



# **D. KOTHARY & CO.**

## **Chartered Accountants**

### **INDEPENDENT AUDITOR'S REPORT**

To the Members of  
SecMark Consultancy Limited

#### **Report on the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of **SecMark Consultancy Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies Accounting Standards Rules, 2006, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2023, and its loss and its cash flows for the year ended on that date.

#### **Basis of Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. There are no key audit matters to be disclosed.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual 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 such other information is materially inconsistent with the 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.







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### **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 Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act read with the Companies Accounting Standard Rules, 2006, as amended. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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.

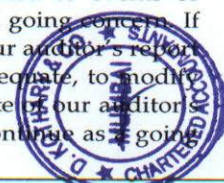
Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.







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

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.

### 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 the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, 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 and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - (g) In our opinion, the managerial remuneration for the year ended 31st March, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act.
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which has impact on its financial position in its financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There is no amount due to transfer to the Investor Education and Protection Fund by the Company during the year ended 31st March, 2023.





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- iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The Company has not declared/paid dividend during the year.

For D. Kothary & Co.  
Chartered Accountants  
Firm Registration No. 105335W

Mehul N. Patel  
Partner  
Membership No. 132650  
Place: Mumbai  
Date: 30<sup>th</sup> May, 2023  
UDIN No: 23132650BGPYBJ5510







# D. KOTHARY & CO.

## Chartered Accountants

### Annexure A to Independent Auditors' Report

(Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

- i. In respect of its Property, plant & Equipment:
  - a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant & Equipment on the basis of available information;  
(B) The company has maintained proper records showing full particulars of intangible assets;
  - b) As explained to us, all the property, plant & equipment have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification;
  - c) According to the documents provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings, are held in the name of the Company as at the balance sheet date;
  - d) The Company has not revalued its Property, Plant and Equipment or intangible assets during the year;
  - e) There are no proceedings initiated and are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder;
- ii. In respect of its inventories:
  - a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.
  - b) The Company has not been sanctioned working capital limits, in excess of five crore rupees, during any point of time of the year, in aggregate, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- iii. In respect of loans and advances, guarantee or security provided:
  - a) In our opinion and according to the information and explanations given to us, the company has not provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity, hence clause iii(b) to iii(e) not applicable.
  - b) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans granted, investments made and guarantees and securities provided.
- v. The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- vi. To the best of our knowledge and belief, the Central Government has not prescribed maintenance of records under clause (d) of sub-section (1) of Section 148 of the Act, in respect of the business activities carried out by the Company.







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vii. In respect of statutory dues:

- a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at 31st March, 2023 for a period of more than six months from the date they became payable.

- b) There are no statutory dues pending to be deposited on account of disputes pending with various forums.

viii. There are no transactions which are not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

- ix. (a) Based on our audit procedures and as per the information and explanations given by management, the Company has not taken any term loan, hence defaulted in repayment of dues to any lender does not arise.

(b) The Company has not declared willful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no unutilized term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long term purposes by the Company.

(e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) The company has not raised loans during the year on the pledge of securities held in its subsidiaries.

- x. (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (x) of the Order is not applicable.

(b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.

- xi. (a) To the best of our knowledge, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(b) To the best of our knowledge, no report under Sub-section (12) of Section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and up to the date of this report.

- xii. The Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.







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- xiv. (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto 31st March 2023.
- xv. In our opinion during the year the Company has not entered into non-cash transactions with any of its directors or directors of it's holding company, subsidiary company or persons connected with such directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.
- xvii. The company has incurred cash losses in the financial year covered by our audit, but not incurred cash losses in the immediately preceding financial year.
- xviii. There has not been any resignation of the statutory auditors during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the 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 indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. The provisions of section 135 are not applicable to the Company. Accordingly, paragraph 3(xx) of the Order is not applicable.

For D. Kothary & Co.  
Chartered Accountants  
Firm Registration No. 105335W

  
Mehul N. Patel  
Partner  
Membership No. 132650  
Place: Mumbai  
Date: 30<sup>th</sup> May, 2023  
UDIN No: 23132650BGPYBJ5510







# **D. KOTHARY & CO.**

## **Chartered Accountants**

### **Annexure - B to the Auditors' Report**

**To the Members of  
SecMark Consultancy Limited**

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

We have audited the internal financial controls over financial reporting of SecMark Consultancy Limited ("the Company") as of 31st March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

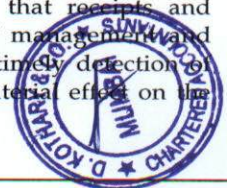
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

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







# **D. KOTHARY & CO.**

## **Chartered Accountants**


### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For D. Kothary & Co.**  
Chartered Accountants  
Firm Registration No. 105335W

  
**Mehul N. Patel**  
Partner  
Membership No. 132650  
Place: Mumbai  
Date: 30<sup>th</sup> May, 2023  
UDIN No: 23132650BGPYBJ5510



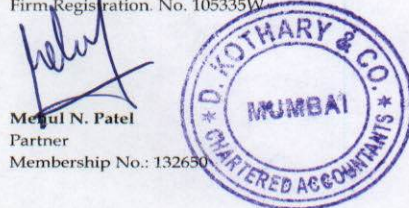


SECMARK CONSULTANCY LIMITED  
CIN No. L67190MH2011PLC220404  
BALANCE SHEET AS AT MARCH 31, 2023

Sr. No	Particulars	Notes	As at March 31, 2023 Amount in lakhs	As at March 31, 2022 Amount in lakhs
I.	<b>EQUITY AND LIABILITIES</b>			
1	<b>Shareholders' funds</b>			
	(a) Share capital	3	1037.05	414.82
	(b) Reserves and surplus	4	788.37	1936.83
			1825.42	2351.65
2	<b>Non current liabilities</b>			
	(a) Deferred tax Liabilities	5	0.00	50.74
	(b) Long Term Provisions	6	18.63	16.81
			18.63	67.55
3	<b>Current liabilities</b>			
	(a) Short-term borrowings	7	1015.58	124.79
	(b) Trade Payable	8		
	A) total outstanding dues of micro & small enterprises		98.38	0.42
	B) total outstanding dues of creditors other than micro & small enterprises		43.29	112.23
	(c) Other current liabilities	9	76.92	60.61
	(d) Short term provisions	10	2.39	3.05
			1236.57	301.09
	<b>TOTAL</b>		3080.62	2720.30
II.	<b>ASSETS</b>			
1	<b>Non current assets</b>			
	(a) Property Plant & Equipment and Intangible Assets			
	(i) Property Plant & Equipment	11	182.22	195.73
	(ii) Intangible Assets	11	958.91	866.66
	(iii) Intangible assets under development	11(a)	0.00	123.92
	(b) Non current investments	12	26.90	91.60
	(c) Deferred Tax Assets (Net)	13	122.43	0.00
	(d) Other Non Current Assets	14	146.87	143.77
			1437.34	1421.69
2	<b>Current assets</b>			
	(a) Trade receivables	15	117.13	146.05
	(b) Cash and Bank Balance	16	1294.75	1002.08
	(c) Short term loans and advances	17	231.41	150.47
			1643.28	1298.60
	<b>TOTAL</b>		3080.62	2720.30
	Significant accounting policies & Notes to financial statements	1 to 33		

As per our report of even date

For D. Kothary & Co.  
Chartered Accountants  
Firm Registration No. 105335W



Megul N. Patel  
Partner  
Membership No.: 132650

Place : Mumbai  
Date : 30th May 2023

For and on behalf of the Board of Directors  
SecMark Consultancy Limited

Sagar Thanki  
Executive Director & CFO  
DIN: 08281489

Ravi Ramaiya  
Non-Executive Director  
DIN: 03510258

Sunil Bang  
Company Secretary






**SECMARK CONSULTANCY LIMITED**  
CIN No. L67190MH2011PLC220404  
**STATEMENT OF PROFIT AND LOSS FOR PERIOD ENDED MARCH 31, 2023**

Sr. No	Particulars	Notes	For the Year ended 31st March, 2023 Amount in lakhs	For the Year ended 31st March, 2022 Amount in lakhs
I.	Revenue from operations	18	1743.72	1454.17
II.	Other income	19	83.23	62.91
III	<b>Total Income (A)</b>		<b>1826.95</b>	<b>1517.08</b>
IV	Expenses:			
	Employee benefits expenses	20	504.61	386.35
	Finance cost	21	37.25	3.96
	Depreciation and amortization expenses	11	239.63	112.64
	Other Expenses	22	1744.86	658.73
V	<b>Total Expenses (B)</b>		<b>2526.35</b>	<b>1161.67</b>
VI	<b>Profit before tax (A-B)</b>		<b>(699.41)</b>	<b>355.41</b>
VII	Tax expense:			
	Current tax		0.00	17.60
	Deferred tax		(173.18)	71.88
	Adjustment for Earlier year		0.00	0.00
VIII	<b>Profit for the year (VI-VII)</b>		<b>(526.23)</b>	<b>265.93</b>
	Earning per share on Equity Shares of Rs. 10 each (Refer to Note 26)			
	- Basic (P. Y. Restated)		(5.07)	2.57
	- Diluted (P. Y. Restated)		(5.04)	2.57
	Significant accounting policies & Notes to financial statements	1 to 33		

As per our report of even date

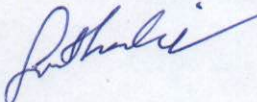
For D. Kothary & Co.  
Chartered Accountants  
Firm Registration. No. 105335W


  
Mehul N. Patel  
Partner  
Membership No.: 132650



Place : Mumbai  
Date : 30th May 2023

For and on behalf of the Board of Directors  
SecMark Consultancy Limited

  
Sagar Thanki  
Executive Director & CFO  
DIN: 08281489

  
Ravi Ramaiya  
Non-Executive Director  
DIN: 03510258

  
Sunil Bang  
Company Secretary





**SECMARK CONSULTANCY LIMITED**  
CIN No. L67190MH2011PLC220404  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023**

