
| **Total** | **27,306.13** | **60,234.37** |

A description of the Group's financial instrument risks, including risk management objectives and policies is given in Note 38.

The methods used to measure financial assets reported at fair value are described in Note 37.

11

| Trade receivables | Current | |
|---|---|---|
| | 31 March 2023 | 31 March 2022 |
| Secured | | |
| -Considered good | 2,541.72 | 795.38 |
| Unsecured | | |
| -Considered good | 92.73 | 63.34 |
| -Considered doubtful | - | 1.22 |
| | **2,634.45** | **859.94** |
| | | |
| Less : Allowance for bad and doubtful debts | - | (1.22) |
| **Total (A)** | **2,634.45** | **858.72** |
| | | |
| | | |
| **Further classified as:** | | |
| Related Party | 0.06 | 0.06 |
| Other than Related Party | 2,634.39 | 858.66 |
| **Total** | **2,634.45** | **858.72** |
| | | |
| All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value. | | |
| | | |
| Unbilled revenue | 348.25 | 24.34 |
| **Total (B)** | **348.25** | **24.34** |
| **Total (A+B)** | **2,982.70** | **883.06** |

**Trade Receivables ageing schedule:**
**As at 31 March 2023**

| Particulars | Unbilled Dues | Current | | | | | |
|---|---|---|---|---|---|---|---|
| | | Outstanding for following periods from due date of payment | | | | | |
| | | Less than 6 months | 6 months -1 year | 1-2 Years | 2-3 years | More than 3 years | Total |
| | | | | | | | |
| Undisputed Trade receivables — considered good | 348.25 | 2,160.44 | 165.87 | 152.13 | 101.67 | 54.34 | **2,982.70** |
| Undisputed Trade receivables — Considered doubtful | - | - | - | - | - | - | **-** |
| Less : Allowance for bad and doubtful debts | - | - | - | - | - | - | **-** |
| **Total** | **348.25** | **2,160.44** | **165.87** | **152.13** | **101.67** | **54.34** | **2,982.70** |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

**As at 31 March 2022**

| Particulars | Unbilled Dues | Current | | | | | |
|---|---|---|---|---|---|---|---|
| | | Outstanding for following periods from due date of payment | | | | | |
| | | Less than 6 months | 6 months -1 year | 1-2 Years | 2-3 years | More than 3 years | Total |
| Undisputed Trade receivables — considered good | 24.34 | 511.55 | 85.51 | 165.60 | 76.41 | 19.65 | **883.06** |
| Undisputed Trade receivables — Considered doubtful | - | - | - | 1.22 | - | - | **1.22** |
| Less : Allowance for bad and doubtful debts | - | - | - | (1.22) | - | - | **(1.22)** |
| **Total** | **24.34** | **511.55** | **85.51** | **165.60** | **76.41** | **19.65** | **883.06** |

For trade receivables ageing, the date of invoice has been considered as due date of payment. For terms and conditions related to related parties receivables, refer note 34.

| 12 Cash and cash equivalents | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Balances with banks: | | |
| On current accounts | 26,417.82 | 31,198.96 |
| Fixed deposits with original maturity of less than 3 months (Refer note 45) | 21,939.37 | 36,279.37 |
| **Total** | **48,357.19** | **67,478.33** |

**For the purpose of the Statement of the Cash Flows, cash and cash equivalents comprise the following:**

| Cash and cash equivalents | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Balances with banks: | | |
| On current accounts | 26,417.82 | 31,198.96 |
| Fixed deposits with original maturity of less than 3 months | 21,939.37 | 36,279.37 |
| **Total** | **48,357.19** | **67,478.33** |

| 13 Bank balances other than Cash and cash equivalents | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Fixed deposits in banks with original maturity of more than 3 months but less than 12 months (Refer note 45) | 29,228.28 | 63,662.93 |
| Fixed deposits in banks with original maturity of more than 12 months (Refer note 45) | 336,757.72 | 186,675.41 |
| **Total** | **365,986.00** | **250,338.34** |

| 14 Other financial assets | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Recoverable from exchange (net) | 36,506.98 | - |
| Interest accrued | 3,055.84 | 1,670.16 |
| **Total** | **39,562.82** | **1,670.16** |

| 15 Tax assets (net) | Non Current | | Current | |
|---|---|---|---|---|
| | 31 March 2023 | 31 March 2022 | 31 March 2023 | 31 March 2022 |
| (a) Advance income tax* | 200.72 | 451.91 | - | - |
| **Total** | **200.72** | **451.91** | **-** | **-** |

* Advance income tax net of provision in:

- Current portion as at 31 March 2023 INR 3,189.30 (31 March 2022 INR 1,942.19).
- Non current portion as at 31 March 2023 INR 44.27 (31 March 2022 INR 3.81).

| (b) Current tax liability (net) | Current | |
|---|---|---|
| | 31 March 2023 | 31 March 2022 |
| Provision for income tax* | 204.42 | 181.50 |
| **Total** | **204.42** | **181.50** |

* Provision for income tax [net of advance income tax INR 2,984.88 (31 March 2022 INR 1,764.21)].

