



# STCI PRIMARY DEALER LIMITED

## 16TH ANNUAL REPORT

2021 - 22





**CONTENTS**

<b>Sr. No</b>	<b>Particulars</b>	<b>Page No.</b>
1	Directors' Report	5
2	Secretarial Auditors' Report	33
3	Auditors' Report	39
4	CAG Certificate	50
5	Financial Statements	58
6	Notice of Annual General Meeting (AGM)	114



## BOARD OF DIRECTORS\*



**Mr. T. V. Rao**  
*Independent Director*



**Mr. Prakash Vartak**  
*Independent Director*



**Ms. Varda Pendse**  
*Independent Director*



**Mr. R. Venkataramani**  
*Non- Executive Director*



**Mr. Raghendra Kumar**  
*Non- Executive Director*



**Mr. Pradeep Madhav**  
*Non-Executive Director*



**Mr. V. Narayanamurthy**  
*Non- Executive Director*



**Mr. Prasanna Patankar**  
*Managing Director*

\* As on April 01, 2022

## SENIOR MANAGEMENT



**Mr. Manish Jadhvani**  
*Senior Vice President*

**Mr. Siddharth Shah**  
*Senior Vice President*



## STATUTORY AUDITORS

M/s. Dassani & Associates, Chartered Accountants  
FRN: 009096C

## REGISTERED OFFICE

A/B1- 801, A Wing, 8th floor, Marathon Innova, Marathon Nextgen Compound,  
Off. G.K.Marg, Lower Parel (West), Mumbai 400013.

CIN: - U67110MH2006PLC165306





# DIRECTORS' REPORT

TO  
THE SHAREHOLDERS OF STCI PRIMARY DEALER LIMITED (CIN: - U67110MH2006PLC165306)

Your Directors are pleased to present the 16<sup>th</sup> Annual Report on the business, operations and the state of affairs of the Company together with the Audited Accounts of the Company for the year ended March 31, 2022.

## 1. FINANCIAL RESULTS

The Financial performance of the Company for the year ended March 31, 2022, is as under: -

(₹ in Lakh)

Particulars	FY 2021-22	FY 2020-21
<b>Income</b>		
Revenue	57,455.01	62,230.00
Other income	486.78	798.16
<b>A. Total income</b>	<b>57,941.79</b>	<b>63,028.16</b>
<b>Expenses</b>		
Operating expenditure	2,658.21	2,755.10
Depreciation and amortization expense	88.25	93.41
Finance costs	41,480.39	29,375.28
<b>B. Total Expenses</b>	<b>44,226.85</b>	<b>32,223.79</b>
<b>C. Profit before tax (A-B)</b>	<b>13,714.94</b>	<b>30,804.37</b>
<b>D. Tax expense</b>	<b>(3,658.78)</b>	<b>(7,965.06)</b>
<b>E. Profit for the year attributable to owners of the company/ Profit after Tax (C-D)</b>	<b>10,056.16</b>	<b>22,839.31</b>
<b>F. Opening balance of retained earnings</b>	<b>30,863.15</b>	<b>25,169.57</b>
<b>G. Dividend (including tax on dividend)</b>	<b>(5,550.00)</b>	<b>(12,600.00)</b>
<b>H. Transfer to statutory reserve</b>	<b>(2,011.58)</b>	<b>(4,545.73)</b>
<b>I. Closing balance of retained earnings [(E+F)-(G+H)]</b>	<b>33,357.74</b>	<b>30,863.15</b>

Your Company was able to deliver a competent financial performance in a challenging business environment as Central Banks exited the COVID-19 pandemic emergency measures and amidst the global geo-political tensions with consequent volatility in the financial markets. Your Company has made a net profit (Profit After Tax) of ₹ 100.56 Crore for the FY2021-22 as against a net profit (Profit After Tax) of ₹ 228.39 Crore for the FY2020-21.

## 2. MANAGEMENT DISCUSSION AND ANALYSIS

### A. THE ECONOMY

The financial year FY2021-22 saw heightened volatility with the two halves of the year witnessing sharp divergence in terms of the macro-economic environment that eventually unfolded. While the financial year saw continuing waves of the pandemic requiring intervention by global central banks, the second half of the year saw a slew of further negative factors unfold, including geopolitical tensions emanating from the outbreak of Russia-Ukraine war. The conflict has added further pressure on supply chains already disrupted by the COVID-19 pandemic, resulting in unprecedented shock to commodity prices which in turn have pushed inflation to multi-year highs across the globe.

India saw a growth trajectory which was guided in part by the previous year's low base, and a revival of economic activity amidst the second and third waves of the COVID-19 pandemic. During the first three quarters of FY2021-22, the Indian economy grew at an average growth rate of 11.4%, partly due to the extremely low base in the previous year and partly due to the recovery in economic activity during the year, despite two successive waves of the COVID-19 pandemic. The second wave during the Q1FY2021-22 was the most devastating amongst all the waves that hit the Indian economy, while the third wave caused by the Omicron variant of the virus in December 2021 was amongst the least disruptive for economic activity. For the full year FY2021-22, the Indian economy still managed to clock a growth rate of 8.70% in terms of GDP (8.10% in terms of GVA), which is one of the highest growth rates in the entire world.

Headline CPI inflation remained well above the RBI's target level of 4% during FY2021-22, with average headline CPI inflation for FY2021-22 coming in at 5.5%, which was 20 bps higher than the RBI's projection of 5.3%. The main drivers of inflation were a sustained



## DIRECTORS' REPORT

increase in fuel prices, though the tax cut by the central government in November 2021 led to some softening in the fuel inflation. Core inflation remained sticky for most part of the year as pent-up demand and a reset in the prices of various services, led to a surge in the core inflation basket. Core inflation averaged 6% during FY2021-22, and remained a point of concern for the central bank.

The last quarter of the financial year saw a shift by global central banks towards a hawkish and tighter monetary policy, with the FOMC being the first to voice its concern over inflation rising sharply. Even as the Omicron threat was subsiding during the quarter, the sudden and unexpected outbreak of Russia-Ukraine war on February 24, 2022, changed the entire global inflation dynamics with a sharp upswing in prices of several commodities including wheat, edible oils & metals. Crude oil prices spiked sharply with Brent crude oil prices rising above 125 USD/bbl. Global central banks responded to the rising inflationary pressures with aggressive monetary tightening. The US FOMC raised interest rates by 25 bps in March 2022 with other central banks following suit.

### B. DEVELOPMENTS IN MONEY AND SECURITIES MARKET

The year FY2021-22 commenced with the RBI and major global central banks presenting a growth supportive commentary and maintaining status quo on ultra-low policy rates, amid continuing COVID-19 uncertainty and inflation situation being assessed by global central banks as “transitory”. However, markets witnessed weak demand for government securities amidst a huge central government borrowing programme of ₹12.05 Lakh Crore lined up for the year. During the first half of the year, the RBI demonstrated its intent to anchor the 10Y benchmark yield at around 6%, leading to a large devolvement of ₹75,802 Crore on the Primary Dealers, amounting to almost 10% of the H1FY2021-22 gross borrowing programme. RBI’s decision to change the auction methodology for benchmark papers of tenor 2-year, 3-year, 5-year, 10-year, 14-year and FRBs from multiple price-based auctions to uniform price-based auction bolstered weak primary market demand. Additionally, the RBI announced a new bond purchase programme viz. G-Sec Acquisition Programme (G-SAP), under which RBI committed to purchase government securities worth ₹1 lakh Crore during Q1FY2021-22 and worth ₹1.20 Lakh Crore during Q2FY2021-22. This ensured that the large H1FY2021-22 G-Sec borrowing programme of close to ₹7.24 Lakh Crore was completed smoothly.

However, as the year progressed, inflation pressures aggravated due to a combination of supply side bottlenecks and pent-up demand, thereby shifting the focus of major global central banks to containing inflation and moving towards a tighter monetary policy environment. The beginning of the third quarter saw RBI discontinuing the G-Sec Acquisition Programme (G-SAP), marking the commencement of the exit from the pandemic emergency measures. The absence of G-SAP led to a sharp hardening of yields with 10Y benchmark paper rising to the pre-pandemic level of 6.33%. However, excise duty cuts on petrol and diesel by ₹5 and ₹10 respectively, announced by the Central Government alleviated inflation worries to some extent. This aided the RBI’s decision to keep the policy rates unchanged in December 2021 policy, amid the uncertain economic impact arising from the new Omicron variant of COVID-19.

The fourth quarter saw the FOMC presenting a markedly hawkish commentary in January 2022 policy, and indicating the commencement of quantitative tightening along with at least 3-4 rate hikes of 25 bps going ahead. Market sentiments turned extremely bearish in February 2022, following the announcement of the Union Budget for FY2022-23, which presented a rude shock for the bond market, as the G-Sec gross market borrowing number announced for FY2022-23 was pegged at ₹14.31 Lakh Crore, which was significantly higher than the market expectations of around ₹12.50 - 13 Lakh Crore. Also, absence of any fresh cues with respect to inclusion of Indian government bonds in global bond indices, significantly dampened market sentiments amid fears of adverse demand-supply dynamics for G-Secs. This resulted in the 10Y benchmark paper yield rising to a high of 6.80-85% levels. However, market was provided some relief as the RBI cancelled successive auctions for ₹24,000 Crore after reviewing the Government’s liquidity conditions and cash balances, and also surprised the market by leaving the Reverse Repo rate unchanged at 3.35% in its February 2022 MPC meeting. RBI continued to maintain a growth supportive stance, as it emphasized and reiterated the need to support growth which had barely recovered from the pre-pandemic levels. In the February 2022 MPC meeting, RBI had projected the average headline CPI inflation for FY2022-23 at 4.5%, a substantially lower estimate as compared to the market expectations.