Particulars	For the year ended 31st Mar, 2023 Amount in lakhs	For the year ended 31st Mar, 2022 Amount in lakhs
<b>A. Cash Flow From Operating Activities :</b>		
Net profit before tax as per statement of profit and loss	(699.41)	355.41
Adjustments for :		
Depreciation	239.63	112.64
Interest Income	(79.45)	(59.25)
Employee Compensation Expenses (ESOP)	5.66	0.00
Loss on sale of Investment	2.24	0.00
Loss on sale of Asset	0.00	0.00
Gratuity Provision	3.92	5.81
Interest Expenses	37.25	3.96
<b>Operating Cash Flow Before Working Capital Changes</b>	<b>(490.16)</b>	<b>418.57</b>
<b>Changes in current assets and liabilities</b>		
(Increase)/ Decrease in Trade receivables	28.93	62.84
(Increase)/ Decrease loans and advances & Other Current Assets	(84.03)	(112.98)
Increase/ (Decrease) in other current Liabilities & Provisions	58.13	136.07
<b>Cash Generated From Operations</b>	<b>(487.14)</b>	<b>504.49</b>
Payment of Taxes (Net of Refunds)	(21.20)	(129.27)
<b>Net Cash Flow From Operating Activities (A)</b>	<b>(508.34)</b>	<b>375.22</b>
<b>B. Cash Flow From Investing Activities :</b>		
(Purchase)/ Sale of Property Plant & Equipment and Intangible Assets	(194.45)	(1118.24)
(Increase)/ Decrease in Fixed Deposits	(70.69)	673.89
(Purchase)/ Sale of Investments (net)	62.47	(25.10)
Interest received from Fixed Deposit and Bonds	79.45	59.25
<b>Net Cash Flow From Investment Activities (B)</b>	<b>(123.23)</b>	<b>(410.21)</b>
<b>C. Cash Flow From Financing Activities :</b>		
(Repayment) / Proceed of borrowings from financial institutions/ Others	890.79	36.44
Proceeds from issue of Equity Shares including premium through IPO	0.00	2.42
Interest on short term borrowing	(37.25)	(3.96)
<b>Net Cash From / (Used In) Financing Activities (C)</b>	<b>853.55</b>	<b>34.90</b>
<b>Net Increase In Cash Or Cash Equivalents (A+B+C)</b>	<b>221.98</b>	<b>(0.09)</b>
<b>Cash And Cash Equivalents At The Beginning Of The Year</b>	<b>0.83</b>	<b>0.92</b>
<b>Cash And Cash Equivalents As At The End Of The Year</b>	<b>222.81</b>	<b>0.83</b>
<b>Component of cash and cash equivalents (Refer note 15)</b>		
As per our report of even date		

For D. Kothary & Co.  
Chartered Accountants  
Firm Registration No. 105335W

Mehul N. Patel  
Partner  
Membership No.: 132650

Place : Mumbai  
Date : 30th May 2023



For and on behalf of Board of Directors  
SecMark Consultancy Limited

Sagar Thanki  
Executive Director & CFO  
DIN: 08281489

Sunil Bang  
Company Secretary

Ravi Ramaiya  
Non-Executive Director  
DIN: 03510358





## SECMARK CONSULTANCY LIMITED

### Notes to financial statements for the year ended March 31, 2023

#### Note 1: Corporate information

SecMark Consultancy Limited was originally incorporated as a Private Limited Company on August 03, 2011, under the provision of Companies Act, 1956 and subsequently converted into Public Limited Company pursuant to a shareholders' resolution passed at the Extra-Ordinary General Meeting held on January 28, 2020.

Name of the Company was changed from SecMark Consultancy Private Limited to "SecMark Consultancy Limited" and fresh Certificate of Incorporation dated March 02, 2020, was issued by Registrar of Companies, Mumbai, Maharashtra. The Corporate Identification is U67190MH2011PLC220404 and its registered office is situated at Plot No 36/227, RDP-10, Sector-6, Charkop, Kandivali-West Mumbai - 400067.

The Company has issued Bonus during the current FY and the paid up capital of the Company is Rs. 15,00,00,000. (Fifteen Crores ).

The Company offers services Consulting, Technology and Outsourcing services to financial market participants in the areas of Compliance, Operations, Software Development, Risk Management and other areas to financial market participants.

Clients include leading Brokerage Houses, Depository Participants, Stock Exchanges, Wealth Managers, Research Analyst, Corporate Agents, Portfolio Managers, Investment Advisors, NBFCs, Banks, etc.

#### Note 2: Significant accounting policies

##### a) Basis of preparation of financial statements:

The financial statements are prepared and presented under the historical cost convention, on the accrual basis of accounting and in accordance with the provisions of the Companies Act, 2013 ('the Act') (except as specifically mentioned), and the accounting principles generally accepted in India and comply with the accounting standards prescribed in the Companies (Accounting Standards) Rules, 2014 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards, to the extent applicable.

The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Accounting Standards.

##### b) Use of estimates:

The preparation of Financial statements in conformity with the generally accepted accounting principles in India requires management to make estimates and assumptions that affect the reported amounts of income and expenses of the period, assets and liabilities and disclosures relating to contingent liabilities as of the date of financial statements. Actual results could differ from those estimated. Any revision to accounting estimates is recognised prospectively in future periods.

##### c) Revenue recognition:

The company derives its revenue from its services. Revenue is recognized at pre-determined rates as defined under contracts with clients and accounted for at the time of execution of transactions/events. Interest income is recognized using the time proportion method, based on the transactional interest rates.

##### d) Investments:

Investments are classified into non current investments and current investments. Investments which are intended to be held for more than one year are classified as non current investments and investments which are intended to be held for less than one year, are classified as current investments. Non current investments are stated at cost and a provision for diminution in value of non current investments is made only if the decline is other than temporary in the opinion of the management. Current investments are valued at cost or market/fair value whichever is lower.





**SECMARK CONSULTANCY LIMITED**  
**Notes to financial statements for the year ended March 31, 2023**

**e) Provisions, Contingent Liabilities and Contingent Asset :**

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or present obligation in respect of which the likelihood of outflow of resource is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

**f) Fixed assets and depreciation :**

i. Fixed assets are carried at cost of acquisition (including directly attributable costs such as freight, installation, etc.) or construction less depreciation.

ii. Depreciation on assets is provided on the straight line method as per the companies act 2013 except Building whose life has been taken as 20 years.

**g) Intangible Assets :**

Intangible assets purchased are measured at cost as of the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives from the date that they are available for use.

The estimated useful lives of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

The estimated useful life on a straight line basis of amortisation is mentioned below:

Type of asset Useful lives

Computer Software 5 years

Intangible assets under development

Expenditure on research and development eligible for capitalisation are carried as intangible assets under development where such assets are not yet ready for their intended use.

**h) Taxation :**

Provision for tax is based on the taxable profit for the accounting year after taking into consideration the relevant provisions of the Income Tax Act, 1961.

**i) Earnings per share :**

The basic earnings per share is computed by dividing the net profit / loss attributable to the equity shareholders for the period by the number of equity shares outstanding on the last day of reporting period. In computing dilutive earnings per share, only potential equity shares that are dilutive and that reduce profit / loss per share are included.





**SECMARK CONSULTANCY LIMITED**  
**Notes to financial statements for the year ended March 31, 2023**

**NOTE 3 (a) :- SHARE CAPITAL**

Particulars	As at March 31, 2023 Amount in lakhs	As at 31 March 2022 Amount in lakhs
<b>AUTHORISED SHARE CAPITAL</b>		
1,50,00,000 (Previous Year 50,00,000) Equity Shares of Rs.10 each	1,500.00	500.00
<b>Total</b>	<b>1,500.00</b>	<b>500.00</b>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
1,03,70,500 (PY 41,48,200) Equity Shares of Rs.10 each fully paid up	1,037.05	414.82
<b>Total</b>	<b>1,037.05</b>	<b>414.82</b>

NOTE 3 (b) :- The company has only one class of equity with a par value of Rs. 10/- per share. Each holder of equity shares is entitle to one vote per share.

NOTE 3 (c) :- The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2023 and March 31, 2022 is set out below

Particulars	As at March 31, 2023		As at 31 March 2022	
	No. of shares held	Amount In Lakhs	No. of shares held	Amount In Lakhs
<b>Equity Shares</b>				
Number of Shares at the beginning	41,48,200.00	414.82	41,24,000.00	412.40
Add : Bonus Issue	62,22,300.00	622.23	0.00	0.00
Add : Further Issue of Shares as ESOP		0.00	24,200.00	2.42
<b>Number of shares at the end</b>	<b>1,03,70,500.00</b>	<b>1,037.05</b>	<b>41,48,200.00</b>	<b>414.82</b>

NOTE 3 (d) :- Details of Shares held by each Shareholder holding more than 5% Shares:

Class of shares / Name of Shareholders	As at March 31, 2023		As at 31 March 2022	
	No. of shares held	% holding	No. of shares held	% holding
<b>Equity Shares with voting rights</b>				
Secmark Holdings Private Limited	75,25,000	72.56%	30,10,000	72.56%

NOTE 3 (e) :- Shares held by promoters at the end of the year

Name of Promoter/Promoter Group	No. of Shares Held	% of Total Shares	% Change during the year
Secmark Holdings Private Limited	75,25,000	72.56%	0%





SECMARK CONSULTANCY LIMITED  
Notes to financial statements for the year ended March 31, 2023