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

| 16 | Other assets | Non Current | | Current | |
|---|---|---|---|---|---|
| | | 31 March 2023 | 31 March 2022 | 31 March 2023 | 31 March 2022 |
| | Advance to suppliers | - | - | 26.41 | 6.96 |
| | Capital advance | 124.35 | - | - | - |
| | Balance with government authorities | - | - | 665.93 | 485.02 |
| | Prepaid expenses | 10.13 | 8.72 | 287.05 | 274.33 |
| | **Total** | **134.48** | **8.72** | **979.39** | **766.31** |

### 17 Share capital

| Equity shares | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **Authorized** | | |
| 13,30,00,000 (31 March 2022: 13,30,00,000) equity shares of INR 10 each | 13,300.00 | 13,300.00 |
| | **13,300.00** | **13,300.00** |
| **Issued, subscribed and paid up** | | |
| 11,36,33,004 (31 March 2022: 9,43,14,771) equity shares of INR 10 each fully paid | 11,363.30 | 9,431.48 |
| **Total** | **11,363.30** | **9,431.48** |

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

| | 31 March 2023 | | 31 March 2022 | |
|---|---|---|---|---|
| | No. of shares | Amount | No. of shares | Amount |
| Outstanding at the beginning of the year | 94,314,771 | 9,431.48 | 87,624,000 | 8,762.40 |
| Add: Issued during the year under right issue | 16,214,133 | 1,621.41 | 5,546,771 | 554.68 |
| Add: Issued during the year under Employee Stock Option Plan (ESOP) | 3,104,100 | 310.41 | 1,144,000 | 114.40 |
| Outstanding at the end of the year | **113,633,004** | **11,363.30** | **94,314,771** | **9,431.48** |

**(b) Rights, preferences and restrictions attached to shares**

Equity Shares: The Parent Company has only one class of equity shares having par value of INR 10 per share. Each shareholder is entitled to one vote per share held. Dividend if any declared is payable in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Parent Company, the holders of equity shares will be entitled to receive remaining assets of the Group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Parent Company:**

| Name of the shareholder | 31 March 2023 | | 31 March 2022 | |
|---|---|---|---|---|
| | No. of shares | % of holding in the class | No. of shares | % of holding in the class |
| **Equity shares of INR 10 each fully paid** | | | | |
| Atul Gupta * | 26,525,601 | 23.34% | 26,525,601 | 28.12% |
| Arpit Khandelwal | 22,498,005 | 19.80% | 20,085,784 | 21.30% |
| Multi-Act Private Equity Investment Trust | 9,173,077 | 8.07% | 9,173,077 | 9.73% |
| Plutus Wealth Management LLP | 7,543,750 | 6.64% | 7,543,750 | 8.00% |
| Orbis Foundation | 6,918,296 | 6.09% | 6,768,296 | 7.18% |

* Including shares held jointly.

**(d)** No class of shares have been issued as bonus shares or for consideration other than cash by the Parent Company during the period of five years immediately preceding the current year end.

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

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

**(i) Details of shareholding of Promoters:**

| Promotor Name | 31 March 2023 | | | 31 March 2022 | | |
|---|---|---|---|---|---|---|
| | No of shares held | % of total shares | % Change during the year based on no of shares | No of shares held | % of total shares | % Change during the year based on no of shares |
| | | | | | | |
| **Equity shares of INR 10 each fully paid** | | | | | | |
| Atul Gupta* | 26,525,601 | 23.34% | 0.00% | 26,525,601 | 28.12% | 0.13% |
| Manasi Gupta | 1,088,609 | 0.96% | -4.39% | 1,138,609 | 1.21% | 6.25% |
| Rashmi Gupta | 21,388 | 0.02% | 0.00% | 21,388 | 0.02% | 6.25% |
| Karan Gupta | 188,528 | 0.17% | -34.66% | 288,528 | 0.31% | -44.68% |
| Orbis Foundation | 6,918,296 | 6.09% | 2.22% | 6,768,296 | 7.18% | -43.64% |

* Including shares held jointly.

### 18 Other equity

| | | 31 March 2023 | 31 March 2022 |
|---|---|---|---|
| (A) | **Securities premium*** | | |
| | Opening balance | 5,821.49 | 4,127.22 |
| | Add: Securities premium credited on shares issued | 9,572.40 | 1,694.27 |
| | Add: Amount transferred from Share based payment reserve on exercise of stock options | 316.47 | - |
| | **Closing balance** | **15,710.36** | **5,821.49** |

* Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

| | | 31 March 2023 | 31 March 2022 |
|---|---|---|---|
| (B) | **Surplus in the Statement of Profit and Loss*** | | |
| | Opening balance | 7,053.15 | 2,620.60 |
| | Add: Net profit for the year | 8,957.29 | 4,783.80 |
| | (Less): Dividend paid | (471.70) | (351.26) |
| | **Closing balance** | **15,538.74** | **7,053.14** |

* Represents the amount of accumulated earnings of the Group.

| | | 31 March 2023 | 31 March 2022 |
|---|---|---|---|
| (C) | **Share based payment reserve*** | | |
| | Opening balance | - | - |
| | Add: Share based payment expense | 663.99 | - |
| | Less: Amount transferred to securities premium on exercise of stock options | (316.47) | - |
| | **Closing balance** | **347.52** | - |

* The share based payment reserve is used to recognize the grant date fair value of options issued to employees under the Parent Company's Employees' stock options plan.

| | | 31 March 2023 | 31 March 2022 |
|---|---|---|---|
| (D) | **Other comprehensive income (OCI) - Defined Benefit Obligation*** | | |
| | Opening balance | (4.29) | (3.47) |
| | Re-measurement (loss)/gain on defined benefit plans (net of tax effect thereon) | (55.03) | (0.82) |
| | **Closing balance** | **(59.32)** | **(4.29)** |

* Other comprehensive income include remeasurement of net defined benefit liability.

| | | 31 March 2023 | 31 March 2022 |
|---|---|---|---|
| | **Total** | **31,537.30** | **12,870.34** |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

### 19 Employee benefit obligations

| | Non-Current | | Current | |
|---|---|---|---|---|
| | 31 March 2023 | 31 March 2022 | 31 March 2023 | 31 March 2022 |
| Provision for employee benefits | | | | |
| Provision for gratuity (unfunded) | 162.56 | 59.39 | 12.38 | 7.34 |
| Provision for leave encashment (unfunded)* | - | - | 166.73 | 84.94 |
| **Total** | **162.56** | **59.39** | **179.11** | **92.28** |

*The entire amount of the provision of INR 166.73 (31 March 2022: INR 84.94) is presented as current, since the group does not have an unconditional right to defer settlement for any of these obligations. However based on past experience, the group does not expect all employees to avail the full amount of accrued leave or require payment for such leave within the next 12 months. The amount not expected to be settled within next twelve months is INR 141.34 (31 March 2022 : INR 64.62).