The borrowing by State governments under State Development Loans (SDLs) in FY2021-22 stood lower at ₹7.02 Lakh Crore compared to a borrowing of ₹7.99 Lakh Crore in FY2020-21. RBI ensured easy liquidity conditions throughout the year with average surplus systemic liquidity of ₹6.47 Lakh Crore during FY2021-22.

Amidst an easy liquidity scenario and low interest rate environment, PSU companies were able to borrow from banks at extremely low loan rates and largely chose to stay away from issuing bonds leading to the corporate bond market seeing record low primary supply in FY2021-22. FY2021-22 corporate bond issuance was an estimated ₹5.88 Lakh Crore, which was around 24% lower than the previous year’s high of ₹7.72 Lakh Crore for FY2020-21. There was a large quantum of issuance of AT1 bonds as PSU banks refinanced call option exercised on their AT1 bonds. Thus, although corporate bond yields moved higher across tenors in sync with G-secs, the rise was lower leading to compression in credit spreads. The 10-year AAA PSU spread over 10-year G-Sec benchmark compressed from 70 bps at the start of year to 20 bps at the end of the year. The trading volumes also saw reduction with FY2022 clocking ₹17.73 Lakh Crore vis-à-vis ₹18.72 Lakh crore in FY2021.





## DIRECTORS' REPORT

### C. OPERATIONS REVIEW

#### (i) Financial Performance

Your Company has made a Net Profit (Profit After Tax) of ₹100.56 Crore for FY2021-22. Your Company was able to deliver such a financial performance in a challenging market environment marked by rising interest rates and withdrawal of monetary accommodation by global central banks, together with higher commodity prices and geo-political tensions.

For the FY2021-22, in accordance with the RBI Master Directions as applicable to Standalone Primary Dealers & the Dividend Distribution Policy, your Company has declared and paid two interim dividends. The first interim dividend for FY2021-22 was declared in March 2022 at the rate of 24%, amounting to ₹2.40 per share (Face Value - ₹10/- per share), entailing a payout of ₹36.00 Crore, subject to Tax Deductible at Source (TDS). Further, the second interim dividend for FY2021-22 was declared in April 2022 at the rate of 14%, amounting to ₹1.40 per share (Face Value - ₹10/- per share), entailing a payout of ₹21.00 Crore, subject to Tax Deductible at Source (TDS). The cumulative payout arising from the distribution of interim dividend for FY2021-22 amounts to ₹57.00 Crore, subject to TDS. Your Directors do not recommend any final dividend.

#### (ii) Performance of the Company as a Primary Dealer in Government Securities Market

The Company's total turnover ratio was 424 times in Government Dated Securities and 30 times in Treasury Bills, as against the stipulated minimum turnover ratio of 5 times and 10 times respectively, under the RBI's guidelines for Primary Dealers in the Government securities market. On an outright basis, the turnover ratio was 29 times in Government Dated Securities and 10 times in Treasury Bills as against the prescribed minimum of 3 times and 6 times respectively. The Company achieved success ratio of 47.98% in respect of bids tendered for primary issues of Treasury Bills, as against the stipulated minimum success ratio of 40%.

#### (iii) Risk Management

The Company has in place a comprehensive Business Investment and Risk Policy to monitor market, credit, liquidity, forex, settlement, and operational risks associated with the business operations of the Company. The Company's Risk Management Department is an independent unit under the Chief Risk Officer (CRO), who is responsible for measurement and monitoring of risk limits within the risk management framework across all asset classes. The Company uses Value-at-Risk (VaR) methodology for measuring and monitoring market risks associated with its portfolio and uses stress-testing tools to assess the impact of interest rate movements on the portfolio. The Company has an internal Credit Evaluation Committee for evaluating & monitoring the credit quality of entities for investing in their debt instruments. The risk management function of the Company is periodically reviewed by the Risk Management Committee of the Board and the Chief Risk Officer (CRO) independently briefs the Risk Management Committee, on the compliance in respect of the Company's risk framework on a periodic basis.

The Company also has an Asset-Liability Committee (ALCO) of executives of the Company comprising of the Managing Director and Senior Management of the Company. ALCO Committee functions under the guidance and directions of the Board of Directors of the Company as well as the Risk Management Committee.

#### (iv) Internal Audit and Control Systems

For the period under review, the Company appointed M/s. Borkar & Muzumdar, Chartered Accountants, as the Company's Internal and Concurrent Auditors. The scope of their audit included review of adequacy and efficacy of the internal control systems and procedures and deviations, if any, from generally accepted best practices, review of the Company's compliance with applicable laws and regulations including the guidelines issued by RBI and other statutory bodies. M/s. Borkar & Muzumdar, Chartered Accountants were also entrusted with the work of Concurrent audit of all money and securities market transactions. The Audit Committee as well as the Board of Directors interacts with the Internal and Concurrent Auditors on a regular basis for ensuring adequate internal controls and checks.

From FY2022-23, the Reserve Bank of India (RBI) directions on implementation of a Risk Based Internal Audit (RBIA) framework and the requirement of having an independent unit as 'Internal Audit Department' headed by the Head of Internal Audit (HIA) have been implemented within the Company. Your Company also has in place a Risk Based Internal Audit (RBIA) Policy, in line with the RBI directions.

#### (v) Regulatory Compliance

The Company has complied with the applicable guidelines prescribed by RBI for the Primary Dealers and NBFCs, regarding accounting standards, income recognition, valuation of securities, capital adequacy, single and group exposure norms etc.

## DIRECTORS' REPORT

### (vi) Credit Rating

The Company has obtained the highest credit rating of A1+ from the credit rating agency 'CRISIL' for ₹ 200 Crore for its short-term debt (STD) programme.

### (vii) Debt & Macro Economic - Research

The Company has a dedicated Fixed-Income and Macroeconomic research desk, which releases reports at regular intervals covering detailed study and in-depth analysis of macro-economic developments, economic events and data releases, and also forecasts various macro-economic parameters, both for the Company's esteemed and valued clients/market participants, as well as for the dealing team to assist them in taking informed trading decisions. Other regular research contributions include series of reports in the form of daily and weekly debt market updates and fortnightly economic updates. It also releases periodic reports covering the Monetary Policy Committee (MPC) meeting expectations, review of MPC decisions and policy outcomes, analysis and fiscal impact of the Union Budget, update on State Government finances, internals of the Government Borrowing calendar, and occasional write-ups on issues of topical interest.

### (viii) IT Strategy Committee

The Company has an IT Strategy Committee with an Independent Director as its Chairperson in line with the RBI Master Directions on Information Technology Framework for the NBFC Sector. The Committee has the responsibility of monitoring the adequacy and compatibility of the IT Systems of the Company as well as advising on the timely upgrade of the IT infrastructure, in line with the Company's emerging business requirements. The Committee monitors and reviews the IT Governance, IT Policies and IT Operations of the Company. The IT Strategy Committee also reviews the audit of IT systems of the Company which are conducted annually and provides suggestions/recommendations on areas of improvement.

### (ix) Human Resources

The Company's Human Resources (HR) function for FY2021-22 was outsourced to M/s. HR Anexi Private Limited, HR Consultants who provided HR support by way of review of Company's HR policies, compensation structure, key hiring plan, new employee on-boarding, skill and capability building for employees, and other regular HR engagement activities, interventions and initiatives. The Company's staff strength as on March 31, 2022, was 43 employees.

### (x) Internal Financial Controls and their adequacy

The Company has in place adequate Internal Financial Control framework commensurate with the nature, size and scale of operations of the Company. The controls and processes are driven through various policies, procedures and certifications. The processes and controls are reviewed periodically.

## D. OUTLOOK FOR THE CURRENT YEAR

Globally, both advanced as well as emerging market economies have seen inflation rising to record highs not seen in the past 3-4 decades. Growth has taken a back seat among central bank priorities, with a sharp, resolute and determined focus on reigning in inflation. The US FOMC has hiked interest rates by a cumulative 225 bps and a calibrated reduction of the pace of its asset purchases. Similar measures have been taken by the other central banks like the Bank of England with its bank rate increased to 1% after four successive hikes. China, on the other hand, has seen headwinds to economic growth due to its policy of zero tolerance of COVID-19 amidst a stronger wave of infections, leading it to lock down cities like Shanghai. With China being the world's largest manufacturer, these lockdowns are creating further supply disruptions adding to cost push pressures, leading to higher inflation. A combination of these factors has led to a downward revision of global growth forecasts, most notably by the International Monetary Fund (IMF) from 4.4% in January 2022 to 3.6% in April 2022. Fears of a prolonged recession in the developed economies remains on the minds of economic stakeholders, though the noise around it remains muted as of now.