Particulars	As at March 31, 2023 Amount in lakhs	As at 31 March 2022 Amount in lakhs
<b>NOTE 4 :- RESERVES AND SURPLUS</b>		
Securities Premium	1393.47	1392.50
Add: on ESOP Allotment of Equity Shares	0.00	0.97
Less : Transferred to Capital as Bonus Issue	622.23	
	771.24	1393.47
<b>Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening balance	543.36	277.43
Add: Profit / (Loss) for the year	(526.23)	265.93
	17.13	543.36
	17.13	0.00
	17.13	543.36
<b>Total</b>	<b>788.37</b>	<b>1936.83</b>
<b>NOTE 5 :- DEFERRED TAX LIABILITIES</b>		
On account of Fixed Assets	92.87	68.66
On account of 43B & 35D	(215.30)	(17.92)
<b>Total</b>	<b>(122.43)</b>	<b>50.74</b>
<b>NOTE 6 :- LONG TERM PROVISIONS</b>		
Gratuity Provisions	18.63	16.81
<b>Total</b>	<b>18.63</b>	<b>16.81</b>
<b>NOTE 7 :- SHORT TERM BORROWINGS</b>		
<b>Secured</b>		
Bank Loans repayable on demand (Secured against Fixed Deposit)	1015.58	124.79
<b>Total</b>	<b>1015.58</b>	<b>124.79</b>
<b>NOTE 8 :- Trade Payable</b>		
Total outstanding dues of micro & small enterprises	98.38	0.42
Total outstanding dues of creditors other than micro & small enterprises	43.29	112.23
<b>Total</b>	<b>141.67</b>	<b>112.65</b>
<b>Trade Payables Ageing Schedule</b>		
<b>1. MSME</b>		
Outstanding for following periods from due date of payment		
Less than 1 year	98.38	0.42
1 to 2 years	0.00	0.00
2 to 3 years	0.00	0.00
More than 3 years	0.00	0.00
	98.38	0.42
<b>2. OTHERS</b>		
Outstanding for following periods from due date of payment		
Less than 1 year	43.29	112.23
1 to 2 years	0.00	0.00
2 to 3 years	0.00	0.00
More than 3 years	0.00	0.00
	43.29	112.23
<b>NOTE 9 :- OTHER CURRENT LIABILITIES</b>		
Statutory liabilities	22.62	24.35
Deposit from Customer	1.50	1.50
Salary Payable	42.18	26.40
ESOP Outstanding	5.68	0.02
Other Payable	4.95	8.34
<b>Total</b>	<b>76.92</b>	<b>60.61</b>
<b>NOTE 10 :- SHORT TERM PROVISIONS</b>		
Gratuity Provision	2.39	0.30
Provision for tax (Net of Advance Tax)	0.00	2.75
<b>Total</b>	<b>2.39</b>	<b>3.05</b>





**SECMARK CONSULTANCY LIMITED**  
Notes to financial statements for the year ended March 31, 2023

NOTE 11 :- Property Plant & Equipment

Particulars	Gross block				Accumulated depreciation			Net block	
	Balance as at 1 April, 2022	Additions	Disposals	Balance as at 31 March, 2023	Balance as at 1 April, 2022	Depreciation expense for the year	Eliminated on disposal of assets	Balance as at 31 March, 2023	Balance as at 31 March, 2022
	Amount In lakhs	Amount In lakhs	Amount In lakhs	Amount In lakhs	Amount In lakhs	Amount In lakhs	Amount In lakhs	Amount In lakhs	Amount In lakhs
<b>(A) Property Plant &amp; Equipment</b>									
Furniture and Fixtures	63.81	5.58	0.00	69.39	35.04	6.38	0.00	41.42	28.76
Vehicle	28.43	0.00	3.26	25.17	8.44	3.32	1.85	9.91	19.99
Office Equipment	5.96	2.28		8.24	5.18	0.57	0.00	5.75	0.78
Building	138.35	0.00	0.00	138.35	13.40	6.57	0.00	19.97	124.95
Computer	37.59	7.87	0.00	45.46	16.34	10.99	0.00	27.33	21.25
<b>Sub Total</b>	<b>274.14</b>	<b>15.73</b>	<b>3.26</b>	<b>286.61</b>	<b>78.40</b>	<b>27.83</b>	<b>1.85</b>	<b>104.39</b>	<b>195.73</b>
<b>(B) Intangible assets</b>									
Software	974.89	304.06		1278.95	108.23	211.81		320.04	866.66
<b>Sub Total</b>	<b>974.89</b>	<b>304.06</b>	<b>0.00</b>	<b>1278.95</b>	<b>108.23</b>	<b>211.81</b>	<b>0.00</b>	<b>320.04</b>	<b>866.66</b>
<b>Total</b>	<b>1249.03</b>	<b>319.79</b>	<b>3.26</b>	<b>1565.56</b>	<b>186.64</b>	<b>239.63</b>	<b>1.85</b>	<b>424.42</b>	<b>1062.39</b>
<b>Previous year</b>	<b>254.71</b>	<b>994.32</b>	<b>0.00</b>	<b>1249.03</b>	<b>74.00</b>	<b>112.64</b>	<b>0.00</b>	<b>186.64</b>	<b>1062.39</b>





SECMARK CONSULTANCY LIMITED  
Notes to financial statements for the year ended March 31, 2023

Particulars	As at March 31, 2023 Amount In lakhs	As at 31 March 2022 Amount In lakhs
<b>NOTE 12 :- NON-CURRENT INVESTMENTS</b>		
<b>Investment in Subsidiary ( Unquoted)</b>		
Investment in Equity Of Markets on Cloud	0.80	0.80
Investment in Sutra Software Private Limited	1.00	0.00
<b>Investment in Associates ( Unquoted)</b>		
Investment in Equity of Trakiot Solutions Private Limited	25.10	25.10
<b>Investment in Bonds</b>		
NTPC- Bonds	0.00	5.00
APSTC Bond	0.00	20.70
PFCL Bond	0.00	40.00
<b>Total</b>	<b>26.90</b>	<b>91.60</b>
<b>NOTE 13 :- DEFERRED TAX ASSETS (NET)</b>		
On account of Fixed Assets	(92.87)	0.00
On account of 43B & 35D & Losses	215.30	0.00
<b>Total</b>	<b>122.43</b>	<b>0.00</b>
<b>NOTE 14 :- OTHER NON CURRENT ASSETS</b> (Unsecured, considered good)		
Capital Advance	129.75	126.65
Security Deposit	17.13	17.13
<b>Total</b>	<b>146.87</b>	<b>143.77</b>
<b>NOTE 15 :- TRADE RECEIVABLES</b> (Unsecured, considered good)		
More than six months	8.07	3.74
Other trade receivables	109.06	142.32
<b>Total</b>	<b>117.13</b>	<b>146.05</b>
<b>Trade Receivables Ageing Schedule</b>		
<b>1. Undisputed Trade Receivable - Considered Good</b>		
<b>Outstanding from following periods from due date of Payment</b>		
Less than 6 months	109.06	142.32
6 months to 1 year	7.63	2.92
1 to 2 years	0.00	0.47
2 to 3 years	0.16	0.35
More than 3 years	0.29	0.00
<b>Total</b>	<b>117.13</b>	<b>146.05</b>
<b>NOTE 16 :- CASH AND BANK BALANCE</b>		
<b>a) Cash and cash equivalent</b>		
Cash on hand	0.60	0.73
Balances with banks		
(i) In Current accounts	0.11	0.10
(ii) Fixed Deposit for less than 3 month maturity	222.10	0.00
	<b>222.81</b>	<b>0.83</b>
<b>b) Other bank balance</b>		
(i) Fixed Deposit for more than 3 month maturity	27.30	60.14
(ii) Fixed Deposit held as security against borrowings	1044.63	941.11
	<b>1071.94</b>	<b>1001.25</b>
<b>Total</b>	<b>1294.75</b>	<b>1002.08</b>
<b>NOTE 17 :- SHORT TERM LOANS AND ADVANCES</b>		
Advance tax & TDS Receivable (Net of Provision)	140.14	121.69
Balance With Government authorities	83.16	21.43
Loans and Advances to Employee	2.60	2.27
Prepaid Expenses	0.00	2.51
Interest Receivable	0.00	0.71
Advances for Expenses	5.51	1.86
<b>Total</b>	<b>231.41</b>	<b>150.47</b>





**SECMARK CONSULTANCY LIMITED**  
**Notes to financial statements for the year ended March 31, 2023**

Particulars	2022-23 Amount in lakhs	2021-22 Amount in lakhs
<b><u>NOTE 18 :- REVENUE FROM OPERATIONS</u></b>		
Sale of Services (See also Note No 29)	1743.72	1454.17
<b>Total</b>	<b>1743.72</b>	<b>1454.17</b>
<b><u>NOTE 19 :- OTHER INCOMES</u></b>		
Interest from Bank & Investments	79.45	59.25
Other Income	3.78	3.66
<b>Total</b>	<b>83.23</b>	<b>62.91</b>
<b><u>NOTE 20 :- EMPLOYEE BENEFIT EXPENSES</u></b>		
Salary, wages, bonus and allowances	463.38	376.54
Gratuity Provided	3.92	5.81
Employee Compensation Expenses (ESOP)	5.66	0.00
Employee welfare and other amenities	31.65	3.99
<b>Total</b>	<b>504.61</b>	<b>386.35</b>
<b><u>NOTE 21 :- FINANCE COST</u></b>		
Interest - Bank OD and Term Loan	37.25	3.96
<b>Total</b>	<b>37.25</b>	<b>3.96</b>
<b><u>NOTE 22 :- OTHER EXPENSES</u></b>		
Auditors' Remuneration	1.70	1.80
Business Promotion Expenses	2.94	4.91
Professional Fees Paid	425.17	306.84
Software Support Expenses	1169.37	181.63
Conveyance & Travelling Expenses	27.21	14.29
Insurance charges	2.90	1.98
Repairs & Maintenance	5.38	5.18
Receivables Not Recoverable	0.79	0.30
Rent, Rates & taxes	67.09	54.24
Contract Charges	29.47	69.86
Stationery & Printing Expenses	1.52	1.13
Telecommunication Charges	2.19	1.10
FDR Prematurity Charges	0.00	9.81
Loss on Sales of Bonds	2.24	
Miscellaneous Expenses	6.91	5.65
<b>Total</b>	<b>1744.86</b>	<b>658.73</b>





**Note 23 : Ratios**

The following are analytical ratios for the year ended March 31, 2023 and March 31, 2022

Ratio Analysis		Numerator	Denominator	31-Mar-23	31-Mar-22	Variance	Remarks
1	Current Ratio	Current Assets	Current Liabilities	1.33	4.31	-69.19%	The Company has availed OD against its FD's for payment of Rs. 8.12 crores towards consultancy charges for the services related to the software applications purchased by the company.
2	Debt Equity Ratio	Total Liabilities	Shareholder's Equity	0.56	0.05	948.42%	The Company has availed OD against its FD's for payment of Rs. 8.12 crores towards consultancy charges for the services related to the software applications purchased by the company, thus increasing the outstanding liability. Further Shareholder's equity has reduced on account of loss suffered by the company because of this large payments.
3	Return on Equity Ratio	Net Profit after taxes	Avg. Shareholders Equity	-25.20%	12.00%	-310.05%	As aforesaid the company has paid consultancy charges of Rs. 8.12 crores for the services related to the software applications purchased by the company and a depreciation of Rs. 1.95 crores on these software applications.
5	Trade Receivables Turnover Ratio	Net Credit Sales	Average Trade Receivables	13.25	8.19	61.77%	The Company has been able to grow its sales while recovering the sales proceeds faster, resulting in lesser average receivables.
6	Trade Payables Turnover Ratio	Total Purchases	Average Trade Payables	13.18	8.83	49.31%	Purchase of service has increased on account of payment of Rs.8.12 crores for consultancy charges for the services related to the software applications purchased by the company and Rs. 5.13 crores (P.Y. Rs. 2.55 crores) for development of software applications.
7	Net Capital Turnover Ratio	Net Sales	Average Working Capital	4.29	1.46	194.10%	Sales has increased on account of better performance and working capital requirement has reduced on account of efficiency in recovery of debtors.