### 20 Trade payables

| | Current | |
|---|---|---|
| | 31 March 2023 | 31 March 2022 |
| Total outstanding dues of micro enterprises and small enterprises | 2.53 | 0.36 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises # | 8,033.04 | 3,112.32 |
| **Total** | **8,035.57** | **3,112.68** |

**Trade Payables ageing:**

**As at 31 March 2023**

| | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | Unbilled dues | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Undisputed outstanding dues of micro enterprises and small enterprises | - | 2.53 | - | - | - | 2.53 |
| Undisputed outstanding dues of creditors other than micro enterprises and small enterprises | 2,919.12 | 5,113.92 | - | - | - | 8,033.04 |
| **Total** | **2,919.12** | **5,116.45** | **-** | **-** | **-** | **8,035.57** |

**As at 31 March 2022**

| | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | Unbilled dues | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Undisputed outstanding dues of micro enterprises and small enterprises | - | 0.36 | - | - | - | 0.36 |
| Undisputed outstanding dues of creditors other than micro enterprises and small enterprises | 2,231.39 | 880.93 | - | - | - | 3,112.32 |
| **Total** | **2,231.39** | **881.29** | **-** | **-** | **-** | **3,112.68** |

For trade payables ageing, the date of invoice recognition has been considered as due date of payment.

# Includes unbilled accruals/ dues.

### 21

| Other financial liabilities | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **Other financial liabilities at amortised cost** | | |
| Clients' cash collateral (net) | 394,204.70 | 353,612.31 |
| Payable to exchange (net) | - | 2,035.52 |
| Payable to customers on trades | 54,189.42 | 9,014.57 |
| Security deposits | 11.10 | 10.72 |
| Amount held in debenture trust | 4.55 | 1.64 |
| Other payables | 2,074.22 | 1,469.43 |
| **Total** | **450,483.99** | **366,144.19** |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

**22**

| Contract Liabilities | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Revenue received in advance | 130.36 | 95.35 |
| **Total** | **130.36** | **95.35** |

**23**

| Other current liabilities | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Statutory dues payable | 514.92 | 278.93 |
| **Total** | **514.92** | **278.93** |

**24**

| Revenue from operations | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| Revenue from sale of services | 8,701.63 | 4,922.70 |
| Other operating revenue (Net Income from Treasury Operations including interest on bank deposits and securities considered incidental to Operations) measured at amortised cost using EIR method | 20,965.79 | 10,495.47 |
| **Total** | **29,667.42** | **15,418.17** |

**25**

| Other income | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| Rental income | 31.34 | 16.54 |
| Interest on: | | |
| - Bank deposits | 21.68 | 0.71 |
| - Income taxes | 31.46 | - |
| - Security deposits at amortised cost | 2.58 | 1.67 |
| - Others | 28.04 | 64.70 |
| Income from mutual fund investments designated at FVTPL | 170.09 | 3,588.12 |
| Foreign exchange fluctuation gain (net) | 21.89 | 9.62 |
| Profit on sale of fixed assets | - | 0.73 |
| Miscellaneous income | 3.24 | 2.69 |
| **Total** | **310.32** | **3,684.78** |

**26**

| Employee benefits expense | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| Salaries, wages, bonus and other allowances | 3,119.43 | 2,114.87 |
| Contribution to funds | 74.13 | 52.03 |
| Share based payments | 663.99 | - |
| Gratuity (Refer Note 32) | 35.35 | 15.01 |
| Leave encashment | 90.48 | 32.34 |
| Staff welfare | 31.85 | 11.24 |
| **Total** | **4,015.23** | **2,225.49** |

**27**

| Finance costs | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| **At amortised cost** | | |
| Interest on: | | |
| - Margin deposits | 3,816.44 | 2,720.17 |
| - Lease liabilities | 40.03 | 13.05 |
| - Bank overdraft | 4.36 | 38.52 |
| - Delay in deposit of income taxes | 2.95 | 6.27 |
| - Others | 1.22 | 1.32 |
| Other borrowing costs | | |
| - Bank guarantee charges | 367.08 | 249.31 |
| **Total** | **4,232.08** | **3,028.64** |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

| 28 | Depreciation and amortization expense | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|---|
| | Depreciation (Refer note 5) | 89.34 | 65.60 |
| | Depreciation on ROU Assets (Refer Note 5A) | 74.32 | 36.46 |
| | Depreciation on investment property (Refer Note 6) | 6.21 | 6.21 |
| | Amortization (Refer note 7) | 29.96 | 23.63 |
| | **Total** | **199.83** | **131.90** |

| 29 | Other expenses | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|---|
| | Electricity and water | 18.53 | 15.88 |
| | Rent | 35.22 | 24.76 |
| | Repairs and maintenance | | |
| | - Building | 36.20 | 34.08 |
| | - Others | 51.23 | 19.31 |
| | Technology expenses | 167.22 | 111.83 |
| | Travel and conveyance | 120.39 | 43.60 |
| | Communication, broadband and internet expenses | 25.84 | 22.31 |
| | Legal and professional charges | 403.02 | 436.59 |
| | Commissions fee | 7,842.91 | 6,008.09 |
| | Insurance | 25.27 | 18.31 |
| | Fees and subscriptions | 130.88 | 100.09 |
| | Rates and taxes | 23.72 | 25.16 |
| | Corporate Social Responsibility expense | 65.93 | 35.49 |
| | Marketing and promotions | 263.66 | 50.53 |
| | Bad debts | 12.61 | 38.12 |
| | Miscellaneous expenses | 118.79 | 211.30 |
| | **Total** | **9,341.42** | **7,195.45** |