India was similarly affected by the headwinds of higher commodity prices, supply chain disruptions, especially in the case of crude oil and edible oils impacting the headline inflation prints. In a surprise, unanticipated and unscheduled off-cycle RBI MPC meeting, held on May 02 and May 04, 2022, the RBI MPC decided to hike the policy Repo rate by 40 bps from 4.00% to 4.40%, and also hike the CRR by 50 bps from 4% to 4.50% of NDTL. It followed it up with a further 50 bps hikes in the June and August 2022 MPC meetings, as it tilted in favor of frontloading the interest rate hikes in order to curb inflation in the medium term, and bring it below the upper bound of 6%.

Spillovers from geopolitical shocks are imparting considerable uncertainty to the inflation trajectory. International crude oil prices have eased in recent weeks, but remain elevated and volatile on supply concerns even as the global demand outlook is weakening. On the other hand, food, edible oils and metal prices have come off their peaks. While market interest rates moved sharply higher in May and June 2022 following the MPC rate hikes, with the benchmark 10-year government bond yield rising sharply to a high of 7.60% levels, they have subsequently eased to 7.20-7.30% range as supply outlook improves, aided by an above-normal monsoon and easing of global supply constraints.



## DIRECTORS' REPORT

Domestic economic activity remains resilient with GDP growth for FY2022-23 expected to be in the range of 7-7.50%. Cost pressures can get increasingly transmitted to output prices across manufacturing and services sectors, and the US dollar strength can result into imported inflation pressures affecting the domestic economy. Headline CPI inflation is expected to remain in the range of 6.50-6.70% for the remainder of FY2022-23 and soften only by Q1FY24.

### **Cautionary Statement**

*Statements in this Management Discussion and Analysis may be 'forward looking' within the meaning of applicable laws and regulations. Actual results may differ, from those expressed or implied, due to various factors. The views expressed are not to be treated as advisory or recommendatory in nature.*

### **3. CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES & POLICY**

Corporate Social Responsibility (CSR) is a process with the aim to include responsibility for the Company's actions as a good corporate citizen and encourages a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and society at large. In accordance with the requirements of Section 135 of the Companies Act, 2013 and the rules framed thereto, your Company has formulated a CSR Policy and has constituted a CSR Committee to review the CSR Initiatives of the Company. The Company's CSR policy is designed with the intent to make a material, visible and lasting difference and impact to the lives of the disadvantaged/underprivileged sections of society.

The Company has consistently focused its CSR initiatives towards building a robust ecosystem that enables to create long-term and wider impact to the society in diversified areas such as health care, education, hunger, malnutrition, social development & environmental sustainability across the country.

During the FY2021-22, the Company through its CSR contribution, has provided support to patients across various age group, for the initial diagnosis of cancer and treatment thereon. The Company has also focused on providing medical equipment such as hemodialysis machines, ventilators, ophthalmic microscope, C-Arm equipment, etc to aid diagnosis and treatment. The Company aims to support and extend its impact, to a large group of beneficiaries through contribution towards procurement of medical equipment. Along with health care, the Company has also supported the cause of poverty & hunger alleviation through distribution of ration kits to the families of school children living in poor slums and shanties.

Your Company encourages the engagement of employees in the CSR activities of the Company with a view to foster community participation and development. The Company, as part of its HR initiatives, recognized & felicitated employees who had volunteered for participating in the CSR activities of the Company.

Your Company has further embarked on a journey of operational excellence by optimizing resource efficiency and minimizing the negative impact on people, planet and communities. Through Environmental, Social and Governance perspective, the Company aims at achieving inclusive growth, social equity and sustainable development for the betterment of the society.

The disclosures under Corporate Social Responsibility Activities in FY2021-22, in accordance with the Companies Act, 2013 & Companies (Corporate Social Responsibility Policy) Rules, 2014, are annexed to the report as "**Annexure II**". The Company's CSR policy is available on the Company's website [www.stcipc.com](http://www.stcipc.com)

### **4. COMPOSITION OF BOARD**

As on March 31, 2022, the Board comprised of seven Directors. The Board includes Independent Directors, Non-Executive Directors and a Managing Director as under: -

- Mr. T. V. Rao, Independent Director
- Mr. R. Venkataramani, Non-Executive Director
- Mr. Raghvendra Kumar, Non-Executive Director
- Mr. Prakash Vartak, Additional Director (Independent)
- Mr. V. Narayanamurthy, Additional Director (Non-Executive)
- Mr. Pradeep Madhav, Additional Director (Non-Executive)
- Mr. Prasanna Patankar, Managing Director

## DIRECTORS' REPORT

### Changes in Board of Directors during the FY2021-22

#### a) Cessation/ Resignation

Mr. G. Narayanan, Independent Director, on account of completion of his two consecutive terms as an 'Independent Director', ceased to be a director from the Board with effect from the close of business hours on August 6, 2021.

Mr. Pradeep Madhav, Non-Executive Director, consequent to his completion of tenure as a Managing Director & CEO of STCI Finance Limited (Holding Company) at the close of business hours on August 31, 2021, resigned as a Director of the Company with effect from the close of business hours on August 31, 2021.

Ms. Sonali Sinha, Independent Director, on account of completion of her two consecutive terms as an 'Independent Director', ceased to be a director from the Board with effect from the close of business hours on February 9, 2022.

The Board acknowledges and expresses its deep gratitude and appreciation to them for their valuable contribution, guidance & insights provided during their tenure as a Director of the Company.

#### b) Appointment/ Re-appointment

Mr. Raghvendra Kumar, was appointed as Additional Director (Non-Executive) with effect from May 7, 2021. At the 15<sup>th</sup> Annual General Meeting (AGM) of the Company held on August 30, 2021, the Members approved and regularized his appointment as a 'Non-Executive Director and liable to retire by rotation'.

On the recommendation of Nomination & Remuneration Committee (NRC), the Board of Directors at the meeting held on October 22, 2021, appointed:

- Mr. Prakash Vartak, as an Additional Director (Independent) for a period of five (5) years with effect from October 22, 2021, upto October 21, 2026;
- Mr. Pradeep Madhav, as an Additional Director (Non-Executive) and liable to retire by rotation with effect from October 22, 2021;
- Mr. V. Narayanamurthy, as an Additional Director (Non-Executive) and liable to retire by rotation with effect from October 22, 2021; subject to the approval of the Members at the ensuing general meeting.

On the recommendation of the Nomination & Remuneration Committee (NRC), the Board of Directors at the meeting held on October 22, 2021, approved the re-appointment of Mr. Prasanna Patankar, as the 'Managing Director' of the Company for a period of five (5) years from January 24, 2022, till January 23, 2027, subject to the approval of the Members at the ensuing general meeting.

On the recommendation of the Nomination & Remuneration Committee (NRC), the Board of Directors at the meeting held on March 25, 2022, appointed Ms. Varda Pendse as an Additional Director (Independent) for a period of three (3) years with effect from April 1, 2022, upto March 31, 2025, subject to the approval of the Members at the ensuing general meeting.

In the opinion of the Board, all the Directors of the Company, as well as the Directors proposed to be appointed/re-appointed, possess the requisite qualifications, experience and expertise and hold high standards of integrity. The newly appointed Independent directors, Mr. Prakash Vartak and Ms. Varda Pendse are required to pass the proficiency test within the prescribed time limit, as applicable to Independent Directors. A brief profile of the appointed/re-appointed Director's along with the appropriate resolution seeking the approval of the Members is included in the explanatory statement annexed to the Notice of the Annual General Meeting (AGM).

#### c) Retirement by rotation at the ensuing AGM

Mr. Raghvendra Kumar, Non-Executive Director, retires by rotation at the ensuing AGM and being eligible, offers himself for re-appointment. The Board recommends his re-appointment as a Director liable to retire by rotation at the ensuing AGM. His brief profile, along with the appropriate resolution seeking the approval of the Members is given in the Explanatory Statement annexed to the Notice for the ensuing AGM.

### 5. DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declarations from Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013. The Independent Directors confirm to have complied with the Code for Independent Directors as prescribed in Schedule IV of the Companies Act, 2013. The Independent Directors confirm to have registered with the Independent Directors Databank (IDDB).



## DIRECTORS' REPORT

### 6. MEETING OF THE BOARD OF DIRECTORS

The Company has received requisite declarations from Director(s), as applicable to them. The Board met eight times during the year under review.