**Note 23 : Ratios**

The following are analytical ratios for the year ended March 31, 2023 and March 31, 2022

Ratio Analysis		Numerator		Denominator		31-Mar-23	31-Mar-22	Variance	Remarks
8	Net Profit Ratio	Net Profit		Net Sales		-30.18%	18.29%	-265.02%	As aforesaid the company has paid consultancy charges of Rs. 8.12 crores for the services related to the software applications purchased by the company and a depreciation of Rs. 1.95 crores on these two software applications resulting into losses.
9	Return on Capital employed	EBIT		Capital Employed		-35.18%	23.45%	-250.02%	As aforesaid the company has paid consultancy charges of Rs. 8.12 crores for the services related to the software applications purchased by the company and a depreciation of Rs. 1.95 crores on these software applications resulting into losses. Further the capital employed has increased on account of increased in OD of Rs. 8.91 crore as reduced by the losses for the current year.
10	Return on Investment	Return from investment		Weighted Average of Investment		0.00%	7.93%	-100.00%	Due to Sale of Investments





**SECMARK CONSULTANCY LIMITED**  
CIN No. L67190MH2011PLC220404  
**Notes to the financial statements for the year ended March 31, 2023**

**Note 24 Auditors Remuneration**

Particulars	(Amounts in lakhs)	
	As At March 31, 2023	As At March 31, 2022
For Audit Fees	1.00	1.00
For Tax Audit Fees	0.70	0.80
<b>Total</b>	<b>1.70</b>	<b>1.80</b>

**Note 25 Related Party Transactions**

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below

**25.1 Relationships during the year**

**(A) Holding Company**

Secmark Holdings Private Limited

**(B) Subsidiary Company**

Markets on Cloud Private Limited  
Sutra Software Private Limited

**(C) Associate Company**

Trakiot Solutions Private Limited (with effect from 23rd February 2022)

**(D) Key Managerial Personnel & their relatives**

- Jignesh Mehta (CEO & MD from 01st January 2020 to 17th December 2022)  
- Sagar Thanki (CFO & Director from 28th January 2019)  
- Sunil Bang (Company Secretary from 01st January 2020)  
- Nirav Thanki (Relative of Sagar Thanki)

**(E) Other Directors & Other Related party**

- Binod Chandra Maharana (Independent Director)  
- Priti Nigam Gandhi (Independent Director)  
- Ravi Ramaiya (Non executive)  
- Shardul Shah (Non executive)  
- Trupti Ramaiya (Relative of Ravi Ramaiya)  
- Hiral Shah (Relative of Shardul Shah)  
- Kajal Oriya (Wife of Sagar Thanki)  
- Shah & Ramaiya

**25.2 Related party transaction during the year:**

Particulars	(Amounts in lakhs)	
	2022-23	2021-22
<b>(A) Transaction with related parties during the year</b>		
<b>Directors Remuneration</b>		
- Jignesh Mehta	13.00	16.67
- Sagar Thanki	7.50	8.00
<b>Salaries and Allowances</b>		
- Nirav Thanki	4.21	3.12
- Kajal Oriya	6.50	0.00
- Sunil Bang	47.35	32.00
<b>Rent Expenses</b>		
- Trupti Ramaiya	12.00	12.00
- Hiral Shah	7.20	7.20
<b>Professional Fees Paid / Software Development Cost</b>		
- Shah and Ramaiya	40.00	20.00
- Trakiot Solutions Private Limited	513.68	254.61
<b>Account Payable</b>		
- Trakiot Solutions Private Limited	98.23	49.58
- Shah and Ramaiya	0.00	5.40





**SECMARK CONSULTANCY LIMITED**  
CIN No. L67190MH2011PLC220404

**Notes to the financial statements for the year ended March 31, 2023**

**Note 26 Earning Per Share**

Particulars	As At March 31, 2023	As At March 31, 2022
Net profit after tax as per statement of profit and loss (Amount in Lakhs)	-526.23	265.93
Number of equity shares outstanding during the year	1,03,70,500	41,48,200
Restated Number of equity shares outstanding during the year (Bonus)	1,03,70,500	1,03,51,007
Effect of Dilution:		
Share options	73,500	-
Restated Number of equity shares adjusted after dilution (Bonus Issue)	1,04,44,000	1,03,51,007
<b>Basic earnings per share (Restated)</b>	<b>(5.07)</b>	<b>2.57</b>
<b>Diluted earnings per share (Restated)</b>	<b>(5.04)</b>	<b>2.57</b>

**Note 27 Employee Stock Option Scheme 2019**

The Company had instituted an Employee Stock Option Scheme 2019 ('ESOP 2019') as approved by the Board on December 20, 2019 and Shareholders on January 28, 2020 for issuance of stock option to eligible employees of the Company. During the year ended 31st March 2023, Under the subject ESOP 2019, 11,89,500 Options exercisable into an aggregate of 11,89,500 Equity Shares in the Company of face value of Rs. 10/- each fully paid-up, would be available for grant to the eligible employees of the Company under the ESOP 2019, in one or more tranches as per the meeting held on August 23, 2022

The objective of the ESOP 2019 is to provide an incentive to attract and retain the key employees by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability.

Pursuant to the said Scheme, Stock options convertible into 73,500 equity shares vide ESOP Scheme 2019 of Rs. 10/- each were granted to eligible employee at an exercise price of Rs. 40/- per shares.

Particulars	ESOP Scheme 2019
No of Options Granted	73,500
Method of Accounting	Intrinsic Value
Vesting Period	1 Year
Grant Date	23 <sup>rd</sup> August 2022
Exercise/ Expiry Date	23 <sup>rd</sup> August 2026
Exercise Period	4 years from the grant date
Intrinsic Value	Rs. 51.08
Grant/ Exercise Price	Rs. 40
Method of Settlement	Equity Settled

**Note 28 Employee Benefit obligations**

**a) Defined Contribution Plans**

The Company operates defined contribution schemes like provident fund schemes. For these schemes contributions are made by the company, based on current salaries, to the recognized funds maintained by the Government. In case of provident fund schemes, contributions are also made by employees.

**b) Defined Benefit Plans**

**Gratuity**

The benefits are determined using the projected unit credit method with actuarial valuation being carried out at each Balance Sheet date.

The movement in the defined benefit liability over the year is as follows:

	(Amounts in lakhs)	
	2022-23	2021-22
As at 1st April	17.11	11.29
Interest Cost	1.24	0.82
Past Service Cost	0.00	0.00
Current Service cost	5.08	3.37
Benefits Paid	0.00	0.00
Actuarial (Gain)/ Loss on the obligation	-2.40	-0.38
As at 31st March	21.02	17.11
<b>Principal actuarial assumptions</b>		
	2022-23	2021-22
Discount Rate	7.50%	7.25%
Salary Escalation	5.00%	5.00%





**SECMARK CONSULTANCY LIMITED**  
CIN No. L67190MH2011PLC220404  
**Notes to the financial statements for the year ended March 31, 2023**

**Note 29** The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

Particulars	(Amount in Lakhs)	
	As at 31st March 2023	As at 31st March 2022
a) the principal amount remaining unpaid to any supplier at the end of each accounting year	98.38	0.42
b) interest due remaining unpaid to any supplier at the end of each accounting year	-	-
c) the amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
d) 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 MSMED Act, 2006	-	-
e) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
f) 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 MSMED Act, 2006	-	-

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made during the year or on balance brought forward from previous year.

**Note 30** Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19)

The World Health Organization declared the outbreak of COVID-19 as a public health emergency of international concern on January 30, 2020 and a pandemic on March 11, 2020. The Government of India announced a nation-wide lockdown on March 24, 2020 and imposed several restrictions.

However given that Our Company had established its own cloud infrastructure much before the Pandemic, there has been no impact on the functioning of Our Company. The team members have been working from home during lockdown and have been able to execute their responsibilities and service clients without any disruption, difficulty or delay.

The Management has considered the possible effects, if any, that may result from the pandemic on the carrying amounts of its current and non-current assets, after considering internal and external sources of information as at the date of approval of these financial statements. The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of Trade Receivables. In assessing recoverability of trade receivables, the Company has considered subsequent recoveries, past trends and credit risk profiles of the clients and all internal and external information available up to the date of issuance of these financial statements. Based on the above assessment, the Company is of the view that carrying amounts of trade receivables are expected to be realisable. The impact of COVID-19 may be different from that estimated as at the date of approval of these financial statements, and the Company will continue to closely monitor the developments.

**Note 31** Revenue from Contracts with Clients:

The Company has evaluated the impact of COVID-19 resulting from (i) the possible constraints to continue its operations and revisions in costs to fulfill the pending obligations (ii) penalties, if any, relating to breaches of agreements and (iii) termination or deferment of contracts by clients. The Company has concluded that the impact of COVID-19 is not material based on these estimates. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

**Note 32** Other Statutory Information

- i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- ii) The Company do not have any transactions with companies struck off.
- iii) The Company do 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 have 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 have 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) The Company have no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- viii) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

**Note 33** Figures of previous year are regrouped, rearranged and reclassified wherever necessary to correspond to figures of the current year.