| 30 | Income Tax | 31 March 2023 | 31 March 2022 |
|---|---|---|---|
| (A) | **Income tax expense** | | |
| | - Current tax taxes | 2,893.41 | 1,903.40 |
| | - Deferred tax charge / (income) | 338.50 | (165.73) |
| | **Income tax expense reported in the statement of profit or loss** | **3,231.91** | **1,737.67** |

| (B) | Income tax expense charged to OCI | 31 March 2023 | 31 March 2022 |
|---|---|---|---|
| | Items that will not be reclassified subsequently to profit or loss | | |
| | - Remeasurement of net defined benefit liability | 18.52 | 0.28 |
| | **Income tax charged to OCI** | **18.52** | **0.28** |

| (C) | Reconciliation of tax charge | 31 March 2023 | 31 March 2022 |
|---|---|---|---|
| | Profit before tax | 12,189.20 | 6,521.47 |
| | Income tax expense at tax rates applicable (25.17%) | 3,067.76 | 1,641.44 |
| | Tax effects of: | | |
| | - Non-deductible expenses | 9.76 | 13.45 |
| | - Others | 154.39 | 82.78 |
| | **Income tax expense** | **3,231.91** | **1,737.67** |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

| (D) Deferred tax relates to the following: | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| **Deferred tax assets** | | |
| Provision for gratuity | 44.03 | 16.79 |
| Provision for leave encashment | 41.96 | 21.37 |
| Provision for Bonus | - | 302.02 |
| Others | - | 9.63 |
| | **85.99** | **349.81** |
| | | |
| **Deferred tax liabilities** | | |
| Property, plant and equipment | 183.74 | 178.71 |
| Others | 51.13 | - |
| | **234.87** | **178.71** |
| Deferred tax asset/(liability) net | **(148.88)** | **171.10** |

| (E) Reconciliation of deferred tax assets/ (liabilities) (net): | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Opening balance | 171.10 | 5.09 |
| Deferred tax recognized in Statement of Profit and Loss | (338.50) | 165.73 |
| Deferred tax recognized in Other Comprehensive Income | 18.52 | 0.28 |
| Closing balance | **(148.88)** | **171.10** |

The Parent Company has not recognised deferred tax asset on account of indexation benefit of investment in subsidiary, as there is no reasonable certainty regarding realisability of the same.

### 31 Earnings per share

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Profit attributable to equity holders | 8,957.29 | 4,783.80 |
| | | |
| Weighted average number of equity shares for basic EPS | 100,231,526 | 88,358,376 |
| Weighted average number of equity shares adjusted for the effect of dilution | 107,412,126 | 95,144,476 |
| Face Value (INR) | 10.00 | 10.00 |
| | | |
| Basic earnings per share (INR) | 8.94 | 5.41 |
| Diluted earnings per share (INR) | 8.34 | 5.03 |

### 32 Employee benefits expense

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **(A) Defined Contribution Plans** | | |
| | | |
| Employers' Contribution to Provident Fund and Employee State Insurance recognized in the Statement of Profit and Loss (Refer Note 26) | 74.13 | 52.03 |
| | | |
| **(B) Defined benefit plans** | | |
| Gratuity payable | 174.94 | 66.73 |
| | | |
| **i) Actuarial assumptions** | | |
| Discount rate (per annum) | 7.36% | 7.18% |
| Rate of increase in Salary | 10.00% | 6.78% |
| Expected average remaining working lives of employees (years) | 24.91 | 25.21 |
| **Attrition rate (withdrawal rate %)** | | |
| Up to 30 years | 11.00% | 35.00% |
| From 31 to 44 years | 13.00% | 25.00% |
| Above 44 years | 7.00% | 10.00% |
| Mortality table | 100 % IALM (2012-14) | |
| | | |
| **ii) Changes in the present value of defined benefit obligation - Gratuity** | | |
| **Present value of obligation at the beginning of the year** | 66.73 | 51.05 |
| Interest cost | 4.79 | 3.47 |
| Current service cost | 30.56 | 11.54 |
| Benefits paid | (0.70) | (0.43) |
| Actuarial (gain)/ loss on obligations | 73.56 | 1.10 |
| **Present value of obligation at the end of the year** | **174.94** | **66.73** |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

**iii) Description of Risk Exposures:**

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Group is exposed to various risks as follows:

**(A) Salary Increase** - Actual salary increase will increase the Plan's liability. Increase in salary rate assumption in future valuations will also increase the liability.

**(B) Discount Rate** : Reduction in discount rate in subsequent valuations can increase the plan's liability.

**(C) Mortality & disability** – Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

**(D) Withdrawals** – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

**iv) Expense recognized in the Statement of Profit and Loss**

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Current service cost | 30.56 | 11.54 |
| Interest cost | 4.79 | 3.47 |
| **Total expenses recognized in the Statement Profit and Loss** | **35.35** | **15.01** |

**v) Expense recognized in Other Comprehensive Income**

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Actuarial (gain) / loss on obligations | 73.56 | 1.10 |
| **Total expenses recognized in Other Comprehensive Income** | **73.56** | **1.10** |

**vi) Assets and liabilities recognized in the Balance Sheet:**

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Present value of unfunded obligation as at the end of the year | 174.94 | 66.73 |
| **Unfunded net (asset)/liability recognized in Balance Sheet** | **174.94** | **66.73** |

**vii) Bifurcation of Present Benefit Obligation at the end of the year:**

| | | |
|---|---|---|
| Non Current Liability | 162.56 | 59.39 |
| Current Liability | 12.38 | 7.34 |
| | **174.94** | **66.73** |

**viii) Expected contribution for the next Annual reporting period**

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| a) Service Cost | 34.64 | 13.10 |
| b) Net Interest Cost | 12.88 | 4.79 |
| **Expected Expense for the next annual reporting period** | **47.52** | **17.89** |

