

ZERODHA CAPITAL PRIVATE LIMITED
ANNUAL REPORT 2022- 2023

DIRECTORS:

Nithin Kamath	-	Director
Nikhil Kamath	-	Director
Seema Patil	-	Director
Abdul Hanan Delvi	-	Director

COMPANY SECRETARY:

Meetal T Jain

REGISTERED OFFICE ADDRESS:

No.153/154, 3rd floor,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

DIRECTOR'S REPORT

To the Members,

Your directors have pleasure in presenting the Tenth Annual Report together with the Audited Financial Statements for the Financial Year ended 31st March 2023.

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, 2023 is summarized below:

	Amount in Lakhs	
	Standalone	
Particulars	2022-2023	2021-2022
Revenue from Operations	539.63	191.47
Other Income	0.31	--
Employees benefit expenses	28.48	14.28
Finance cost	7.45	1.16
Depreciation	4.51	2.40
Other expense	109.24	50.49
PBT	390.25	123.15
Current Tax	105.02	27.82
Deferred Tax	1.31	9.19
Income tax of earlier years	-1.04	--
Minority Interest		Nil
Net Profit/ (Loss) for the Period After tax.	284.97	86.14
Earnings Per Share (Basic)	5.70	1.72
Earnings per Share (Diluted)	4.36	1.51

OVERVIEW OF FINANCIAL PERFORMANCE.**a) Standalone basis:**

During the year, your Company generated a total revenue of Rs. 539.94 as against the previous year total revenue of Rs.191.47. The Profit of the Company for the year ended 31.03.2023 is Rs. 284.97 as against the previous year profit of Rs.86.14.

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. 56.99 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 2022-23 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) There were no instances where your Company required the valuation for one time settlement or while taking the loan from the Banks or Financial institutions.

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 13/04/2022, 14/04/2022, 18/05/2022, 03/06/2022, 23/08/2022, 09/11/2022 and 17/01/2023

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
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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	3/7

SHARE CAPITAL

On 10/05/2022 and 11/11/2022, vide Extra- Ordinary General Meeting

- The Company issued 4,32, 500 Compulsorily Convertible Preference Shares of a face value of Rs.10.
- The Paid-up Share Capital is Rs.6,58,87,600 (Rupees Six Crores Fifty-eight Lakh Eighty-Seven Thousand Six Hundred) divided into 50,00,000 Equity Shares of Rs. 10 Each and 15,88,760 Preference Shares of Rs. 10 Each. The holder of CCPS does not carry voting rights.

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(Resigned on 01.04.2023)
5	Abdul Hanan Delvi	Director

DETAILS OF LOANS FROM DIRECTORS AND THEIR RELATIVES:

During the year, Company has availed loan from its Directors during the financial year, the outstanding loan amount as on 31.03.2023 is hereby given below:

Sl. No	Name of the Directors	Amount (In Lakhs)
1	Nithin Kamath	500
2	Nikhil Kamath	500

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

All related party transactions that were entered into during the financial year ended 31st March, 2023 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, 2023.

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 2022-23 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 2022-23 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.

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 2023, under section 143 (12) of the Act.

PREVENTION OF SEXUAL HARASSMENT POLICY

It is not mandatory for your company to constitute an Internal Complaints Committee (ICC) due to the fact the number of workers being less than the limit as specified thereunder. However, 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.

C. Foreign Exchange Earnings and outgo

The Foreign Exchange earnings and outgo during the financial period ended 31st March, 2023, is as follows:

Particulars	31 st March, 2023	31 st March, 2022
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).

DISCLOSURE ABOUT THE CHANGE IN THE REGISTERED OFFICE ADDRESS OF THE COMPANY

The Company has changed its registered office during the year under review.

SECRETARIAL STANDARDS

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

DECLARATION ABOUT INDEPENDENT DIRECTOR:

The requirement of a statement of declaration to be given by the Independent Director under section 149(6) is not applicable to the Company.

PARTICULARS OF EMPLOYEES:

No employees were in receipt of remuneration of more than 8,50,000 p.m. or 1,02,00,000 p.a. as the provisions of the Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014, and amendments made thereunder. Accordingly, disclosure under the same is not required.

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 cooperation and support provided by the Central and State Governments, Stock Exchanges, 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** Digitally signed by
NITHIN KAMATH
Date: 2023.06.30
14:45:54 +05'30'

**Nithin Kamath
(DIN: 03142935)
Director**

**ABDUL
HANAN
DELVI** Digitally signed by
ABDUL HANAN DELVI
Date: 2023.06.30
14:46:40 +05'30'

**Abdul Hanan Delvi
(DIN: 06687440)
Director**

**Meetal T
Jain** Digitally signed
by Meetal T Jain
Date: 2023.06.30
14:47:20 +05'30'

**Meetal T Jain
Company Secretary
Membership No. F12550**

**Place: Bangalore
Date: 30/06/2023**