

ZERODHA CAPITAL PRIVATE LIMITED

ANNUAL REPORT 2021- 2022

Corporate Information

Notice

Audit Report

Financials

Notes to Accounts

Directors Report

Annual Extract- MGT-9

DIRECTORS:

ZERODHA CAPITAL PRIVATE LIMITED

Nithin Kamath	-	Director
Nikhil Kamath	-	Director
Seema Patil	-	Director
Venu Madhav Kota Subramanya	-	Director
Abdul Hanan Delvi	-	Director

COMPANY SECRETARY:

Meetal T Jain

REGISTERED OFFICE ADDRESS:

No.153/154, 4th Cross, 4th Phase,
J.P Nagar Bangalore-560078, Karnataka, India.

AUDITORS:

M/s Tarai & Co
Chartered Accountants
No:12/3, 3RD FLOOR, SRI SATHYA SAI KRUPA,
VANI VILASH ROAD, VV PURAM, NEAR LALBAGH WESTGATE,
OPP TO KAVERI PETROL BUNK, BASAVANAGUDI,
BENGALURU, KARNATAKA, 560004

NOTICE

NOTICE is hereby given that the Ninth Annual General Meeting of the Members of M/s. **ZERODHA CAPITAL PRIVATE LIMITED (CIN: U67100KA2014PTC073653)** will be held on

Regd. Office: No. 153/154, 4th Cross, 4th Phase, J.P Nagar, Bangalore- 560078, Karnataka, India;

CIN: U67100KA2014PTC073653; **Email:** audit@zerodha.com; **Contact No:** 080-49132020;
Website: www.zerodhacapital.com.

ZERODHA CAPITAL PRIVATE LIMITED

Monday 27th of June 2022 at 2:30 P.M at the Registered Office of the Company at No. 153/154, 4th Cross, 4th Phase, J.P Nagar, Bangalore- 560078, Karnataka, India to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2022 and the annexed Profit and Loss Account for the period ended as on that date together with the Report of Director's and Auditor's thereon.

By Order of the Board

For Zerodha Capital Private Limited

07/06
Nithin Kamath

Director (DIN: 03142935)

(Address: No 44, Classic Orchards,
Kothanur Village, Uttarahalli Hobli,
Subramanyapura, Bengaluru – 560061)

Place: Bangalore

Date: 03/06/2022

NOTES:

1. Any member of a company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of himself; but a proxy so appointed shall not have any right to speak at the meeting. A proxy need not be a Member of the Company.
2. Pursuant to the provision of section 105 of the Companies Act 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total share capital of the company member holding more than ten percent of the total share capital of the company may appoint a single person as proxy, who shall not act as a proxy for any other member. Proxies submitted on behalf of limited companies, societies etc, must be supported by an appropriate resolution/ authority, as applicable.
3. A proxy shall not be entitled to vote except on a poll.
4. The instrument appointing the proxy shall be deposited not later than forty-eight hours before the time fixed for holding the meeting. The instrument appointing a proxy shall be in writing and be signed by the appointer or his attorney duly

Regd. Office: No. 153/154, 4th Cross, 4th Phase, J.P Nagar, Bangalore- 560078, Karnataka, India;

CIN: U67100KA2014PTC073653; Email: audit@zerodha.com; Contact No: 080-49132020;

Website: www.zerodhacapital.com.

ZERODHA CAPITAL PRIVATE LIMITED

authorized in writing or, if the appointer is a Body corporate, be under its seal or be signed by an officer or an attorney duly authorized by it.

- 5. The instrument appointing a proxy shall be in writing and be sign by member or his authorized attorney or signed by an officer or his authorized attorney under seal in case of body corporate.*
- 6. Every member entitled to vote at a meeting of the company, or any resolution to be moved thereat, shall be entitled during the period beginning twenty-four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged, at any time during the business hours of the company, provided not less than three day's notice in writing of the intention so to inspect is given to the company.*
- 7. Relevant Registers and documents as mentioned in the above Notice shall be open for Inspection at the Registered Office of the Company from 9 a.m. to 11 a.m. on any working day and also at the venue of AGM on AGM date till the commencement of the AGM.*
- 8. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (Act) is not applicable as there is no any special business to transact during the year.*
- 9. Route Map as per Secretarial Standard 2 is exempted as its directors and their relatives are members.*

Regd. Office: No. 153/154, 4th Cross, 4th Phase, J.P Nagar, Bangalore- 560078, Karnataka, India;

CIN: U67100KA2014PTC073653; **Email:** audit@zerodha.com; **Contact No:** 080-49132020;
Website: www.zerodhacapital.com.