As per our report of even date

For D. Kothari & Co.  
Chartered Accountants  
Firm Registration No. 105335W

Mehul N. Patel  
Partner  
Membership No.: 132611

Place : Mumbai  
Date : 30th May 2023

For and on behalf of the Board of Directors  
SecMark Consultancy Limited

Rajesh Chanki  
Executive Director & CFO  
DIN: 0351489  
Sanil Bang  
Company Secretary

Ravi Ramaya  
Non-Executive Director  
DIN: 03510258







**INDEPENDENT AUDITOR'S REPORT**

**To the Members of  
SecMark Consultancy Limited**

**Report on the Audit of the Consolidated Financial Statements**

**Opinion**

We have audited the accompanying consolidated financial statements of **SecMark Consultancy Limited** (herein after referred as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associate, which comprise the Consolidated Balance Sheet as at 31st March, 2023, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Cash Flow, for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (herein after 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 Accounting Standards prescribed under section 133 of the Act read with the Companies Accounting Standards Rules, 2006, as amended and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2023, and their consolidated loss and their consolidated cash flows for the year ended on that date.

**Basis of 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 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 consolidated financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. There are no key audit matters to be disclosed.

**Information Other than the Consolidated Financial Statements and Auditor's Report thereon**

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report, Shareholders' Information, but does not include the consolidated financial statements, standalone 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







## **D. KOTHARY & CO.** **Chartered Accountants**

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.

### **Management Responsibility for the Consolidated Financial Statements**

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act, that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Accounting Standard and other accounting principles generally accepted in India. 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 and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, 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 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.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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 Companies Act, 2013, we are







## D. KOTHARY & CO.

### Chartered Accountants

also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group 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. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

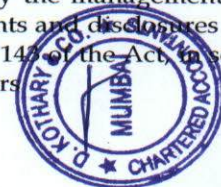
We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including 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.

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

#### Other Matter

We have not audited the financial statements of one subsidiary whose financial statements / financial information reflect total assets of Rs.2.13 Lakhs as at 31st March, 2023, total revenues of Rs. 0.13 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.







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### Chartered Accountants

We have not audited the financial statements in respect of an associate, whose interim financial results/information reflect Group's share of net profit/(loss) of Rs. 4.66 lakhs for the year ended 31st March 2023. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate, is based solely on the reports of the other auditors

Our opinion on the Statement is not modified in respect of the above matters.

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements and the other financial information of a subsidiary as noted in the 'other matter' paragraph, 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 and the report of the other auditors.
  - (c) The consolidated balance sheet, the consolidated statement of profit and loss 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 Standard specified under Section 133 of the Act, read with relevant rules there under.
  - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2023 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies are disqualified as on 31st March, 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 financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
  - (g) In our opinion and to the best of our information and according to the explanations given to us, the managerial remuneration for the year ended 31st March, 2023 has been paid/ provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act.
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the other financial information of the subsidiaries as noted in the "Other matter" paragraph:
    - i. The consolidated financial statements does not have any pending litigations which has impact on the consolidated financial position of the Group.
    - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.







# D. KOTHARY & CO.

## Chartered Accountants

iii. There is no amount to be transfer to the Investor Education and Protection Fund by the Holding Company and its subsidiaries during the year ended 31st March, 2023.

iv. (a) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("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 Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries 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.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

(b) The Holding Company has not declared/paid dividend during the year.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order" / "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Holding Company and its subsidiaries included in the consolidated financial statements of the Holding Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports

For D. Kothary & Co.  
Chartered Accountants  
Firm Registration No. 105335W

Mehul N. Patel  
(Partner)  
Membership No. 132650  
Place: Mumbai  
Date: 30<sup>th</sup> May 2023  
UDIN: 23132650BGPYBK7574







# **D. KOTHARY & CO.**

## **Chartered Accountants**

### **Annexure - A**

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

We have audited the internal financial controls over financial reporting of SecMark Consultancy Limited ("the Company") as of 31st March, 2023 in conjunction with our audit of the Consolidated Financial Statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group") for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Companies included in the Group, are responsible for establishing and maintaining internal financial controls based on the internal controls with reference to financial statements criteria established by the Holding Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). 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.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Holding Company, internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI 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, both issued by the ICAI. 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 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 control system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 Holding Company's internal financial control system with reference to financial statements.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to 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







## **D. KOTHARY & CO.** **Chartered Accountants**

necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; 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 financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Group, have in all material respects, an adequate internal financial control system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2023, based on the internal controls with reference to financial statements criteria established by the Holding Company, considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For D. Kothary & Co.  
Chartered Accountants  
Firm Registration No. 105335W

Mehul N. Patel  
(Partner)  
Membership No. 132650  
Place: Mumbai  
Date: 30<sup>th</sup> May 2023  
UDIN: 23132650BGPYBK7574





SECMARK CONSULTANCY LIMITED  
CIN No. L67190MH2011PLC220404  
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2023

Sr. No	Particulars	Notes	As at March 31, 2023 Amount In lakhs	As at March 31, 2022 Amount In lakhs
I.	<b>EQUITY AND LIABILITIES</b>			
1	<b>Shareholders' funds</b>			
	(a) Share capital	3	1037.05	414.82
	(b) Reserves and surplus	4	790.97	1934.82
			1828.02	2349.64
2	<b>Non current liabilities</b>			
	(a) Deferred Tax Liabilities	5	0.00	50.74
	(b) Long Term Provisions	6	18.63	16.81
			18.63	67.55
3	<b>Current liabilities</b>			
	(a) Short-term borrowings	7	1015.58	124.79
	(b) Trade Payable	8		
	A) total outstanding dues of micro & small enterprises		98.38	0.42
	B) total outstanding dues of creditors other than micro & small enterprises		43.29	112.23
	(c) Other current liabilities	9	77.02	60.71
	(d) Short term provisions	10	2.40	3.05
			1236.68	301.19
	<b>TOTAL</b>		3083.33	2718.38
II.	<b>ASSETS</b>			
1	<b>Non current assets</b>			
	(a) Property Plant & Equipment and Intangible Assets			
	(i) Property Plant & Equipment	11	182.22	195.73
	(ii) Intangible assets	11	958.91	866.66
	(iii) Intangible assets under development	11(a)	0.00	123.92
	(b) Non current investments	12	27.48	88.58
	(c) Deferred Tax Assets (Net)	13	122.43	0.00
	(d) Other Non Current Assets	14	146.87	143.77
			1437.91	1418.67
2	<b>Current assets</b>			
	(a) Trade receivables	15	117.13	146.05
	(b) Cash and Cash Equivalents	16	1296.88	1003.19
	(c) Short term loans and advances	17	231.41	150.47
			1645.42	1299.72
	<b>TOTAL</b>		3083.33	2718.38
	Significant accounting policies & Notes to financial statements	1 to 31		

As per our report of even date

For D. Kothary & Co.  
Chartered Accountants  
Firm Registration No. 105335W

Mehul N. Patel  
Partner  
Membership No.: 132650

Place : Mumbai  
Date : 30th May, 2023



For and on behalf of the Board of Directors  
SecMark Consultancy Limited

Sagar Thanki  
Executive Director & CFO  
DIN: 08281489

Sunil Bang  
Company Secretary

Ravi Ramaiya  
Non Executive Director  
DIN: 03510258





**SECMARK CONSULTANCY LIMITED**  
CIN No. L67190MH2011PLC220404  
**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED MARCH, 31 2023**

Sr. No	Particulars	Notes	For the Year ended 31st March, 2023 Amount In lakhs	For the Year ended 31st March, 2022 Amount In lakhs
I.	Revenue from operations	18	1743.72	1454.17
II.	Other income	19	83.36	62.97
III	<b>Total Revenue (A)</b>		<b>1827.08</b>	<b>1517.14</b>
IV	Expenses:			
	Employee benefits expenses	20	504.61	386.35
	Finance cost	21	37.25	3.96
	Depreciation and amortization expenses	11	239.63	112.64
	Other Expenses	22	1744.97	658.79
V	<b>Total Expenses (B)</b>		<b>2526.46</b>	<b>1161.72</b>
VI	<b>Profit before tax (A-B)</b>		<b>(699.38)</b>	<b>355.42</b>
VII	Tax expense:			
	Current tax		0.00	17.60
	Deferred tax		(173.18)	71.88
	Adjustment for Earlier year		0.00	0.00
VIII	<b>Profit for the year (VI-VII)</b>		<b>(526.21)</b>	<b>265.94</b>
	Add: Share in (loss)/profit of associates		4.60	(2.23)
	<b>Profit(Loss) for the year after share in (loss)/profit of associates</b>		<b>(521.61)</b>	<b>263.71</b>
	Earning per share on Equity Shares of Rs. 10 each (Refer to Note 25)			
	- Basic (P. Y. Restated)		(5.03)	2.55
	- Diluted (P. Y. Restated)		(4.99)	2.55
	Significant accounting policies & Notes to financial statements	1 to 31		

As per our report of even date

For D. Kothary & Co.  
Chartered Accountants  
Firm Registration No. 105335W

Mehul N. Patel  
Partner  
Membership No.: 132650

Place : Mumbai  
Date : 30th May, 2023



For and on behalf of the Board of Directors  
SecMark Consultancy Limited

Sagar Thanki  
Executive Director & CFO  
DIN: 08281489

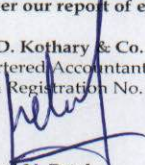
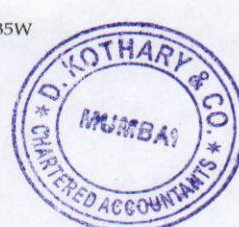
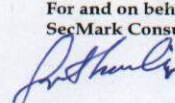
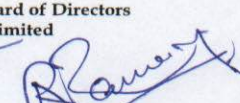
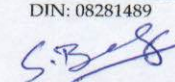