**ix) A quantitative sensitivity analysis for significant assumption is as shown below:**

| Impact on defined benefit obligation | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Discount rate | | |
| 0.5% increase | (6.12) | (1.48) |
| 0.5% decrease | 6.61 | 1.55 |
| Rate of increase in salary | | |
| 0.5% increase | 28.49 | 1.55 |
| 0.5% decrease | (21.86) | (1.49) |

**x) Maturity profile of defined benefit obligation**

| | | |
|---|---|---|
| 0 to 1 year | 12.38 | 7.34 |
| 1 to 2 years | 54.68 | 21.50 |
| 2 to 3 years | 9.08 | 5.79 |
| 3 to 4 years | 8.55 | 4.49 |
| 4 to 5 years | 7.90 | 3.62 |
| 5 to 6 years | 17.10 | 3.01 |
| 6 year onwards | 65.25 | 20.98 |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

### 33 Share based payments

The employee stock option plan (ESOP) has been designed to incentivise the employees of the Parent Company. During the current year, the Parent Company has introduced employee stock option plan 2022 which was approved by the shareholders on 29 September 2022 granting Employee Stock Options in form of equity shares linked to the completion of a minimum period of continued employment and performance of the eligible employees of the Parent, monitored and supervised by the Board of Directors. The employees can purchase equity shares by exercising the options as vested at the price specified at the time of grant.

In addition to ESOP Plan 2022, the Parent have adopted Orbis-Employee Stock Option Plan 2018, Orbis -Employee Stock Option Plan 2020 and Orbis -Employee Stock Option Plan 2020-II in previous years.

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

| Particulars | 31 March 2023 | | 31 March 2022 | |
|---|---|---|---|---|
| | Number | WAEP (INR) | Number | WAEP (INR) |
| | | | | |
| Options outstanding at beginning of year | 11,520,700 | 12.14 | 12,789,700 | 11.97 |
| **Add:** | | | | |
| Options granted during the year | 2,352,000 | 40.50 | - | - |
| **Less:** | | | | |
| Options exercised during the year | 3,104,100 | 10.20 | 1,144,000 | 10.22 |
| Options lapsed during the year | 51,000 | 19.95 | 125,000 | 12.00 |
| Options outstanding at the end of year | **10,717,600** | 18.89 | **11,520,700** | 12.14 |
| | | | | |
| Option exercisable at the end of year | 7,180,600 | 12.51 | 6,786,100 | 11.39 |

The fair value of each option is estimated on the date of grant using the Black Scholes Merton(BSM) formula. The following tables list the inputs to the Black Scholes Merton(BSM) used for the years ended:

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Weighted average fair value of the options at the grant dates (INR) | 40.50 | 12.33 |
| Dividend yield (%) | 5.00% | - |
| Risk free interest rate (%) | 7.26% | 4.83% |
| Expected volatility (%) | 55.67% | 30.00% |
| Exercised price | 40.50 | - |
| Weighted average share price (INR) | 61.10 | 25.15 |

### 34 Related Party Disclosures:

**(A) Name of related parties and description of relationship as identified by the Group are provided below:**

**Individual exercising significant influence**

Atul Gupta (Founding Promotor and Executive Chairman)

**Subsidiary Company**

Orbis Trusteeship Services Private Limited (OTSPL)

**Key Management Personnel (KMP) & relatives**

Atul Gupta (Founding Promotor and Executive Chairman)
Shyamsunder Agarwal (Managing Director & Chief Executive Officer)
Rishav Bagrecha (Chief Financial Officer) w.e.f 16 September, 2021
Anil Gadoo (Chief Financial Officer) till 15 September, 2021
Rup Chand Jain (Director)
Manasi Gupta (Director and Daughter of Atul Gupta)
Pranay Kothari (Director)
Shachindra Nath (Director)
Michael Johann Eduard Jaeggi (Director)
Abhimanyu Ramanujacharya Siddhartha (Director)
Nikhil Godika (Director)
Rashmi Gupta (Spouse of Atul Gupta)
Karan Gupta (Son of Atul Gupta)

**Other related parties - Entities in whom Key Management Personnel is interested:**

Orbis Foundation
RC Jain Family Trust
Sanjiv Sarita Consulting Private Limited

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

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

| Nature of transactions | KMP and Relatives | | Other related parties | |
|---|---|---|---|---|
| | 31 March 2023 | 31 March 2022 | 31 March 2023 | 31 March 2022 |
| **Orbis Foundation:** | | | | |
| Rendering of services | - | - | 2.52 | - |
| Interest on margin deposits | - | - | 17.88 | - |
| Cash collateral received | - | - | 600.00 | - |
| | | | | |
| **Issue of Equity Shares (including Securities premium)** | | | | |
| Sanjiv Sarita Consulting Private Limited | - | - | 40.37 | - |
| RC Jain Family Trust | - | - | 73.33 | 15.19 |
| Atul Gupta | - | 13.94 | - | - |
| Manasi Gupta | - | 27.13 | - | - |
| Karan Gupta | - | 6.87 | - | - |
| Rashmi Gupta | - | 0.51 | - | - |
| Rup Chand Jain | 386.40 | 65.75 | - | - |
| Shyamsunder Agarwal | 195.00 | - | - | - |
| Rishav Bagrecha | 20.00 | - | - | - |
| | | | | |
| **Reimbursement of expenses** | | | | |
| Atul Gupta | 4.06 | 3.47 | - | - |
| Shyamsunder Agarwal | 6.46 | 4.03 | - | - |
| Anil Gadoo | - | 0.10 | - | - |
| Rishav Bagrecha | 3.98 | 2.03 | - | - |
| | | | | |
| **Remuneration paid** | | | | |
| Atul Gupta | 84.92 | 45.59 | - | - |
| Shyamsunder Agarwal | 812.19 | 319.03 | - | - |
| Anil Gadoo | - | 55.86 | - | - |
| Rishav Bagrecha | 149.16 | 23.33 | - | - |
| | | | | |
| **Rent paid:** | | | | |
| Atul Gupta | 1.20 | 0.90 | - | - |
| Manasi Gupta | 13.50 | 7.20 | - | - |
| Rashmi Gupta | 13.50 | 7.20 | - | - |