Date of Board Meeting	May 07, 2021	July 14, 2021	July 22, 2021	Aug 23, 2021	Sept 14, 2021	Oct 22, 2021	Jan 25, 2022	Mar 25, 2022
<b>Details of Directors</b>								
1. Mr. G. Narayanan <sup>#</sup>	✓	✓	✓	Refer Note				
2. Ms. Sonali Sinha <sup>@</sup>	✓	✓	✓	X	✓	✓	✓	Refer Note
3. Mr. T. V. Rao	✓	✓	✓	✓	✓	✓	✓	✓
4. Mr. R. Venkataramani	✓	✓	✓	✓	✓	✓	✓	✓
5. Mr. Raghvendra Kumar <sup>*</sup>	✓	✓	✓	✓	✓	✓	✓	✓
6. Mr. Pradeep Madhav <sup>§</sup>	✓	✓	✓	✓	Refer Note	✓	✓	✓
7. Mr. Prakash Vartak <sup>%</sup>	Refer Note					✓	✓	✓
8. Mr. V. Narayanamurthy <sup>%</sup>	Refer Note					✓	✓	✓
9. Mr. Prasanna Patankar <sup>^</sup>	✓	✓	✓	✓	✓	✓	✓	✓
10. Ms. Varda Pendse <sup>+</sup>	Refer Note							

<sup>#</sup>Ceased to be Director w.e.f August 7, 2021

<sup>@</sup>Ceased to be Director w.e.f February 10, 2022

<sup>\*</sup>Inducted as Director w.e.f May 7, 2021

<sup>§</sup>Ceased to be Director w.e.f September 1, 2021. Appointed as Additional Director w.e.f October 22, 2021

<sup>%</sup>Inducted as Director w.e.f October 22, 2021

<sup>^</sup>Reappointed as Managing Director w.e.f January 24, 2022

<sup>+</sup>Appointed as an Independent Director w.e.f April 1, 2022

### 7. COMMITTEES OF THE BOARD

The Committees of the Board play a crucial role and have been constituted to deal with specific areas/activities which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board of Directors to carry out defined roles.

The Company has the following Committees of the Board: -

#### (i) Audit Committee

As on March 31, 2022, the Audit Committee of the Board comprised of Mr. R Venkataramani and Mr. T. V. Rao. Ms. Sonali Sinha was also a Member of the Audit Committee of the Board until February 09, 2022, post which she ceased to be a Director of the Company pursuant to completion of two consecutive terms as an Independent Director of the Company. The Audit Committee has been duly re-constituted with effect from April 1, 2022, post the appointment of an Independent Director.

The scope and functions of the Audit Committee includes the following:

- Recommendation for appointment, remuneration and terms of appointment of internal & statutory auditors of the Company;
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- Examination of the financial statements and the auditors' report thereon;
- Approval or any subsequent ratification of transactions of the Company with related parties; Provided that the Audit Committee may give omnibus approval for related party transactions proposed to be entered into by the Company; Provided further that in case of transaction, other than transactions referred to in Section 188 of the Companies Act, 2013, and where Audit Committee does not approve the transaction, it shall make its recommendations to the Board;
- Evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds raised through public offers and related matters;
- Calling for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and discussing any related issues with the internal and statutory auditors and the Management of the Company;

## DIRECTORS' REPORT

- Dealing with or investigating any matter in relation to the items herein or referred to it by the Board of Directors of the Company, Reserve Bank of India or any other regulator;
- Establishing & overseeing whistle blower policy/vigil mechanism for directors and employees to report concerns in such manner as may be prescribed;
- Reviewing the Company's arrangements for Directors and employees to report concerns about unethical behavior, actual or suspected fraud, violation of the Company's code of conduct and terms of service;
- Reviewing Information System Audit of the internal systems and processes is conducted, once a year to assess operational risks faced by the Company;
- Monitoring internal audit of all activities covered under the outsourcing policy;
- Reviewing and advising the Board on the deviations/ observations arising from regulatory inspections/ audits;
- Any other applicable matters as specified under Section 177 of the Companies Act, 2013 and the rules framed thereto or as may be delegated by the Board in this regard.

In addition to quarterly meetings for consideration of financial results, meetings of the Audit Committee may also be convened, as and when required, for review of various businesses/functional aspects of the Company, business risk assessment, internal audit, etc.

The Committee met four times during the year.

Date of Meeting	May 07, 2021	July 22, 2021	Oct 22, 2021	Jan 25, 2022
<b>Details of Directors<sup>Ω</sup></b>				
1. Mr. G. Narayanan <sup>#</sup>	✓	✓	Refer Note	
2. Ms. Sonali Sinha <sup>@</sup>	✓	✓	✓	✓
3. Mr. R. Venkataramani	✓	✓	✓	✓
4. Mr. T. V. Rao	✓	✓	✓	✓

<sup>#</sup> Ceased to be Director & Committee member w.e.f August 7, 2021

<sup>@</sup> Ceased to be Director & Committee member w.e.f February 10, 2022

<sup>Ω</sup> The Audit Committee of the Board was duly re-constituted with effect from April 1, 2022, on appointment of an Independent Director.

### (ii) Risk Management Committee

As on March 31, 2022, the Risk Management Committee of the Board comprised of Mr. R Venkataramani and Mr. T. V. Rao. Ms. Sonali Sinha was also a Member of the Risk Management Committee of the Board until February 09, 2022, post which she ceased to be a Director of the Company pursuant to completion of two consecutive terms as an Independent Director of the Company. The Risk Management Committee has been duly re-constituted with effect from April 1, 2022, post the appointment of an Independent Director.

The Company has in place a comprehensive Business Investment and Risk Policy, which is reviewed at regular intervals and modified, if required, to align it with the changing business dynamics or regulatory requirements of the Company. The Risk Management Committee meets at regular intervals to review the Company's risk exposure, performance and monitor adherence to various prudential limits. The scope of the Risk Management Committee includes the following:

- Reviewing compliance with the RBI prudential norms and internal business risk policy parameters;
- Reviewing risk policies, procedures and reporting mechanisms;
- Reviewing risk management reports on a periodic basis and suggesting modifications to the Business Investment and Risk Policy of the Company to the Board for its final approval;
- Reporting to the Board of Directors of the Company on periodic basis on the above matters;
- Reviewing and recommending to the Board the policies of the Company that may carry the legal risk, operational risk, compliance risk and reputational risk;
- All such acts and functions as may be delegated by the Board of Directors.

## DIRECTORS' REPORT

The Committee met six times during the year.

Date of Meeting	May 07, 2021	July 14, 2021	July 22, 2021	Sept 14, 2021	Oct 21, 2021	Jan 25, 2022
<b>Details of Directors<sup>Ω</sup></b>						
1. Mr. G. Narayanan <sup>#</sup>	✓	✓	✓	Refer Note		
2. Ms. Sonali Sinha <sup>@</sup>	✓	✓	✓	✓	✓	✓
3. Mr. R. Venkataramani	✓	✓	✓	✓	✓	✓
4. Mr. T.V. Rao	✓	✓	✓	✓	✓	✓

<sup>#</sup>Ceased to be Director & Committee member w.e.f August 7, 2021

<sup>@</sup>Ceased to be Director & Committee member w.e.f February 10, 2022

<sup>Ω</sup>The Risk Management Committee of the Board was duly re-constituted with effect from April 1, 2022, on appointment of an Independent Director.

### (iii) Nomination and Remuneration Committee

As on March 31, 2022, the Nomination and Remuneration Committee of the Board comprised of Mr. R Venkataramani and Mr. T. V. Rao. Ms. Sonali Sinha was also a Member of the Nomination and Remuneration Committee of the Board until February 09, 2022, post which she ceased to be a Director of the Company pursuant to completion of two consecutive terms as an Independent Director of the Company. The Nomination and Remuneration Committee has been duly re-constituted with effect from April 1, 2022, post the appointment of an Independent Director.

The Nomination and Remuneration Committee plays an active role in HR development, performance management and talent retention and reviews HR policies. The scope of the Nomination and Remuneration Committee includes the following:

- To identify 'Fit & Proper' persons who are qualified to become directors. To identify persons who are qualified to be appointed in senior management in accordance with the criteria laid down in the Nomination and Remuneration Policy and recommend to the Board their appointment and removal;
- To specify the manner for effective evaluation of performance of the Board, its Committees and individual Directors to be carried out either by the Board or by the Nomination and Remuneration Committee and review its implementation and compliance thereof;
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a Policy, relating to the remuneration for the Directors, key managerial personnel and Senior Management. While formulating the policy, the following shall be ensured;
- The remuneration is reasonable and sufficient to attract and retain Directors;
- Relationship of remuneration to performance is clear and transparent appropriate performance benchmarks for Senior Management and Key Management Personnel;
- Remuneration to key managerial personnel and senior management involves a balance between fixed and variable pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
- To review HR Strategy, key initiatives and key HR metrics, compensation structure and policies with a view to retain and motivate the company's employees;
- Any other matters as specified under Section 178 of the Companies Act, 2013 and the rules framed thereto or as may be delegated by the Board in this regard.

## DIRECTORS' REPORT

The Committee met four times during the year.

Date of Meeting	May 07, 2021	July 13, 2021	Oct 22, 2021	Feb 02, 2022
<b>Details of Directors<sup>Ω</sup></b>				
1. Mr. G. Narayanan <sup>#</sup>	✓	✓	Refer Note	
2. Ms. Sonali Sinha <sup>@</sup>	✓	✓	✓	✓
3. Mr. R. Venkataramani	✓	✓	✓	✓
4. Mr. Pradeep Madhav <sup>§</sup>	✓	✓	Refer Note	
5. Mr. T.V. Rao <sup>*</sup>	Refer Note		✓	✓

<sup>#</sup>Ceased to be Director & Committee member w.e.f August 7, 2021

<sup>@</sup>Ceased to be Director & Committee member w.e.f February 10, 2022

<sup>§</sup>Ceased to be Director & Committee member w.e.f September 1, 2021

<sup>\*</sup>Inducted as Committee Member w.e.f August 23, 2021

<sup>Ω</sup>The Nomination and Remuneration Committee was duly re-constituted with effect from April 1, 2022, on the appointment of an Independent Director.