Sunil Bang  
Company Secretary

Ravi Ramaiya  
Non Executive Director  
DIN: 03510258





**SECMARK CONSULTANCY LIMITED**  
CIN No. L67190MH2011PLC220404  
**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023**

Particulars	For the Year ended 31st March, 2023 Amount In lakhs	For the Year ended 31st March, 2022 Amount In lakhs
<b>A. Cash Flow From Operating Activities :</b>		
Net profit before tax as per statement of profit and loss	(699.38)	355.42
<u>Adjustments for :</u>		
Depreciation	239.63	112.64
Interest Income	(79.47)	(59.25)
Employee Compensation Expenses (ESOP)	5.66	0.00
Loss on sale of Investment	2.24	0.00
Loss on sale of Assets	0.00	0.00
Gratuity Provision	3.92	5.81
Interest Expenses	37.25	3.96
<b>Operating Cash Flow Before Working Capital Changes</b>	<b>(490.15)</b>	<b>418.57</b>
<b>Changes in current assets and liabilities</b>		
(Increase)/ Decrease in Trade receivables	28.93	62.84
(Increase)/ Decrease loans and advances & Other Current Assets	(84.03)	(112.98)
Increase/ (Decrease) in other current Liabilities & Provisions	58.13	136.12
<b>Cash Generated From Operations</b>	<b>(487.13)</b>	<b>504.55</b>
Payment of Taxes (Net of Refunds)	(21.20)	(129.27)
<b>Net Cash Flow From Operating Activities (A)</b>	<b>(508.33)</b>	<b>375.27</b>
<b>B. Cash Flow From Investing Activities :</b>		
(Purchase)/ Sale of Fixed Assets	(194.45)	(1118.24)
(Increase)/ Decrease in Fixed Deposits	(71.61)	673.89
(Purchase)/ Sale of Investments (net)	63.47	(25.10)
Interest received from Fixed Deposit and Bonds	79.47	59.25
<b>Net Cash Flow From Investment Activities (B)</b>	<b>(123.12)</b>	<b>(410.21)</b>
<b>C. Cash Flow From Financing Activities :</b>		
(Repayment) / Proceed of borrowings from financial institutions/Others	890.79	36.44
Proceeds from issue of Equity Shares including premium through ESOP	0.00	2.42
Interest on short term borrowing	(37.25)	(3.96)
<b>Net Cash From / (Used In) Financing Activities (C)</b>	<b>853.55</b>	<b>34.90</b>
<b>Net Increase In Cash Or Cash Equivalents (A+B+C)</b>	<b>222.09</b>	<b>(0.03)</b>
<b>Cash And Cash Equivalents At The Beginning Of The Year</b>	<b>1.94</b>	<b>1.98</b>
<b>Cash And Cash Equivalents As At The End Of The Year</b>	<b>224.03</b>	<b>1.94</b>
<b>Component of cash and cash equivalents (Refer note 15)</b>		
As per our report of even date		
For D. Kothary & Co. Chartered Accountants Firm Registration No. 105335W   Mehul N. Patel Partner Membership No.: 132650  Place : Mumbai Date : 30th May, 2023  	For and on behalf of Board of Directors SecMark Consultancy Limited   Sagar Thanki Executive Director& CFO DIN: 08281489   Ravi Ramaiya Non Executive Director DIN: 03510258   Sunil Bang Company Secretary  	



## SECMARK CONSULTANCY LIMITED

### Consolidated Notes to financial statements for the year ended March 31, 2023

#### Note 1: Corporate information

SecMark Consultancy Limited was originally incorporated as a Private Limited Company on August 03, 2011, under the provision of Companies Act, 1956 and subsequently converted into Public Limited Company pursuant to a shareholders' resolution passed at the Extra-Ordinary General Meeting held on January 28, 2020.

Name of the Company was changed from SecMark Consultancy Private Limited to "SecMark Consultancy Limited" and fresh Certificate of Incorporation dated March 02, 2020, was issued by Registrar of Companies, Mumbai, Maharashtra. The Corporate Identification is U67190MH2011PLC220404 and its registered office is situated at Plot No 36/227, RDP-10, Sector-6, Charkop, Kandivali-West Mumbai - 400067.

The Company has issued Bonus during the current FY and the paid up capital of the Company is Rs. 15,00,00,000. (Fifteen Crores ).

The Company offers services Consulting, Technology and Outsourcing services to financial market participants in the areas of Compliance, Operations, Software Development, Risk Management and other areas to financial market participants.

Clients include leading Brokerage Houses, Depository Participants, Stock Exchanges, Wealth Managers, Research Analyst, Corporate Agents, Portfolio Managers, Investment Advisors, NBFCs, Banks, etc.

#### The Entity Consolidated includes :

1. Markets on Cloud Private Limited (100% subsidiary)
2. Sutra Software Private Limited (100% subsidiary)
2. Trakiot Solutions Private Limited (Associate)

#### Note 2: Significant accounting policies

##### a) Basis of preparation of financial statements:

The financial statements are prepared and presented under the historical cost convention, on the accrual basis of accounting and in accordance with the provisions of the Companies Act, 2013 ('the Act') (except as specifically mentioned), and the accounting principles generally accepted in India and comply with the accounting standards prescribed in the Companies (Accounting Standards) Rules, 2014 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards, to the extent applicable.

The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Accounting Standards.

##### b) Principles of consolidation

- i) The consolidated financial statements have been prepared in accordance with the principles and procedures required for the preparation and presentation of consolidated financial statements as laid down under the Accounting Standard (AS) 21-'Consolidated Financial Statements.
- ii) The financial statements of the Company and its subsidiaries have been combined to the extent possible on a line by line basis by adding together like items of assets, liabilities, income and expenses. The results of subsidiaries acquired or disposed off during the year are included in the consolidated Statement of Profit and Loss from the effective date of acquisition or up to the effective date of disposal, as appropriate. All significant intra group balances and transactions have been eliminated on consolidation. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the Balance Sheet of the Company and its share in the post - acquisition increase in the relevant reserves of the subsidiaries.





**SECMARK CONSULTANCY LIMITED**

**Consolidated Notes to financial statements for the year ended March 31, 2023**

- iii) The excess of cost to the Company of its investments in subsidiaries over its share of the equity of the subsidiaries at the date on which the investment in the subsidiaries are made, is recognized as "Goodwill on Consolidation" being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary companies as on the date of the investment is in excess of cost of investment of the Company, it is recognized as "Capital reserve" and shown under the head "Reserves and surplus", in the consolidated financial statements. Impact of currency translation on such "Goodwill" and "Capital reserve" is adjusted in the respective carrying amounts. The unamortized carrying value of goodwill is tested for impairment as at each Balance Sheet date. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the business combination. Cashgenerating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised in goodwill is not reversed in a subsequent period.
- iv) Minority interest in the net income and net assets of the consolidated financial statements are computed and shown separately. Losses applicable to minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the group.
- v) As far as possible, the consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's financial statements.
- b) Use of estimates:**  
The preparation of Financial statements in conformity with the generally accepted accounting principles in India requires management to make estimates and assumptions that affect the reported amounts of income and expenses of the period, assets and liabilities and disclosures relating to contingent liabilities as of the date of financial statements. Actual results could differ from those estimated. Any revision to accounting estimates is recognised prospectively in future periods.
- c) Revenue recognition:**  
The company derives its revenue primarily from management & consultancy services. Revenue is recognized at pre-determined rates as defined under contracts with clients and accounted for at the time of execution of transactions/events.  
Interest income is recognized using the time proportion method, based on the transactional interest rates.
- d) Investments:**  
Investments are classified into non current investments and current investments. Investments which are intended to be held for more than one year are classified as non current investments and investments which are intended to be held for less than one year, are classified as current investments. Non current investments are stated at cost and a provision for diminution in value of non current investments is made only if the decline is other than temporary in the opinion of the management. Current investments are valued at cost or market/fair value whichever is lower.
- e) Provisions, Contingent Liabilities and Contingent Asset :**  
The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.  
A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or present obligation in respect of which the likelihood of outflow of resource is remote, no provision or disclosure is made.  
Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.
- f) Fixed assets and depreciation :**  
i. Fixed assets are carried at cost of acquisition (including directly attributable costs such as freight, installation, etc.) or construction less depreciation.  
ii. Depreciation on assets is provided on the written down value method as per the income tax rate. Depreciation on newly purchase assets is provided proportionately as per income tax basis.





**SECMARK CONSULTANCY LIMITED**

**Consolidated Notes to financial statements for the year ended March 31, 2023**

**g) Intangible Assets :**

Intangible assets purchased are measured at cost as of the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives from the date that they are available for use.

The estimated useful lives of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

The estimated useful life on a straight line basis of amortisation is mentioned below:

Type of asset Useful lives

Computer Software 5 years

Intangible assets under development

Expenditure on research and development eligible for capitalisation are carried as intangible assets under development where such assets are not yet ready for their intended use.

**h) Taxation :**

**a) Current Tax:**

Provision for tax is based on the taxable profit for the accounting year after taking into consideration the relevant provisions of the Income Tax Act, 1961.

**i) Earnings per share :**

The basic earnings per share is computed by dividing the net profit / loss attributable to the equity shareholders for the period by the number of equity shares outstanding on the last day of reporting period. In computing dilutive earnings per share, only potential equity shares that are dilutive and that reduce profit / loss per share are included.





**SECMARK CONSULTANCY LIMITED**

**Consolidated Notes to financial statements for the year ended March 31, 2023**

**NOTE 3 (a) :- SHARE CAPITAL**

Particulars	As at March 31, 2023 Amount In lakhs	As at 31 March 2022 Amount In Lakhs
<b>AUTHORISED SHARE CAPITAL</b>		
1,50,00,000 (Previous Year 1,50,00,000) Equity Shares of Rs.10 each	1500.00	500.00
<b>Total</b>	1500.00	500.00
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
1,03,70,500 (PY 41,48,200) Equity Shares of Rs.10 each fully paid up	1037.05	414.82
<b>Total</b>	1037.05	414.82

**NOTE 3 (b) :-** The company has only one class of equity with a par value of Rs. 10/- per share. Each holder of equity shares is entitle to one vote per share.