**(C) Amount due to/from related party as on:**

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **Key Management Personnel (KMP)** | | |
| **Other financial liabilities** | | |
| Atul Gupta | 0.39 | 0.19 |
| Shyamsunder Agarwal | 0.18 | - |
| Rishav Bagrecha | 0.09 | 0.30 |
| Orbis Foundation | 598.56 | - |
| | | |
| **Trade payables** | | |
| Orbis Foundation | 1.72 | - |
| | | |
| **Trade receivables** | | |
| Manasi Gupta | 0.03 | 0.03 |
| Atul Gupta | 0.03 | 0.03 |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

**(D) Terms and conditions of transactions with related parties and key management personnel**

The transactions with related parties and key management personnel are made on terms equivalent to those that prevail in arm's length transactions and in ordinary course of business. No borrowings and/or loans and advances transactions with related parties have been entered during the year. There have been no guarantees provided or received for any related party receivables or payables. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

### 35 Segment reporting

The Group operates in a single business segment and is primarily engaged into custody, clearing and settlement, depository, fund accounting, registrar, trusteeship and share transfer agency and reporting services. Shyamsunder Agarwal, Chief Operating Decision Maker (CODM), reviews the operations of the Group as one operating segment. Hence no separate segment information has been furnished herewith.

Geographical revenues are segregated based on the location of the customer in relation to which the revenue is recognised.

| | 31 March 2023 | | |
|---|---|---|---|
| | Within India | Others | Total |
| Revenue from Operations | 28,318.45 | 1,348.97 | 29,667.42 |

| | 31 March 2022 | | |
|---|---|---|---|
| | Within India | Others | Total |
| Revenue from Operations | 14,573.56 | 844.61 | 15,418.17 |

**Non-current operating assets**

The Group has common non-current operating assets for domestic as well as overseas. Hence, separate figures for these assets are not required to be furnished.

### 36 Fair values of financial assets and financial liabilities

The fair value of other current financial assets, cash and cash equivalents, Bank balances other than cash and cash equivalents, trade receivables, investments, trade payables, and other financial liabilities approximate the carrying amounts because of the short term nature of these financial instruments.

The amortized cost using effective interest rate (EIR) of non-current financial assets consisting of security and term deposits are not significantly different from the carrying amount and therefore the impact of fair value is not considered for the purpose of disclosure.

Financial assets that are neither past due nor impaired include cash and cash equivalents, bank balances other than cash and cash equivalents, security deposits, term deposits, trade receivables, investments and other financial assets.

Similarly, carrying values of non-current security deposits and non-current term deposits are not significant.

### 37 Fair value hierarchy

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- 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).

No financial assets/liabilities have been valued using level 1 fair value measurements except mentioned in below table.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

| Quantitative disclosures on fair value measurement hierarchy for assets and liabilities | Fair value measurement using | | | |
|---|---|---|---|---|
| | Total | Quoted prices in active markets | Significant observable inputs | Significant unobservable inputs |
| | | (Level 1) | (Level 2) | (Level 3) |
| | | | | |
| **As at March 31, 2023:** | | | | |
| **Financial assets measured at amortised cost:** | | | | |
| Security deposit | 574.80 | - | - | 574.80 |
| Fixed deposits in banks with remaining maturity for more than 12 months | 26,731.33 | - | - | 26,731.33 |
| Trade receivables | 2,982.70 | - | - | 2,982.70 |
| Cash and cash equivalents | 48,357.19 | - | - | 48,357.19 |
| Bank balances other than cash and cash equivalents | 365,986.00 | - | - | 365,986.00 |
| Recoverable from exchange (net) | 36,506.98 | | | 36,506.98 |
| Interest accrued | 3,055.84 | - | - | 3,055.84 |
| Investment in Government Securities | 8,695.10 | - | - | 8,695.10 |
| Investment in Bonds | 591.83 | - | - | 591.83 |
| **Financial assets measured at FVTPL** | | | | |
| Mutual Funds | 6,608.87 | 6,608.87 | - | - |
| **Financial liabilities carried at amortised cost:** | | | | |
| Trade Payables | 8,035.57 | - | - | 8,035.57 |
| Other financial liabilities | 450,483.99 | - | - | 450,483.99 |
| Lease Liabilities | 1,260.22 | - | - | 1,260.22 |
| **As at March 31, 2022:** | | | | |
| **Financial assets measured at amortised cost:** | | | | |
| Security deposit | 461.78 | - | - | 461.78 |
| Fixed deposits in banks with remaining maturity for more than 12 months | 59,772.59 | - | - | 59,772.59 |
| Trade receivables | 883.06 | - | - | 883.06 |
| Cash and cash equivalents | 67,478.33 | - | - | 67,478.33 |
| Bank balances other than cash and cash equivalents | 250,338.34 | - | - | 250,338.34 |
| Interest accrued | 1,670.16 | - | - | 1,670.16 |
| Investment in Government Securities | 8,695.10 | - | - | 8,695.10 |
| **Financial assets measured at FVTPL** | | | | |
| Mutual Funds | 238.87 | 238.87 | - | - |
| **Financial liabilities carried at amortised cost:** | | | | |
| Trade Payables | 3,112.68 | - | - | 3,112.68 |
| Other financial liabilities | 366,144.19 | - | - | 366,144.19 |
| Lease Liabilities | 115.53 | - | - | 115.53 |

The carrying amount of cash and cash equivalents, trade receivables, fixed deposits, trade payables and other payables are considered to be the same as their fair values. The fair values of security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including own and counterparty credit risk.