### (iv) Corporate Social Responsibility (CSR) Committee

As on March 31, 2022, the Corporate Social Responsibility (CSR) Committee of the Board comprised of Mr. R. Venkataramani and Mr. Prasanna Patankar. Ms. Sonali Sinha was also a Member of the Corporate Social Responsibility (CSR) Committee of the Board until February 09, 2022, post which she ceased to be a Director of the Company pursuant to completion of two consecutive terms as an Independent Director of the Company. The Corporate Social Responsibility (CSR) Committee of the Board has been duly re-constituted with effect from April 1, 2022, post the appointment of an Independent Director.

The CSR Committee of the Board shall recommend the guidelines for CSR activity to the Board of Directors for their approval. The projects/beneficiaries of the CSR initiatives of the Company are clearly laid down in the CSR policy of the Company and approved by the Board of Directors. The scope of Corporate Social Responsibility Committee includes the following: -

- formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken as specified in Schedule VII of the Companies Act, 2013;
- recommend the amount of CSR expenditure to be incurred on the CSR activities referred to in above clause;
- monitor the utilization and implementation of the CSR projects or programs or activities undertaken by the Company;
- formulate and recommend to the Board, an annual action plan for a financial year, disclosing: -
  - (a) The list of CSR projects or programmes that are approved to be undertaken;
  - (b) The manner of execution of CSR projects or programmes;
  - (c) The modalities of utilization of funds and implementation schedules for the projects or programmes;
  - (d) Monitoring and reporting mechanism for the projects or programmes; and
  - (e) Details of need and impact assessment, if applicable, for the projects undertaken by the company.
- Review the CSR Policy of the Company on annual basis.

The Corporate Social Responsibility (CSR) Committee met two times during the year.

Date of Meeting	Oct 21, 2021	Jan 25, 2022
<b>Details of Directors<sup>Ω</sup></b>		
1. Ms. Sonali Sinha <sup>@</sup>	✓	✓
2. Mr. R. Venkataramani	✓	✓
3. Mr. Prasanna Patankar	✓	✓

<sup>@</sup>Ceased to be Director & Committee member w.e.f February 10, 2022

<sup>Ω</sup>The Corporate Social Responsibility (CSR) Committee of the Board was duly re-constituted with effect from April 1, 2022, on the appointment of an Independent Director.





## DIRECTORS' REPORT

### 8. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place a Policy for prevention of Sexual Harassment at the Workplace in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. The policy aims at prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of unethical behavior.

The Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. The ICC is responsible for redressal of complaints related to sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed of during the year:

- (a) Number of complaints pending at the beginning of the year - NIL.
- (b) Number of complaints received during the year – NIL.
- (c) Number of complaints disposed of during the year – NIL.
- (d) Number of cases pending at the end of the year - NIL.

### 9. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134 (3) (c) of the Companies Act, 2013 and the rules framed thereto and any other provisions, if any, the Directors confirm: -

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

### 10. AUDITORS

M/s. Dassani & Associates, Chartered Accountants, bearing ICAI firm registration number 009096C, were appointed as the Statutory Auditors of the Company, by the Comptroller and Auditor General of India (C&AG) for the FY2021-22.

M/s. BNP & Associates, firm of Practicing Company Secretaries, were appointed as Secretarial Auditor of the Company for the FY2021-22.

### 11. DISCLOSURE OF PARTICULARS

The Company is a Standalone Primary Dealer as defined and regulated by the Reserve Bank of India and is not a manufacturing Company, hence the particulars required to be disclosed with respect to the conservation of energy and technology absorption in terms of Section 134(3)(m) of the Companies Act, 2013 and the rules framed thereto are not applicable to the Company.

The information required pursuant to Section 197(12) of the Act, read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not applicable to the Company but available upon request. In terms of Section 136 of the Act, the report and accounts are being sent to members excluding the information on employee's particulars which is available for inspection by the members at the registered office of the Company during business hours on working days of the Company up to the date of the ensuing General Meeting. Interested members may write to the Company for the same.

The details of foreign exchange earnings, if any, as well as foreign exchange outgo, if any, are mentioned in the Notes to Accounts of the Audited Financial Statements for FY2021-22.

### 12. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business operations. All related party transactions are placed before the Audit Committee and the Board of Directors. There are no materially significant transactions made by the Company with Promoters, Directors, Key Managerial Personnel or any other related parties that may have

## DIRECTORS' REPORT

a potential conflict with the interest of the Company at large. Accordingly, the disclosure of related party transactions in Form AOC-2 is not applicable. However, disclosure on related party transactions as per IND AS-24 has been provided in the Notes to Accounts of the Audited Financial Statements for FY2021-22. The details of contracts or arrangements with related parties along with justification for entering into transactions referred to in sub-section (1) of section 188 are annexed to the Report as “**Annexure I**”. The Policy on Related Party Transaction is available on the Company’s website [www.stcipd.com](http://www.stcipd.com) and enclosed as “**Annexure III**”.

### 13. VIGIL MECHANISM POLICY

The Company has established a vigil mechanism through the Audit Committee, to address any complaint related to internal controls, auditing matters, or the reporting of all information to the shareholders, the regulators and/or the government and the financial markets. The vigil mechanism allows for disclosure by a whistle blower internally of such matters without fear of reprisal, discrimination or adverse employment consequences and addresses the disciplining of those responsible. The vigil mechanism provides adequate safeguards against victimization of whistle blower, and makes provision for direct access to the Chairman of the Audit Committee on reporting issues concerning the interests of the Company and its employees. The Company has formulated a Vigil Mechanism Policy in accordance with the requirements of Section 177 of the Companies Act, 2013 and the rules framed thereto. The Policy is available on the Company’s website [www.stcipd.com](http://www.stcipd.com).

### 14. FAIR PRACTICES CODE

The Company has adopted the Fair Practices Code prepared in accordance with the guidelines as prescribed by RBI as well as the publications/code/general market practice guidelines released by FIMMDA/PDAI. The Code is available on the Company’s website [www.stcipd.com](http://www.stcipd.com).

### 15. POLICY ON NOMINATION & REMUNERATION OF DIRECTORS

The Company has formulated a policy in accordance with the requirements of Section 178 of the Companies Act, 2013 and the rules framed thereto. The policy on Directors’ appointment and remuneration including criteria for determining qualifications, positive attributes and independence of a director is available on the Company’s website [www.stcipd.com](http://www.stcipd.com).

### 16. ANNUAL RETURN

In accordance with the provisions of Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 and the Rules framed thereunder, the annual return as on March 31, 2022, shall be made available on the Company’s website [www.stcipd.com](http://www.stcipd.com) within the prescribed timelines.

### 17. FORMAL ANNUAL EVALUATION

The Company has adopted a framework on performance evaluation of the Board of Directors and that of its Committees and individual Directors. During the FY2021-22, the Company had undertaken the annual evaluation exercise which was carried out of the Board on collective basis, committees of the Board and individual director in the matter as stipulated under the Act.

### 18. SUBSEQUENT EVENTS

There are no material changes and commitments affecting the financial position of the company which have occurred between March 31, 2022, and the date of the report.

### 19. KEY MANAGERIAL PERSONNEL

During the FY2021-22, the Company had the following Key Managerial Personnel (KMP) in line with the requirements and as defined by the Companies Act, 2013 and the rules framed thereto;

- (i) Mr. Prasanna Patankar, Managing Director
- (ii) Mr. Kalpesh Mody, Company Secretary & Chief Financial Officer (CFO)

### 20. INSTANCES OF FRAUD, IF ANY, REPORTED BY THE AUDITORS

There have been no instances of fraud reported by the Auditors under Section 143 (12) of the Companies Act, 2013.

### 21. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY’S OPERATIONS IN FUTURE

There were no significant and/or material orders passed against the Company by the regulators or courts or tribunals impacting the going concern status of the Company and/or impacting the Company’s operations in future.



## DIRECTORS' REPORT

### 22. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS

There are no adverse comments, qualifications or reservations made by the Secretarial Auditors, Statutory Auditors as well as Comptroller & Auditor General of India (C&AG).

### 23. SHARES

The Company is a wholly owned subsidiary of STCI Finance Limited and the shares are held by STCI Finance Limited through its nominee shareholders. There has been no change in shareholding pattern for the FY2021-22. The details of the transfer(s) of share(s), if any, has been mentioned in Annual Return, which is available on the Company's website www.stcipd.com.

### 24. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Pursuant to the provisions of Section 186 (11) & (4) of the Companies Act, 2013, requiring disclosure in the financial statements of the particulars of the loans given, investment made or guarantee given or security provided and the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient of the loan or guarantee or security is not applicable to Non-Banking Financial Company registered under Chapter III of the Reserve Bank of India Act, 1934 and whose principal business is acquisition of securities.

### 25. REGISTRAR & SHARE TRANSFER AGENT

M/s. Link Intime India Private Limited acts as the Registrar & Share Transfer Agent of the Company for FY2021-22.