ZERODHA CAPITAL PRIVATE LIMITED

DIRECTOR'S REPORT

To the Members,

Your directors have pleasure in presenting the Ninth Annual Report together with the Audited Financial Statements for the Financial Year ended 31st March 2022.

EXTRACT OF THE ANNUAL RETURN:

In accordance with Section 92 (3) and Section 134 of the Companies Act, 2013 the annual return in the prescribed format is available at Website link <https://zerodhacapital.com/>

FINANCIAL RESULTS.

The performance of the Company for the financial year ended 31st March, 2022 is summarized below:

Amount in Rs. '00

Particulars	Standalone	
	2021-2022	2020-21
Revenue from Operations	1,91,474.35	50,410.36
Other Income	--	49.17
PBITD		10,925.55
	1,20,747.67	
Interest	Nil	Nil
Depreciation	2,400.00	2,400.00
PBT		10,925.55
	1,23,147.67	
Current Tax		Nil
	27,817.82	
Deferred Tax		2,379.99
	9,187.36	
Total Tax Expenses		2,519.40
	37,005.18	
Minority Interest	Nil	NIL
Net Profit/ (Loss) for the Period After tax.		8,406.92
	86,142.49	
Earnings Per Share (Basic)	1.72	0.17
Earnings per Share (Diluted)	1.51	0.15

OVERVIEW OF FINANCIAL PERFORMANCE.

a) Standalone basis:

During the year, your Company achieved a total revenue of Rs. 1,91,474.35 as against the previous year total revenue of Rs.50,410.36 an Increase of 280% Profit of the Company for the year ended 31.03.2022 is Rs. 86,142.49as against the previous year profit of Rs.8,406.14.

Regd. Office: No. 153/154, 4th Cross, 4th Phase, J.P Nagar, Bangalore- 560078, Karnataka, India;

CIN: U67100KA2014PTC073653; **Email:** audit@zerodha.com; **Contact No:** 080-49132020;

Website: www.zerodhacapital.com.

ZERODHA CAPITAL PRIVATE LIMITED

During the year under review, there is no change in the nature of the business of the Company. The affairs of the Company are conducted in accordance with the accepted business practices and within the purview of the applicable legislations.

TRANSFER TO RESERVES

According to Section 45 IC of the Reserve Bank of India Act 1934, every non-banking financial company shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared. Accordingly, the Company has transferred an amount of Rs. 17,228.50 to Statutory Reserve Account in accordance with Section 45 IC of the Reserve Bank of India Act, 1934.

DIVIDEND

The Board, in view of conserving the financial resources, has not recommended any dividend for the year.

THE CHANGE IN THE NATURE OF BUSINESS, IF ANY

There is no Change in the nature of the business of the Company during the year.

MATERIAL CHANGES AND COMMITMENTS

There were no material changes and commitments affecting the financial position of the Company that have occurred between the end of the Financial Year 2021-22 of the Company and the date of the report.

DEPOSITS

Your Company has not accepted any fixed deposits and public deposits during the year and as such no principal or interest was outstanding as on the date of the Balance sheet.

IBC AND VALUATION REPORTS

- i) There are no proceedings initiated /pending against your Company under the insolvency and bankruptcy code,2016, which materially impact the business of the company, during the year along with their as at the end of financial year.
- ii) The difference between amount of valuation done at the time of one-time settlement and the valuation done while taking loan from bank or financial institutions, along with the reason thereof. The company has taken a valuation report for the year 2021-22 for the investment in Compulsory convertible preference shares to the Zerodha Broking Limited.

BOARD MEETINGS

The Board met Seven (7) times during the Financial Year. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013.

Meetings were conducted on 07/04/2021, 12/05/2021, 05/06/2021, 17/09/2021, 01/11/2021,03/12/2021 and 25/01/2022

Regd. Office: No. 153/154, 4th Cross, 4th Phase, J.P Nagar, Bangalore- 560078, Karnataka, India;

CIN: U67100KA2014PTC073653; **Email:** audit@zerodha.com; **Contact No:** 080-49132020; **Website:** www.zerodhacapital.com.