### 38 Financial risk management objectives and policies

The Group is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk. The Group's risk management is monitored by the Board of Directors who focuses on securing long term and short term cash flows. The Group does not engage in trading of financial assets for speculative purposes.

**(A) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings and derivative financial instruments. Group does not have material investments in market linked financial instruments.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

**(i) 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 market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to liquid instruments, government securities and other debt instruments. The interest rates on these instruments are relatively stable but may impact in case of major market fluctuation. The Group does not have long-term debt obligations. However, the Group has exposure to bank guarantees but the commission rates on such Bank Guarantees are not linked to market interest rates.

**Interest rate sensitivity**

The Group does not have floating interest rate borrowings and hence interest rate sensitivity is not applicable.

**(ii) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a different currency from the Group's functional currency).

**Foreign currency sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar and AED exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities). The Group's exposure to foreign currency changes for all other currencies is not material.

| | Change in AED rate (In BPS) | Effect on profit before tax | Change in US$ rate (In BPS) | Effect on profit before tax |
|---|---|---|---|---|
| Year ended March 31, 2023 | - | - | +2 | 7.64 |
| | - | - | -2 | -7.64 |
| | | | | |
| Year ended March 31, 2022 | +2 | 0.04 | +2 | 13.77 |
| | -2 | -0.04 | -2 | -13.77 |

**(B) 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. Credit risk arises principally from the Group's receivables, deposits with landlords and other statutory deposits with regulatory agencies and also arises from cash held with banks and financial institutions. 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 Group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Loss allowance

In accordance with Ind AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

(a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

(b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

The Group follows 'simplified approach' for recognition of impairment loss allowance on

(i) Trade receivables or contract revenue receivables; and

(ii) All lease receivables resulting from transactions within the scope of Ind AS 116.

Majority of Group receivables are secured since the Group have assets of such customers under its custody.

The Group limits its exposure to credit risk of cash held with banks by dealing with highly rated banks and institutions and retaining sufficient balances in bank accounts required to meet operational costs on ongoing basis. The Management reviews the bank accounts on regular basis and fund drawdowns are planned to ensure that there is minimal surplus cash in bank accounts. The Group does not foresee any credit risks on deposits with regulatory authorities and the credit risk on other remaining financial assets is not material.

The Group's maximum exposure to credit risk for the components of the balance sheet at 31 March 2023 and 31 March 2022 is the respective carrying amounts.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

**(C) Liquidity risk**

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Liquidity management practices are followed in the Group to ensure availability of funds for the required purpose. Group also has available credit limits which may be utilised in case of need.

The table below summarizes the maturity profile of the Group's financial liabilities:

| | Less than 3 months | 3 to 12 months | 1 to 5 years | More than 5 years | Total |
|---|---|---|---|---|---|
| **31 March 2023** | | | | | |
| Trade payables | 8,035.57 | - | - | - | 8,035.57 |
| Other financial liabilities | 450,462.65 | 10.24 | 11.10 | - | 450,483.99 |
| | **458,498.22** | **10.24** | **11.10** | **-** | **458,519.56** |

| | Less than 3 months | 3 to 12 months | 1 to 5 years | More than 5 years | Total |
|---|---|---|---|---|---|
| **31 March 2022** | | | | | |
| Trade payables | 3,112.68 | - | - | - | 3,112.68 |
| Other financial liabilities | 364,928.99 | 1,204.48 | 10.72 | - | 366,144.19 |
| | **368,041.67** | **1,204.48** | **10.72** | **-** | **369,256.87** |

### 39 Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, security premium and all other equity reserves attributable to the equity holders. The primary objective of the Group's capital management is to maximize the shareholder value and to ensure the Group's ability to continue as a going concern.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants, if any. To maintain or adjust the capital structure, the Group reviews the fund management at regular intervals and take necessary actions to maintain the requisite capital structure.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2023 and 31 March 2022.

### 40 Revenue From Operations

**(a)** Revenue recognised from Contracts

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Revenue recognised from Customer contracts | 29,667.42 | 15,418.17 |
| **Total** | **29,667.42** | **15,418.17** |

**(b)** Disaggregated revenue information

The Group disaggregates the revenue from customers by geography and nature of services. The Group believe that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

**Geographic revenue**

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Outside India | 1,348.97 | 844.61 |
| India | 28,318.45 | 14,573.56 |
| | **29,667.42** | **15,418.17** |

**Nature of Services**

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| - Custody Service | 7,497.94 | 4,080.23 |
| - Professional Clearing Membership (PCM) Services | 916.63 | 690.29 |
| - Registrar Transfer Agent (RTA) Services | 34.54 | 26.69 |
| - Trusteeship Services | 252.52 | 125.49 |
| - Interest on Bank Deposits | 20,412.33 | 9,662.05 |
| - Interest income on bonds and Government securities designated at amortized cost | 553.46 | 833.42 |
| | **29,667.42** | **15,418.17** |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

**41** There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

**42 Contingent Liabilities**

**a)** The Group has availed bank guarantees from various banks issued in favour of clearing corporations aggregating to INR 40,000 (31 March 2022: INR 36,500) towards margin deposits. Out of which, INR 35,000 (31 March 2022: INR 31,500) is backed by irrevocable and personal guarantee of Mr. Atul Gupta (Founding Promotor and Executive Chairman).

**b)** On going direct tax litigation:

| Name of the statute | Nature of dues | Amount (In INR Lakhs) | Period to which the amount relates | Forum where dispute is pending | Remarks, if any |
|---|---|---|---|---|---|
| Income Tax Act, 1961 | Disallowance u/s 56(2)(viib) and added back to income under Section 68 read with section 115BBE of the Act. | 12.94 | AY 2014-15 | CIT (Appeal) | Amount of INR 51.40 Lakhs disallowed by AO under Section 56(2)(viib), which reduced carried forward losses pertaining to AY 2014-15, whose credit has been taken by the Parent in subsequent years. |

**c)** The Group does not have any material pending litigations which would impact its financial position.

**43 Commitments**

**a)** Estimated amount of contracts remaining to be executed on capital account and not provided for is INR 127.20 (net of advance: INR 124.35) [31 March 2022: INR 8.50 (net of advance: INR 13.50)].