### 26. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company, being a RBI regulated Primary Dealer, is prohibited to form any subsidiary. Hence, the Company does not have any Subsidiary, Joint venture, or Associate Company.

### 27. PUBLIC DEPOSITS

During the year ended March 31, 2022, your Company has not accepted any deposits from the public within the meaning of the provisions of the Non-Banking Financial Companies (Reserve Bank) Directions, 1998 as well as within the meaning of Chapter V of the Companies Act 2013 and the rules framed thereto. The Company is registered as a Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC-ND-SI) and regulated by the Reserve Bank of India (RBI).

### 28. BRANCH OFFICES

The Company has a total of three (3) branch offices viz. New Delhi, Kolkata and Bengaluru which has been driving the business development efforts on a pan-India basis and procuring business from PSUs, Commercial Banks, Co-operative Banks, Small Finance Banks, Corporates, MNCs, Provident Funds, Pension and Gratuity Funds, Insurance Companies, Mutual Funds etc. The activities of these offices are being regularly assessed, reviewed and monitored.

### 29. CORPORATE INSOLVENCY RESOLUTION PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC)

The Company had subscribed to the Commercial Papers (CPs) issued by Infrastructure Leasing & Financial Services Limited (IL&FS) of face value of ₹ 100,00,00,000/- (Rupees One Hundred Crore Only) of which CP of face value of ₹ 50,00,00,000/- (Rupees Fifty Crore Only) were due to be repaid on September 17, 2018 and balance CP of face value of ₹ 50,00,00,000/- (Rupees Fifty Crore Only) was due to be repaid on March 05, 2019. IL&FS did not honour its repayment obligations towards the Company under both these CPs on the due dates.

The Company's claim as one of the "Financial Creditor" of IL&FS under the Insolvency & Bankruptcy Code, 2016 and the Insolvency & Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 has been admitted. Further, the Company is part of the 'Committee of Creditors (CoC)' for the insolvency resolution plan of IL&FS.

Presently, the matter is subjudice and pending before the Hon'ble National Company Law Tribunal (NCLT), Mumbai and the Hon'ble National Company Law Appellate Tribunal (NCLAT), New Delhi. There is no further progress in the matter in FY2021-22, with respect to the receipt of outstanding claim.



## DIRECTORS' REPORT

### 30. ACKNOWLEDGEMENT

Your Directors thank STCI Finance Limited (Holding Company), Reserve Bank of India, SEBI, CCIL, its Bankers, NSDL, Stock Exchange(s), other commercial and cooperative banks, financial institutions, mutual funds, insurance companies, corporates and other customers for their business support and continued patronage. The Directors would also like to place on record their appreciation of the dedicated performance by the officers and staff of the Company.

**On behalf of the Board of Directors  
For STCI Primary Dealer Limited**

V. Narayanamurthy  
*Director*

DIN: 00555704

Date: September 02, 2022

Place: Mumbai

Prasanna Patankar  
*Managing Director*

DIN: 07658714

Date: September 02, 2022

Place: Mumbai



# DIRECTORS' REPORT

Annexure I

## Form No. AOC-2

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

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

Sr. No	Particulars	Amount
1.	<p><b>Details of contracts or arrangements or transactions not at arm's length basis</b></p> <p>(a) Name(s) of the related party and nature of relationship</p> <p>(b) Nature of contracts / arrangements / transactions</p> <p>(c) Duration of the contracts / arrangements / transactions</p> <p>(d) Salient terms of the contracts or arrangements or transactions including the value, if any</p> <p>(e) Justification for entering into such contracts or arrangements or transactions</p> <p>(f) Date(s) of approval by the Board</p> <p>(g) Amount paid as advances, if any:</p> <p>(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188</p>	Not Applicable
2.	<p><b>Details of material contracts or arrangement or transactions at arm's length basis</b></p> <p>(a) Name(s) of the related party and nature of relationship</p> <p>(b) Nature of contracts / arrangements / transactions</p> <p>(c) Duration of the contracts / arrangements/transactions</p> <p>(d) Salient terms of the contracts or arrangements or transactions including the value, if any:</p> <p>(e) Date(s) of approval by the Board, if any:</p> <p>(f) Amount paid as advances, if any:</p>	Annexure A*

\*The Company has not entered into any contracts or arrangements with related parties referred to in sub-section (1) of Section 188 of Companies Act, 2013.

### On behalf of the Board of Directors For STCI Primary Dealer Limited

V. Narayanamurthy  
Director

Prasanna Patankar  
Managing Director

DIN: 00555704

DIN: 07658714

Date: September 02, 2022

Date: September 02, 2022

Place: Mumbai

Place: Mumbai

# DIRECTORS' REPORT

Annexure II

## ANNUAL REPORT ON CSR ACTIVITIES

### 1. Brief outline on the CSR policy of the Company:

The Corporate Social Responsibility (CSR) Policy assists the Company in its vision to contribute to the social and economic development of the communities at large. The CSR Policy serves as the basic guiding document on directing our effort towards building a better, sustainable way of life for the betterment of the society. The Company's CSR policy is intended to make a material, visible and lasting difference to the lives of the disadvantaged/underprivileged sections of society and a dedicated CSR budget would be set aside out of profits of the Company based on the specifications as per the required law for its various CSR initiatives.

### 2. Composition of the CSR Committee: As on March 31, 2022 the CSR Committee comprised of

Sl. No.	Name of Director <sup>o</sup>	Designation /Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Ms. Sonali Sinha*	Independent Director	2	2
2.	Mr. R. Venkataramani	Non-Executive Director	2	2
3.	Mr. Prasanna Patankar	Managing Director	2	2

\*ceased to be Director & Committee Member w.e.f February 10, 2022 on account of completion of two consecutive terms as an Independent Director.

<sup>o</sup>The Corporate Social Responsibility Committee has been duly re-constituted with effect from April 1, 2022, with Mr. Prakash Vartak, Independent Director and Mr. Pradeep Madhav, Non-Executive Director being inducted as member of the Committee.

### 3. Provide the web-link where Composition of CSR committee, approved by the board are disclosed on the website of the company:

Composition of the CSR committee, CSR Policy and CSR projects is available on the Company's website on [www.stcipc.com](http://www.stcipc.com)

### 4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):

NOT APPLICABLE

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

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (₹ in lakh)	Amount required to be setoff for the financial year, if any (₹ in lakh)
1	FY2018-19	NIL	NIL
2	FY2019-20	NIL	NIL
3	FY2020-21	3.34	3.34
	<b>TOTAL</b>	<b>3.34</b>	<b>3.34</b>

### 6. Average net profit of the company as per section 135(5): ₹ 21,455.96 lakh

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

The Company is required to spend ₹ 429.12 Lakh towards CSR.

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL

(c) Amount required to be set off for the financial year, if any: ₹ 3.34 Lakh

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 425.78 Lakh

## DIRECTORS' REPORT

### 8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (₹ in lakh)	Amount Unspent (₹ in lakh)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of Transfer	Name of Fund	Amount	Date of Transfer
₹ 425.79	NA		NA		

### (b) Details of CSR amount spent against ongoing projects for the financial year: NIL

### (c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sr. No.	Name of the CSR Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (₹ in Lakh)	Mode of Implementation- Direct (Yes/No).	Mode of implementation-through implementing agency.	
				State	District			Name	CSR Registration Number
1	Project for financial assistance to cancer patients under the 'Adopt a Cancer Patient Project'	Clause(i) Promoting health care including preventive health care	Yes	Maharashtra	Mumbai	40.00	No	Cancer Patient Aid Association (CPAA)	CSR00000926
2	Project for financial assistance to young & pediatric cancer patients at Tata Memorial Hospital	Clause(i) Promoting health care including preventive health care	Yes	Maharashtra	Mumbai	40.00	No	ImPaCCT Foundation (Pediatric Foundation of Tata Memorial hospital)	CSR00001287
3	Project for financial assistance on procurement of Hemodialysis Machine, Ventilator and ophthalmic equipment named 'B Scan with UBM Probe' at Swami Sarvanand Hospital	Clause(i) Promoting health care including preventive health care	Yes	Maharashtra	Thane	40.00	No	Sunder Shewak Sabha (Trust of Swami Sarvanand Hospital)	CSR00005294
4	Project for financial assistance towards initial diagnosis of cancer patients through ICS-Arun Kurkure Initiation and Treatment Fund	Clause(i) Promoting health care including preventive health care	PAN India	PAN India		40.00	No	Indian Cancer Society	CSR00000792