ZERODHA CAPITAL PRIVATE LIMITED

The names of the Members of the Board and their attendance at the Board Meetings are as under

SL.NO	Name of Directors	Number of Meetings attended/ Number of meetings held during the year
1.	Nithin Kamath	7/7
2.	Nikhil Kamath	7/7
3.	Seema Patil	7/7
4.	Venu Madhav Kota Subramanya	7/7
5.	Abdul Hanan Delvi	2/7

SHARE CAPITAL

On 25/05/2021 and 25/11/2021, vide Extra- Ordinary General Meeting

- The Company issued 5,78,130 Compulsorily Convertible Preference Shares of a face value of Rs.10.
- The Paid-up Share Capital is Rs.6,15,62,600 (Rupees Six Crores Fifteen Lakh Sixty-Two Thousand Six Hundred) divided into 50,00,000 Equity Shares of Rs. 10 Each and 11,56,260 Preference Shares of Rs. 10 Each.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year, there were no changes in Board of Directors of the Company

Sl. No	Name of the Directors	Designation
1	Nithin Kamath	Director
2	Nikhil Kamath	Director
3	Seema Patil	Director
4	Venu Madhav Kota Subramanya	Director
5	Abdul Hanan Delvi	Director

RISK MANAGEMENT POLICY

In terms of the requirement of Section 134 (3) (n) of the Companies Act, 2013, the Company has developed the Risk Management Policy. Your Company believes that managing risks helps in maximizing returns. The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating risks and reporting mechanism of such risks. The risk management framework is reviewed periodically by the Board.

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

Since the Company is into NBFC Activities and is Registered as NBFC-ND it is exempted from complying with the Provisions of the Section 186 of the Companies Act 2013.

RELATED PARTY TRANSACTIONS

Regd. Office: No. 153/154, 4th Cross, 4th Phase, J.P Nagar, Bangalore- 560078, Karnataka, India;

CIN: U67100KA2014PTC073653; **Email:** audit@zerodha.com; **Contact No:** 080-49132020; **Website:** www.zerodhacapital.com.

ZERODHA CAPITAL PRIVATE LIMITED

All related party transactions that were entered into during the financial year ended 31st March, 2022 were on an arm's length basis and were in the ordinary course of business. Therefore, the provisions of Section 188 of the Companies Act, 2013 were not attracted. Further, there are no materially significant related party transactions during the year under review made by the Company with Promoters, Directors, or other designated persons which may have a potential conflict with the interest of the Company at large. Thus, disclosure in Form AOC-2 is not required. However, the disclosure of transactions with related party for the year, as per Accounting Standard -18 Related Party Disclosures is given in Notes to the Balance Sheet as on 31st March, 2022.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, your Directors confirm that to the best of their knowledge and belief and according to the information and explanation obtained by them,

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) Such accounting policies as mentioned in the notes to the financial statements have been selected and applied consistently and judgments and estimates that are reasonable and prudent made so as to give a true and fair view of the state of affairs of the company at the end of the Financial Year 2021-22 and of the profit or loss of the Company for that period;
- iii) 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 fraud and other irregularities;
- iv) The annual accounts for the year 2021-22 have been prepared on a going concern basis;
- v) That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- vi) That systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

STATUTORY AUDITOR

The Auditor Mr. Bijay Kumar Tarai proprietor of M/s. Tarai & Co, Chartered Accountants, Bangalore (FRN: 022166S) was appointed as Statutory Auditor hold office until the conclusion of the 13th Annual General Meeting to be held in the year 2026.

RBI GUIDELINES

The Company continues to fulfil all the norms and standards laid down by the RBI pertaining to non-performing assets, capital adequacy, statutory liquidity assets, etc. In line with the RBI guidelines for asset liability management (ALM) system for NBFCs, the Company has an Asset Liability Committee, to review its ALM risks and opportunities.

Regd. Office: No. 153/154, 4th Cross, 4th Phase, J.P Nagar, Bangalore- 560078, Karnataka, India;

CIN: U67100KA2014PTC073653; **Email:** audit@zerodha.com; **Contact No:** 080-49132020;
Website: www.zerodhacapital.com.

ZERODHA CAPITAL PRIVATE LIMITED

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE

Pursuant to sub-section (3) of section 129 of the Act, company does not have any subsidiary or subsidiaries, associate company or joint venture or ventures company.