**NOTE 3 (c) :-** The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2023 and March 31, 2022 is set out below

Particulars	As at March 31, 2023		As at 31 March 2022	
	No. of shares held	Amount In Lakhs	No. of shares held	Amount In Lakhs
<b>Equity Shares</b>				
Number of Shares at the beginning	4148200.00	414.82	4124000.00	412.40
Add : Bonus Issue	6222300.00	622.23	0.00	0.00
Add : Further Issue of Shares as ESOP	0.00	0.00	24200.00	2.42
<b>Number of shares at the end</b>	10370500.00	1037.05	4148200.00	414.82

**NOTE 3 (d) :-** Details of Shares held by each Shareholder holding more than 5% Shares:

Class of shares / Name of Shareholders	As at March 31, 2023		As at 31 March 2022	
	No. of shares held	% holding	No. of shares held	% holding
<u><b>Equity Shares with voting rights</b></u>				
Secmark Holdings Private Limited	75,25,000	72.56%	30,10,000	72.56%

**NOTE 3 (e) :-** Shares held by promoters at the end of the year

Name of Promoter/Promoter Group	No. of Shares Held	% of Total Shares	% Change during the year
Secmark Holdings Private Limited	75,25,000	72.56%	0%





SECMARK CONSULTANCY LIMITED

Consolidated Notes to financial statements for the year ended March 31, 2023

Particulars	As at March 31, 2023 Amount In Lakhs	As at 31 March 2022 Amount In Lakhs
<b>NOTE 4 :- RESERVES AND SURPLUS</b>		
Capital Reserve on Consolidation	0.21	0.21
Securities Premium	1393.47	1392.50
Add: on ESOP Allotment of Equity Shares	0.00	0.97
Less : Transferred to Capital as Bonus Issue	622.23	0.00
	771.24	1393.47
<b>Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening balance	541.14	277.43
Add: Profit / (Loss) for the year	(521.61)	263.71
	19.53	541.14
<b>Total</b>	<b>790.97</b>	<b>1934.82</b>
<b>NOTE 5 :- DEFERRED TAX LIABILITIES</b>		
On account of Fixed Assets	92.87	68.66
On account of 43B & 35D	(215.30)	(17.92)
<b>Total</b>	<b>(122.43)</b>	<b>50.74</b>
<b>NOTE 6 :- LONG TERM PROVISIONS</b>		
Gratuity Provisions	18.63	16.81
<b>Total</b>	<b>18.63</b>	<b>16.81</b>
<b>NOTE 7 :- SHORT TERM BORROWINGS</b>		
<b>Secured</b>		
Bank Loans repayable on demand (Secured against Fixed Deposit)	1015.58	124.79
<b>Total</b>	<b>1015.58</b>	<b>124.79</b>
<b>NOTE 8 :- TRADE PAYABLE</b>		
Total outstanding dues of micro & small enterprises	98.38	0.42
Total outstanding dues of creditors other than micro & small enterprises	43.29	112.23
<b>Total</b>	<b>141.67</b>	<b>112.65</b>
<b>Trade Payables Ageing Schedule</b>		
<b>1. MSME</b>		
Outstanding for following periods from due date of payment		
Less than 1 year	98.38	0.42
1 to 2 years	0.00	0.00
2 to 3 years	0.00	0.00
More than 3 years	0.00	0.00
	98.38	0.42
<b>2. OTHERS</b>		
Outstanding for following periods from due date of payment		
Less than 1 year	43.29	112.23
1 to 2 years	0.00	0.00
2 to 3 years	0.00	0.00
More than 3 years	0.00	0.00
	43.29	112.23





**SECMARK CONSULTANCY LIMITED**

**Consolidated Notes to financial statements for the year ended March 31, 2023**

Particulars	As at March 31, 2023 Amount In Lakhs	As at 31 March 2022 Amount In Lakhs
<b><u>NOTE 9 :- OTHER CURRENT LIABILITIES</u></b>		
Statutory liabilities	22.62	24.35
Deposit from Customer	1.50	1.50
Salary Payable	42.18	26.40
ESOP Outstanding	5.68	0.02
Other Payable	5.05	8.44
<b>Total</b>	<b>77.02</b>	<b>60.71</b>
<b><u>NOTE 10 :- SHORT TERM PROVISIONS</u></b>		
Gratuity Provision	2.39	0.30
Provision for tax (Net of Advance Tax)	0.00	2.75
<b>Total</b>	<b>2.40</b>	<b>3.05</b>





**SECMARK CONSULTANCY LIMITED**  
**Consolidated Notes to financial statements for the year ended March 31, 2023**

**NOTE 11 :- Property Plant & Equipment**

(Amounts in lakhs)

Particulars	Gross block				Accumulated depreciation			Net block	
	Balance as at 1 April, 2022	Additions	Disposals	Balance as at 31 March, 2023	Balance as at 1 April, 2022	Depreciation / amortisation for the year	Eliminated on disposal of assets	Balance as at 31 March, 2023	Balance as at 31 March, 2022
	Amount In Lakhs	Amount In Lakhs	Amount In Lakhs	Amount In Lakhs	Amount In Lakhs	Amount In Lakhs	Amount In Lakhs	Amount In Lakhs	Amount In Lakhs
<b>(A) Property Plant &amp; Equipment</b>									
Furniture and Fixtures	63.81	5.58	0.00	69.39	35.04	6.38	0.00	41.42	27.96
Vehicle	28.43	0.00	3.26	25.17	8.44	3.32	1.85	9.91	15.26
Office Equipment	5.96	2.28	0.00	8.24	5.18	0.57	0.00	5.75	2.49
Building	138.35	0.00	0.00	138.35	13.40	6.57	0.00	19.97	118.38
Computer	37.59	7.87	0.00	45.46	16.34	10.99	0.00	27.33	18.13
<b>Sub Total</b>	<b>274.14</b>	<b>15.73</b>	<b>3.26</b>	<b>286.61</b>	<b>78.40</b>	<b>27.83</b>	<b>1.85</b>	<b>104.39</b>	<b>182.22</b>
<b>(B) Intangible assets</b>									
Software	974.89	304.06	0.00	1278.95	108.23	211.81		320.04	958.91
<b>Sub Total</b>	<b>974.89</b>	<b>304.06</b>	<b>0.00</b>	<b>1278.95</b>	<b>108.23</b>	<b>211.81</b>	<b>0.00</b>	<b>320.04</b>	<b>958.91</b>
<b>Total</b>	<b>1249.03</b>	<b>319.79</b>	<b>3.26</b>	<b>1565.56</b>	<b>186.64</b>	<b>239.63</b>	<b>1.85</b>	<b>424.42</b>	<b>1141.13</b>
<b>Previous year</b>	<b>254.71</b>	<b>994.32</b>	<b>0.00</b>	<b>1249.03</b>	<b>74.00</b>	<b>112.64</b>	<b>0.00</b>	<b>186.64</b>	<b>1062.39</b>





SECMARK CONSULTANCY LIMITED  
Consolidated Notes to financial statements for the year ended March 31, 2023

Particulars	As at March 31, 2023 Amount In Lakhs	As at 31 March 2022 Amount In Lakhs
<b>NOTE 12 :- NON-CURRENT INVESTMENTS</b>		
<b>Investment in Associate</b>		
2,500 Equity of Trakiot Solutions Private Limited of Rs. 10 each fully paid up	22.87	25.10
Less : Share of (loss)/profit from Associates	4.60	(2.23)
	27.48	22.87
<b>Investment in Bonds</b>		
NTPC- Bonds	0.00	5.00
APSTC Bond	0.00	20.70
PFCL Bond	0.00	40.00
<b>Total</b>	27.48	88.58
<b>NOTE 13 :- DEFERRED TAX ASSETS (NET)</b>		
On account of 43B Gratuity	(92.87)	0.00
On Account of 35D	215.30	0.00
<b>Total</b>	122.43	0.00
<b>NOTE 14 :- OTHER NON CURRENT ASSETS (Unsecured, considered good)</b>		
Capital Advance	129.75	126.65
Fixed Deposit for more than 12 month maturity		
Security Deposit	17.13	17.13
<b>Total</b>	146.87	143.77
<b>NOTE 15 :- TRADE RECEIVABLES (Unsecured, considered good)</b>		
More than six months	8.07	3.74
Other trade receivables	109.06	142.32
(See also Note No 28)		
<b>Total</b>	117.13	146.05
<b>Trade Receivables Ageing Schedule</b>		
<b>1. Undisputed Trade Receivable - Considered Good</b>		
<b>Outstanding from following periods from due date of Payment</b>		
Less than 6 months	109.06	142.32
6 months to 1 year	7.63	2.92
1 to 2 years	0.00	0.47
2 to 3 years	0.16	0.35
More than 3 years	0.29	0.00
<b>Total</b>	117.13	146.05
<b>NOTE 16 :- CASH AND CASH EQUIVALENTS</b>		
<b>a) Cash and cash equivalent</b>		
Cash on hand	1.10	1.22
Balances with banks		
(i) In Current accounts	0.82	0.72
(ii) Fixed Deposit for less than 3 month maturity	222.10	0.00
	224.03	1.94
<b>b) Other bank balance</b>		
(i) Fixed Deposit for more than 3 month maturity	28.22	60.14
(i) Fixed Deposit held as security against borrowings	1044.63	941.11
	1072.85	1001.25
<b>Total</b>	1296.88	1003.19
<b>NOTE 17 :- SHORT TERM LOANS AND ADVANCES</b>		
Advance tax & TDS Receivable (Net of Provision)	140.14	121.69
Balance With Government authorities	83.16	21.43
Loans and Advances to Employee	2.60	2.27
Prepaid Expenses	0.00	2.51
Interest Receivable	0.00	0.71
Advances for Expenses	5.51	1.86
<b>Total</b>	231.41	150.47