**b)** The Group does not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

**44 Dividend**

The following dividends were declared and paid by the Parent Company during the year:

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| INR 0.50 per equity share (31 March 2022: INR 0.50) | 471.70 | 351.26 |
| | **471.70** | **351.26** |

After the reporting dates the following dividends were proposed by the directors of Parent Company subject to the approval at the annual general meeting; the dividends have not been recognised as liabilities.

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| INR 0.80 per equity share (31 March 2022: INR 0.50) | 910.19 | 471.70 |
| | **910.19** | **471.70** |

**45 Pledge details with respect to fixed deposits in banks:**

| | 31 March 2023 | | | |
|---|---|---|---|---|
| | Original maturity of less than 3 months | Original maturity for more than 3 months but less than 12 months | Original maturity for more than 12 months | Remaining maturity for more than 12 months |
| (i) Pledged with clearing corporations towards exposure deposits | 21,939.37 | 28,578.28 | 327,961.56 | 24,975.18 |
| (ii) Pledged with banks towards bank guarantees | - | - | 8,720.95 | 1,506.25 |
| (iii) Pledged with banks towards bank overdraft facility | - | - | 25.21 | - |
| | **21,939.37** | **28,578.28** | **336,707.72** | **26,481.43** |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

| | 31 March 2022 | | | |
|---|---|---|---|---|
| | Original maturity of less than 3 months | Original maturity for more than 3 months but less than 12 months | Original maturity for more than 12 months | Remaining maturity for more than 12 months |
| (i) Pledged with clearing corporations towards exposure deposits | 36,279.37 | 63,550.43 | 177,567.01 | 59,397.59 |
| (ii) Pledged with banks towards bank guarantees | - | 12.50 | 9,081.70 | 375.00 |
| (iii) Pledged with banks towards bank overdraft facility | - | - | 25.20 | - |
| (iv) Pledged with government authorities | - | - | 1.50 | - |
| | **36,279.37** | **63,562.93** | **186,675.41** | **59,772.59** |

### 46 Other Statutory Information

**(i)** The Group does not have any Benami property and no proceedings has been initiated on or pending against the Group under The Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) [formerly The Benami Transactions (Prohibition) Act, 1988 (45 of 1988)] and rules made thereunder.

**(ii)** The Group does not have any transactions with struck off Companies.

**(iii)** The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

**(iv)** The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.

**(v)** The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

**(vi)** The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) 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

(b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

**(vii)** There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act 1961, that has not been recorded in the books of account.

**(viii)** The Group has utilized the borrowings for the purpose it was obtained.

### 47 Statutory Group Information pursuant to Schedule III of the Companies Act, 2013

| Particulars | As at and for the year ended 31 March 2023 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Share in net asset i.e total assets minus total liabilities | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
| | As % of consolidated net assets | Amount | As % of consolidated net assets | Amount | As % of consolidated net assets | Amount | As % of consolidated net assets | Amount |
| **Parent Company:** | | | | | | | | |
| Orbis Financial Corporation Limited | 97% | 41,586.23 | 98% | 8,820.10 | 100% | (55.01) | 98% | 8,765.08 |
| **Subsidiary Company:** | | | | | | | | |
| Orbis Trusteeship Services Private Limited | 3% | 1,314.37 | 2% | 137.19 | 0% | (0.02) | 2% | 137.17 |
| **Total** | **100%** | **42,900.60** | **100%** | **8,957.29** | **100%** | **(55.03)** | **100%** | **8,902.25** |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in INR lakhs, unless otherwise stated)

| Particulars | As at and for the year ended 31 March 2022 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Share in net asset i.e total assets minus total liabilities | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
| | As % of consolidated net assets | Amount | As % of consolidated net assets | Amount | As % of consolidated net assets | Amount | As % of consolidated net assets | Amount |
| **Parent Company:** | | | | | | | | |
| Orbis Financial Corporation Limited | 95% | 21,124.62 | 98% | 4,675.22 | 100% | (0.82) | 98% | 4,674.40 |
| **Subsidiary Company:** | | | | | | | | |
| Orbis Trusteeship Services Private Limited | 5% | 1,177.20 | 2% | 108.58 | 0% | - | 2% | 108.58 |
| **Total** | **100%** | **22,301.82** | **100%** | **4,783.80** | **100%** | **(0.82)** | **100%** | **4,782.98** |

**48** Previous year figures, wherever necessary, have been regrouped/reclassified to conform to current period classification.

As per our report of even date
**For M S K A & Associates**
Chartered Accountants
Firm Registration No.:105047W

**For and on behalf of the Board of Directors of Orbis Financial Corporation Limited**
CIN: U67120HR2005PLC036952

**Piyush Maheshwari**
Partner
Membership No. 516964
Place: Gurugram
Date: 11 August 2023

**Atul Gupta**
Executive Chairman
DIN No.: 00528086

**Shyamsunder Agarwal**
Managing Director
DIN No.: 08516709

**Rishav Bagrecha**
Chief Financial Officer

**Prachi Khanna**
Company Secretary
M.No. A27428

# OUR TEAM

*Orbis Employees at Jim Corbett for Annual Offsite: August 2022*

**Orbis Financial Corporation Limited**
4A, Ocus Technopolis, Sector 54, Golf Club Road
Gurugram, Haryana – 122002, India

www.orbisfinancial.in

Detailed version of our Annual Report 2022-23 may be reached at:
https://www.orbisfinancial.in/wp-content/uploads/2023/08/Orbis-Financial-Corporation-Ltd_Annual-Report-FY-2022-23.pdf