BOARD'S COMMENT ON AUDITORS REPORT

The observations of the auditors in their report read together with the notes on Accounts are self-explanatory and therefore, in the opinion of the directors, do not call for any further explanation.

There are no qualifications, reservations or adverse remarks on the Auditor's Report.

BOARD'S COMMENTS ON QUALIFICATIONS, RESERVATION & ADVERSE REMARKS OR DISCLAIMER MADE BY STATUTORY AUDITORS.

Observation made by the Statutory Auditors in their Report are self-explanatory and therefore, do not call for any further comments under Section 134 (3) (f) of the Companies Act, 2013.

There are no qualifications, reservations or adverse remarks on the Auditors' Report.

DETAIL OF FRAUD AS PER AUDITORS REPORT

There were no frauds as reported by the Statutory Auditors in their auditor's report for the year ending 31st March 2022, under section 143 (12) of the Act.

PREVENTION OF SEXUAL HARASSMENT POLICY

The Company's policy on prevention of sexual harassment of women provides for the protection of women employees at the work place and for prevention and Redressal of such complaints. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The Company has not received any complaint on sexual harassment during the year.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

During the year under review, the provisions of Sec 135 of the Companies Act, 2013 are not applicable to the company.

STATUTORY DISCLOSURES

A. Conservation of Energy

The Company's operations are not energy-intensive and as such involve low energy consumption. However, adequate measures have been taken to conserve the consumption of energy.

B. Technology Absorption

Operations of the company do not involve any kind of special technology and there was no expenditure on research & development during this financial year. However, your company continues to upgrade its technology (computer technology and telecom infrastructure) in ensuring it is connected with its clients across the globe.

Regd. Office: No. 153/154, 4th Cross, 4th Phase, J.P Nagar, Bangalore- 560078, Karnataka, India;

CIN: U67100KA2014PTC073653; **Email:** audit@zerodha.com; **Contact No:** 080-49132020;
Website: www.zerodhacapital.com.

ZERODHA CAPITAL PRIVATE LIMITED

C. Foreign Exchange Earnings and outgo

The Foreign Exchange earnings and outgo during the financial period ended 31st March, 2022, is as follows:

Particulars	31 st March, 2022	31 st March, 2021
Foreign Exchange Earnings	NIL	NIL
Foreign Exchange Outgo	NIL	NIL

D. Human Resource Development and Industrial Relations

Your Company continues to take new initiatives to further align its HR policies to meet the growing needs of its business. People development continues to be a key focus area of the Company. The industrial relations in all the units of the Company remained cordial and peaceful throughout the year.

INTERNAL FINANCIAL CONTROL SYSTEMS & THEIR ADEQUACY

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial disclosures.

MAINTENANCE OF COST RECORDS

Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is not applicable to the Company.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant or material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.

TRANSFER OF AMOUNT TO INVESTOR EDUCATION AND PROTECTION FUND

Your company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore, there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

SECRETARIAL STANDARDS

The Company has complied with the secretarial standards issued by Institute of Company Secretaries of India.

ACKNOWLEDGMENTS

Your Directors take this opportunity to express their sincere appreciation to the shareholders, customers, bankers, suppliers and other business associates for the excellent support and cooperation extended by them. Your Directors gratefully acknowledge the ongoing co-operation and support provided by the Central and State Governments, Stock Exchanges,

Regd. Office: No. 153/154, 4th Cross, 4th Phase, J P Nagar, Bangalore- 560078, Karnataka, India;

CIN: U67100KA2014PTC073653; **Email:** audit@zerodha.com; **Contact No:** 080-49132020;
Website: www.zerodhacapital.com.

ZERODHA CAPITAL PRIVATE LIMITED

SEBI, RBI and other Regulatory Bodies. We place on record our appreciation of the contribution made by employees at all levels. Our consistent performance was made possible by their hard work, solidarity, co-operation and support.

**For and on behalf of the Board of Directors of
Zerodha Capital Private Limited**



Nithin Kamath
(DIN: 03142935)
Director



Nikhil Kamath
(DIN: 03142938)
Director



Meetal T Jain
Company Secretary

Place: Bangalore
Date: 03/06/2022

Regd. Office: No. 153/154, 4th Cross, 4th Phase, J.P Nagar, Bangalore- 560078, Karnataka, India;

CIN: U67100KA2014PTC073653; **Email:** audit@zerodha.com; **Contact No:** 080-49132020;

Website: www.zerodhacapital.com.