**SECMARK CONSULTANCY LIMITED**  
**Consolidated Notes to financial statements for the year ended March 31, 2023**

Particulars	2022-2023 Amount in Lakhs	2021-2022 Amount in lakhs
<b><u>NOTE 18 :- REVENUE FROM OPERATIONS</u></b>		
Sale of Services (See also Note No 29)	1743.72	1454.17
<b>Total</b>	<b>1743.72</b>	<b>1454.17</b>
<b><u>NOTE 19 :- OTHER INCOMES</u></b>		
Interest from Bank, Investments & Others	79.47	59.25
Other Income	3.89	3.72
<b>Total</b>	<b>83.36</b>	<b>62.97</b>
<b><u>NOTE 20 :- EMPLOYEE BENEFIT EXPENSES</u></b>		
Salary, wages, bonus and allowances	463.38	376.54
Contribution to PF and Other Fund	3.92	5.81
Employee Compensation Expenses (ESOP)	5.66	0.00
Employee welfare and other amenities	31.65	3.99
<b>Total</b>	<b>504.61</b>	<b>386.35</b>
<b><u>NOTE 21 :- FINANCE COST</u></b>		
Interest - Bank OD and Term Loan	37.25	3.96
<b>Total</b>	<b>37.25</b>	<b>3.96</b>
<b><u>NOTE 22 :- OTHER EXPENSES</u></b>		
Auditors' Remuneration	1.75	1.80
Business Promotion Expenses	2.94	4.91
Professional Fees Paid	425.22	306.89
Software Support Expenses	1169.37	181.63
Conveyance & Travelling Expenses	27.21	14.29
Insurance	2.90	1.98
Repairs & Maintenance	5.38	5.18
Receivables Not Recoverable	0.79	0.30
Rent, Rates & taxes	67.09	54.24
Contract Charges	29.47	69.86
Stationery & Printing Expenses	1.52	1.13
Telecommunication Charges	2.19	1.10
FDR Prematurity Charges	0.00	9.81
Loss on Sales of Bonds	2.24	0.00
Miscellaneous Expenses	6.92	5.65
<b>Total</b>	<b>1744.97</b>	<b>658.79</b>





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Note 23 Auditors Remuneration

Particulars	(Amounts in lakhs)	
	As At March 31, 2023	As At March 31, 2022
For Audit Fees	1.00	1.00
For Tax Audit Fees	0.70	0.80
<b>Total</b>	<b>1.70</b>	<b>1.80</b>

Note 24 Related Party Transactions

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below

24.1 Relationships during the year

- (A) **Holding Company**  
Secmark Holdings Private Limited
- (B) **Subsidiary Company**  
Markets on Cloud Private Limited  
Sutra Software Services Private Limited
- (C) **Associate Company**  
Trakiot Solutions Private Limited (with effect from 23rd February 2022)
- (D) **Key Managerial Personnel & their relatives**  
- Jignesh Mehta (CEO & MD from 01st January 2020 to 17th December, 2022)  
- Sagar Thanki (CFO & Director from 28th January 2019)  
- Sunil Bang (Company Secretary from 01st January 2020)  
- Nirav Thanki (Relative of Sagar Thanki)
- (E) **Other Directors & their relatives**  
- Binod Chandra Maharana (Independent Director)  
- Priti Nigam Gandhi (Independent Director)  
- Ravi Ramaiya (Non executive)  
- Shardul Shah (Non executive)  
- Trupti Ramaiya (Relative of Ravi Ramaiya)  
- Hiral Shah (Relative of Shardul Shah)  
- Kajal Oriya (Wife of Sagar Thanki)  
- Shah & Ramaiya

24.2 Related party transaction during the year:

Particulars	2022-23	2021-22
<b>(A) Transaction with related parties during the year</b>		
<b>Directors Remuneration</b>		
- Jignesh Mehta	13.00	16.67
- Sagar Thanki	7.50	8.00
<b>Salaries and Allowances</b>		
- Nirav Thanki	4.21	3.12
- Kajal Oriya	6.50	0.00
- Sunil Bang	47.35	32.00
<b>Rent Expenses</b>		
- Trupti Ramaiya	12.00	12.00
- Hiral Shah	7.20	7.20
<b>Professional Fees Paid</b>		
- Shah and Ramaiya	40.00	20.00
- Trakiot Solutions Private Limited	513.68	254.61
<b>Account Payable</b>		
- Trakiot Solutions Private Limited	98.23	49.58
- Shah and Ramaiya	0.00	5.40





SECMARK CONSULTANCY LIMITED

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Consolidated Notes to financial statements for the year ended March 31, 2023

Note 25 Earning Per Share

Particulars	As At March 31, 2023	As At March 31, 2022
Net profit after tax as per statement of profit and loss (Amount in Lakhs)	(522)	264
Number of equity shares outstanding during the year	1,03,70,500	41,48,200
Restated Number of equity shares outstanding during the year (Bonus Issue)	1,03,70,500	1,03,51,007
Effect of Dilution:		
Share options	73,500	-
Restated Number of equity shares adjusted after dilution (Bonus Issue)	1,04,44,000	1,03,51,007
Basic earnings per share (Restated)	(5.03)	2.55
Diluted earnings per share (Restated)	(4.99)	2.55

Note 26 Employee Stock Option Scheme 2019

The Company had instituted an Employee Stock Option Scheme 2019 ('ESOP 2019') as approved by the Board on December 20, 2019 and Shareholders on January 28, 2020 for issuance of stock option to eligible employees of the Company. During the year ended 31st March 2023, Under the subject ESOP 2019, 11,89,500 Options exercisable into an aggregate of 11,89,500 Equity Shares in the Company of face value of Rs. 10/- each fully paid-up, would be available for grant to the eligible employees of the Company under the ESOP 2019, in one or more tranches as per the meeting held on August 23, 2022.

The objective of the ESOP 2019 is to provide an incentive to attract and retain the key employees by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability.

Pursuant to the said Scheme, Stock options convertible into 73,500 equity shares vide ESOP Scheme 2019 (PY. Nil) of Rs. 10/- each were granted to eligible employee at an exercise price of Rs. 10/- per shares.

Particulars	ESOP Scheme 2019
No of Options Granted	73,500
Method of Accounting	Intrinsic Value
Vesting Period	1 Year
Grant Date	23 <sup>rd</sup> August 2022
Exercise/ Expiry Date	23 <sup>rd</sup> August 2026
Exercise Period	4 years from the grant date
Intrinsic Value	Rs. 51.08
Grant/Exercise Price	Rs. 40
Method of Settlement	Equity Settled

Note 27 Employee Benefit obligations

a) Defined Contribution Plans

The Company operates defined contribution schemes like provident fund schemes. For these schemes contributions are made by the company, based on current salaries, to the recognized funds maintained by the Government. In case of provident fund schemes, contributions are also made by employees.

b) Defined Benefit Plans

Gratuity

The benefits are determined using the projected unit credit method with actuarial valuation being carried out at each Balance Sheet date.

The movement in the defined benefit liability over the year is as follows:

	(Amounts in lakhs)	
	2022-23	2021-22
As at 1st April	17.11	11.29
Interest Cost	1.24	0.82
Past Service Cost	0.00	0.00
Current Service cost	5.08	5.37
Benefits Paid	0.00	0.00
Actuarial (Gain)/ Loss on the obligation	(2.40)	(0.38)
As at 31st March	21.02	17.11
Principal actuarial assumptions		
	2022-23	2021-22
Discount Rate	7.50%	7.25%
Salary Escalation	5.00%	5.00%





Consolidated Notes to financial statements for the year ended March 31, 2023

Note 28 The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act"). The disclosures pursuant to the said MSMED Act are as follows:

Particulars	(Amounts in lakhs)	
	As at 31st March 2023	As at 31st March 2022
a) the principal amount remaining unpaid to any supplier at the end of each accounting year	98.83	0.42
b) interest due remaining unpaid to any supplier at the end of each accounting year	-	-
c) the amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
d) 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 MSMED Act, 2006	-	-
(e) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(f) 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 MSMED Act, 2006	-	-

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made during the year or on balance brought forward from previous year.

Note 29 Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19)

The World Health Organization declared the outbreak of COVID-19 as a public health emergency of international concern on January 30, 2020 and a pandemic on March 11, 2020. The Government of India announced a nation-wide lockdown on March 24, 2020 and imposed several restrictions.

However given that Our Company had established its own cloud infrastructure much before the Pandemic, there has been no impact on the functioning of Our Company. The team members have been working from home during lockdown and have been able to execute their responsibilities and service clients without any disruption, difficulty or delay.

The Management has considered the possible effects, if any, that may result from the pandemic on the carrying amounts of its current and non-current assets, after considering internal and external sources of information as at the date of approval of these financial statements. The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of Trade Receivables. In assessing recoverability of trade receivables, the Company has considered subsequent recoveries, past trends and credit risk profiles of the clients and all internal and external information available up to the date of issuance of these financial statements. Based on the above assessment, the Company is of the view that carrying amounts of trade receivables are expected to be realisable. The impact of COVID-19 may be different from that estimated as at the date of approval of these financial statements, and the Company will continue to closely monitor the developments.

Note 30 Revenue from Contracts with Clients:

The Company has evaluated the impact of COVID-19 resulting from (i) the possible constraints to continue its operations and revisions in costs to fulfill the pending obligations (ii) penalties, if any, relating to breaches of agreements and (iii) termination or deferment of contracts by clients. The Company has concluded that the impact of COVID-19 is not material based on these estimates. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

Note 31 Other Statutory Information

- The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- The Group do not have any transactions with companies struck off.
- The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Group have 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:
  - 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
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- The Group have 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:
  - 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.
- The Group have no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed
- The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

Note 31 Figures of previous year are regrouped, rearranged and reclassified wherever necessary to correspond to figures of the current year

As per our report of even date

For D. Kothary & Co.  
Chartered Accountants  
Firm Registration No. 105339W

Mehul N. Patel  
Partner  
Membership No. 112993

Place : Mumbai  
Date : 30th May, 2023

For and on behalf of the Board of Directors  
SecMark Consultancy Limited

Sagar Thanki  
Executive Director & CFO  
DIN: 06281489  
Sunil Bang  
Company Secretary

Ravi Ramaiya  
Non Executive Director  
DIN: 03510238