## DIRECTORS' REPORT

Sr. No.	Name of the CSR Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (₹ in Lakh)	Mode of Implementation-Direct (Yes/No).	Mode of implementation-through implementing agency.	
				State	District			Name	CSR Registration Number
5	Project for financial assistance towards treatment of patients with vitreo retinal surgery at the Sadguru Netra Chikitsalaya	Clause(i) Promoting health care including preventive health care	No	Madhya Pradesh	Chitra-koot	25.00	No	Shri Sadguru Seva Sangh Trust (Trust of Sadguru Netra Chikitsalaya)	CSR00001860
6	Project for financial assistance to cancer patients for treatment of Breast & Prostate Cancer.	Clause(i) Promoting health care including preventive health care	No	Tamil Nadu	Adyar, Chennai	5.67	No	Cancer Institute (W.I.A)	CSR00007235
7	Project for financial assistance towards distribution of Family Happiness kits, as part of mid-day meal program.	Clause(i) Eradicating hunger, poverty & malnutrition	PAN India	PAN India		50.00	No	The Akshaya Patra Foundation	CSR00000286
8	Project for financial assistance towards procurement of medical equipment named 'C-Arm Equipment' at the hospital	Clause(i) Promoting health care including preventive health care	No	West Bengal	Belur Math	33.60	No	Ramakrishna Mission Seva Pratishthan	CSR00006101
9	Project for financial assistance towards procurement of ophthalmic microscope, refraction chair and non -contact tonometer at Sharada Netralaya hospital.	Clause(i) Promoting health care including preventive health care	No	Karnataka	Belagavi	22.69	No	Ramakrishna Mission Ash-rama	CSR00006101
10	Prime Minister's National Relief Fund (PMNRF)	Clause(viii) socio economic development	Yes	PAN India		128.83	Yes	NA	NA
<b>TOTAL</b>						<b>425.79</b>			

## DIRECTORS' REPORT

- (d) Amount spent in Administrative Overheads – Nil
- (e) Amount spent on Impact Assessment, if applicable – NOT APPLICABLE
- (f) Total amount spent for Financial Year (8b+8c+8d+8e) – ₹ 425.79 Lakh\*

\* excluding the excess spent amount of ₹ 3.34 lakhs in the FY2020-21 which has been set-off against the Total CSR Obligation of ₹ 429.12 Lakh for the FY2021-22

- (g) Excess Amount for Set off, if any

Sl.No	Particular	Amount (₹ in Lakh)
(i)	Two percent of average net profit of the company as per section 135(5)	425.78
(ii)	Total amount spent for the Financial Year	425.79
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.01
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)] *	0.01*

\* During the FY2021-22, the actual excess amount spent is ₹ 699/- which is available for set off against the CSR amount for next financial year FY2022-23. However, the Board & CSR Committee has decided not to set-off such excess amount spent, against the CSR amount for next financial year FY2022-23 and such excess amount shall form part of the Company's CSR contribution for FY2021-22 only.

9. (a) Details of Unspent CSR amount for the preceding three financial years: NIL
- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): – NOT APPLICABLE
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:
- (a) Date of creation or acquisition of the capital asset(s) – NOT APPLICABLE
- (b) Amount of CSR spent for creation or acquisition of capital asset – NIL
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. – NOT APPLICABLE
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). – NOT APPLICABLE
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). – Not Applicable as the Company has spent the entire amount towards CSR that was required to be spent.

**On behalf of Corporate Social Responsibility Committee  
For STCI Primary Dealer Limited**

Prakash Vartak  
Director

DIN: 09336265  
Date: September 02, 2022  
Place: Mumbai

**On behalf of the Board of Directors  
For STCI Primary Dealer Limited**

V. Narayanamurthy  
Director

DIN: 00555704  
Date: September 02, 2022  
Place: Mumbai

Prasanna Patankar  
Managing Director

DIN: 07658714  
Date: September 02, 2022  
Place: Mumbai





# DIRECTORS' REPORT

Annexure III

## RELATED PARTY TRANSACTIONS POLICY

This policy has been framed as required under the “**Master Direction - Standalone Primary Dealers (Reserve Bank) Directions, 2016**” issued by Reserve Bank of India, as updated from time to time.

The Policy intends to provide a framework to identify related parties, approve, monitor, regulate and report transactions between the Company and its Related Parties based on the provisions of the Companies Act, 2013 and the rules framed there under (the Act), as amended from time to time.

### 1. Definitions

- (i) “**Audit Committee**” or “**Committee**” means Committee of Board of Directors of the Company constituted as per Section 177 of the Act
- (ii) “**Board**” means Board of Directors of the Company
- (iii) “**Related Party Transaction**” or “**RPT**” means the following transactions /contracts /arrangements with related parties as laid down under clause (a) to (g) sub-section (1) of section 188 of the Act:
  - (a) sale, purchase or supply of any goods or materials;
  - (b) selling or otherwise disposing of, or buying, property of any kind;
  - (c) leasing of property of any kind;
  - (d) availing or rendering of any services;
  - (e) appointment of any agent for purchase or sale of goods, materials, services or property etc.
  - (f) such related party’s appointment to any office or place of profit in the Company, its subsidiary company or associate company; and
  - (g) underwriting the subscription of any securities or derivatives thereof, of the Company.
- (iv) “**Material Related party Transactions**” mean related party transaction / transactions to be entered into individually or which taken together with previous transactions during a financial year, exceed the prescribed monetary limit given under Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014
- (v) “**Related Party**” means related party as defined under Section 2(76) of the Act as under; Sec 2 (76) “Related Party” with reference to a Company, means-
  - (i) A director or his relative
  - (ii) Key Managerial Personnel or his/ her relative
  - (iii) A firm, in which a director, manager or his relative is a partner
  - (iv) A private company in which a director or manager or his relatives is a member or director
  - (v) A public company in which a director or manager is a director and holds along with his relatives, more than 2% of its paid-up share capital
  - (vi) A body corporate whose board, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager, except such advice is given in a professional capacity.
  - (vii) Any other person on whose advice, directions or instructions a director or manager is accustomed to act Provided that nothing in sub-clause (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;
  - (viii) Any company which is:
    - A Holding, Subsidiary or an Associate company of such company or
    - A Subsidiary of a Holding company to which it is also a Subsidiary
  - (ix) such other person as may be prescribed, i.e. as under: -
    - A Director, other than an Independent Director, or Key Managerial Personnel of the holding company or his relative with reference to a company, shall be deemed to be a Related Party.
- (vi) “**Relative**” means relative as defined under Section 2(77) of the Act as under; Section 2(77) “relative”, with reference to any person, means anyone who is related to another, if—
  - (i) they are members of a Hindu Undivided Family;
  - (ii) they are husband and wife; or

## DIRECTORS' REPORT

(iii) one person is related to the other in such manner as may be prescribed; i.e. as under

- (a) Father (including step-father)
- (b) Mother (including step-mother)
- (c) Son (including step-son)
- (d) Son's wife
- (e) Daughter
- (f) Daughter's husband
- (g) Brother (including step-brother)
- (h) Sister (including step-sister)

(vii) **“Key Managerial Personnel”** or **“KMP”** means key managerial personnel as defined under Section 2(51) of the Act as under: - Section 2(51) “Key managerial personnel”, in relation to a Company, means—

- (i) the Chief Executive Officer or the Managing Director or the Manager;
- (ii) the Company Secretary;
- (iii) the Whole-Time Director;
- (iv) the Chief Financial Officer; and
- (v) such other officer as may be prescribed

In addition to the above mentioned KMP, all such person(s), if any, as identified and designated by the Company may also be treated as KMP for the purpose of this policy.

(viii) **“Associate Company”** means as defined under Section 2(6) of the Act as under: -

Section 2(6) “Associate Company”, in relation to another Company means a Company in which that other Company has a significant influence, but which is not a Subsidiary Company of the Company having such influence and includes a Joint Venture Company.

For the purposes of this clause, “significant influence” means control of at least twenty per cent of the total share capital, or of business decisions under an agreement.

“Total Share Capital”, for the purposes of clause, means the aggregate of the –

- (a) paid-up equity share capital; and
- (b) convertible preference share capital;

(ix) **“Arms length transactions”** means transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

(x) **“Ordinary Course of business”** means all transactions or activities that are necessary, normal and incidental to the business of the Company as permitted by the Object Clause in the Memorandum of Association of the Company or transactions that are considered while computing the business income / revenue / turnover of the Company and shall be deemed to be in the ordinary course of business. These may also be common practices and customs of commercial/agreed upon transactions.

(xi) **“Office or place of profit means any office or place of profit”:**

- (i) where such office or place is held by a Director, if the Director holding it receives from the Company anything by way of remuneration, over and above the remuneration to which he is entitled as Director, by way of salary, fee, commission, perquisites, any rent-free accommodation, or otherwise;
- (ii) where such office or place is held by an individual other than a Director or by any firm, Private Company or other Body Corporate, if the individual, firm, Private Company or Body Corporate holding it receives from the Company anything by way of remuneration, salary, fee, commission, perquisites, any rent-free accommodation, or otherwise.

(xii) **“Policy”** means this Related Transaction Policy, as amended from time to time.

Words or expressions used but not defined herein and defined under the Companies Act, 1956 or Companies Act, 2013 or in the RBI Act shall have the same meaning as assigned to them in the respective act as the case may be.

## DIRECTORS' REPORT

### 2. Governing Provisions

The **Related Party Transactions Policy** (“RPT Policy”) of STCI Primary Dealer Limited (“the Company”) has been prepared in accordance with the provisions of the Companies Act, 2013 as amended from time to time.

All Transactions with Related Parties including any subsequent modifications thereto must be reported to the Audit Committee and approved/noted/referred for approval by the Committee in pursuance of this policy, as per the provisions of the Companies Act, 2013 as amended from time to time.

The Company is required to disclose this policy on dealing with Related Party Transactions on its website and in the Annual Report.

### 3. Identification

#### 3.1. Identification of Related Parties

Every Director and Key Managerial Personnel shall at the beginning of every financial year disclose to the Company Secretary (CS) their related parties under section 2 (76) of the Act read with the rules framed there under, as amended from time to time and disclose any changes thereto during the financial year as immediately as practicable. Based on the disclosures, the list of related parties shall be identified.

#### 3.2. Identification of Related Party Transactions

In case of any proposed transaction or arrangement with a Related Party, the concerned team/department in the Company shall furnish to the Company Secretary, relevant details of the proposed transaction which shall include the name of the related party, nature of relationship, nature of contract, duration and particulars of the contract/arrangement/transaction; reason for entering into the transaction, manner of determining price and other commercial terms, the draft contract/agreement and other supporting documents.

The Company shall, based on the details of transaction determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy.

### 4. Approvals process for related party transactions

The Company generally undertakes transactions with related parties, in its ordinary course of business and at arms' length basis and such transaction do not require prior approval under the Act. However, such transactions would be placed for noting to the Audit Committee as well as the Board of Directors.

#### 4.1. Audit Committee review / approval

All related party transactions / arrangements or any modifications thereof, which are not in ordinary course of business and/or not on arms length basis, will be referred to the Audit Committee for review and approval with the details of related party, nature of transaction, reason for undertaking the transaction, particulars of the contract/arrangement, pricing terms, whether on arms length and in the ordinary course of business and other relevant information.

Any member of the Committee who has a potential interest in any reported Related Party Transaction shall abstain from discussion and voting on the approval of the Related Party Transaction.

The Audit Committee, on the recommendation of the Management, may approve the transactions with related parties in accordance with provisions of the Companies Act read with the Rules made there under, as amended from time to time.

#### 4.2. Board Approval

Related Party Transactions as defined under Section 188 of the Act which are not in ordinary course of business and/or not on arm's length basis or any subsequent modification thereto, shall be placed before the Board for its approval.

Where any director is interested in any transaction or contract or arrangement with a Related Party, such director shall abstain himself from discussion and voting on the approval of the related party transaction.

The Board may approve all Related Party Transactions which are not at arm's length and / or which are not in the ordinary course of business in accordance with provisions of the Companies Act read with the Rules made there under, as amended from time to time.

In addition to the above, contracts/ arrangements/ transactions which are in the ordinary course of business and at arm's length and do not require approval of the Board under Section 188 of the Act may also be reviewed and noted by the Audit Committee and the Board of Directors.

## DIRECTORS' REPORT

### 4.3. Approval of the Shareholders

The following Material Related Party Transactions which exceed the monetary limit prescribed under Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 (given below) and which are either not on arm's length and/or are not in the ordinary course of business, shall on recommendation of the Board be placed before the shareholders for its prior approval in accordance with the provisions of the Act and the Related Parties shall abstain from voting on such resolutions:

Sr. No.	Prescribed Related Party Transaction	Monetary limit
1	Sale, purchase or supply of any goods or materials directly or through appointment of agents	Exceeding ten percent of the annual turnover of the Company.
2	Selling or otherwise disposing of, or buying, property of any kind directly or through appointment of agents	Exceeding ten percent of net worth of the Company
3	Leasing of property of any kind	Exceeding ten percent of the net worth or exceeding ten percent of turnover of the Company
4	Availing or rendering of any services directly or through appointment of agents	Exceeding ten percent of turnover of the Company
5	Appointment to any office or place of profit in the Company, its subsidiary company or associate Company	Monthly remuneration exceeding two and half lakh rupees
6	Remuneration for underwriting the subscription of any securities or derivatives thereof of the Company	Exceeding one percent of the net worth

*Explanation: Turnover or Net worth shall be computed based on the last Audited Balance Sheet of the Company.*

### 4.4. Summary of Approval process

Sr. No.	Particulars / Criteria	Audit Committee Approval	Board Approval	Shareholders' Approval
(i)	Transaction in the Ordinary Course of Business AND at arm's length basis	Quarterly Noting at Meeting*	Quarterly Noting at Meeting*	×
(ii)	Transaction within the threshold limit and either not in the Ordinary course of business OR not at arm's length basis	√ (prior approval)	√ (prior approval)	×
(iii)	Transaction exceeding the threshold limit and either not in the Ordinary course of business OR not at arm's length basis	√ (prior approval)	√ (prior approval)	√ (prior approval)

*\* usually identified transaction for which omnibus approval for related party transactions is taken as well as other transactions which are in the ordinary course of business and at arm's length basis.*

### 4.5. Related party Transactions not requiring approval of Audit Committee/Board, etc.

Notwithstanding the foregoing, Related Party Transactions involving the providing of compensation to a director or Key Managerial Personnel (KMP) in connection with his or her duties to the Company including salary, reimbursement of business and travel expenses, halting allowance, entertainment expenses etc. incurred in the ordinary course of business, will not require the approval of the Audit Committee/Board/shareholders.

### 4.6. Related Party Transactions not approved under this Policy

Where any contract or arrangement not in ordinary course of business and/or not on arm's length basis is entered into by a Director or any other employee without obtaining the approval of Board or approval of Shareholders by a resolution in the general meeting under Section 188(1) of the Act, it shall be put up for ratification by the Board or by the shareholders at a meeting within three (3) months from the date on which such contract or arrangement was entered into.

In the event the Company becomes aware of a transaction with a Related Party that has not been approved within three (3) months as stated above, the matter shall be reviewed by the Board. The Board shall consider all the relevant facts and circumstances of such Transaction/arrangement and evaluate all options available to the Company, including ratification by the Board or shareholders, revision or termination of such transaction/arrangement and take any such action as it may deem appropriate.



## DIRECTORS' REPORT

### 5. Reporting & Disclosures

The particulars of contracts or arrangement with Related Parties referred to in section 188 shall be disclosed in the Board's report for each financial year in the prescribed format. The Company shall disclose this Policy on its website and in its annual report.

#### 5.1. Register of Contracts/Arrangements in which Directors are interested

The Company shall maintain a Register of Contracts with Related Parties in accordance with the requirements of Section 189 of the Act to record particulars of all contracts /arrangements to which Section 184(2) and Section 188 of the Act applies and place such register before the next meeting of the Board and obtain signatures of all Directors present at that meeting.

The said register shall be authenticated by the Company Secretary, or such other person as may be authorized by the Board and shall be preserved permanently.

Such Register of Contracts shall be kept at the registered office of the Company or at such other place as the members of the Company may decide, and shall be open for inspection during business hours, except on Saturday.

A member of the Company shall be entitled to get the extracts of the said register, within 7 days of the date of the request and upon payment of such fees as may be specified.

#### 5.2. Related Party Transactions as per Ind AS- 24

The Company shall report details of related party transactions as per Ind AS 24, on quarterly basis, to the Audit Committee and the Board of Directors.

The Company shall report and disclose of such related parties and transaction with related parties in its Financials Statement.

### 6. Related Party Transactions with Holding Company

The Company is a wholly owned subsidiary of STCI Finance Limited (Holding Company) and in accordance with the definition of related party under Section 2(76) of the Companies Act, 2013 shall be required to comply with the relevant provisions of the Companies Act, 2013.

An overview of the relevant provisions of the Companies Act, 2013 and reporting process of such transactions is detailed in Annex I.

### 7. Interpretation of the Policy

In the event of any provisions contained in this Policy are inconsistent with the provisions contained in Companies Act, 2013 or RBI regulations or Accounting Standards, etc. or any amendments thereto, (Regulatory Acts), the provisions contained in the Regulatory Acts will prevail.

### 8. Amendments to the Policy

The Board of Directors on its own and / or as per the recommendations of Audit Committee and/ or due to any regulatory requirement/amendment can amend this Policy, as and when deemed fit.

### 9. Review of Policy

The Related Party Transactions (RPT) Policy will be reviewed annually, or in the interim, should there be a change/amendment in regulations.



# DIRECTORS' REPORT

## Annex I

### **Related Party Transactions with Holding Company**

Considering the structure of the Company, transactions with STCI Finance Limited (Holding Company) are entered in the ordinary course of business and at arms' length and placed before the Audit Committee & Board for an omnibus approval thereon.

At the beginning of a financial year, a list of certain pre-determined transactions shall be identified and an omnibus approval for each financial year shall be obtained from the Audit Committee & Board of the Company.

Thereafter, a reporting of transactions with STCI Finance Limited (Holding Company) entered into during a quarter, in accordance with the Companies Act, 2013, shall be placed before the Audit Committee & Board for noting purpose. These related party transactions shall form part of the Board Report at the end of a financial year.

Applicability/interpretation of relevant provisions of the Companies Act, 2013, with respect to transactions with STCI Finance Limited (Holding Company) are provided hereunder:

- i. Section 188 (1) of the Companies Act, 2013 provides for the contract/arrangement/transactions which shall be triggered as a related party transaction only if it is not in ordinary course of business and not at arm's length transactions between related parties.

**Applicability:** The transactions with STCI Finance Limited are executed in the ordinary course of business and at arm's length basis.

- ii. Section 177(4)(iv) of the Companies Act, 2013 entrusts power to the Audit Committee to grant omnibus approval for related party transactions which are repetitive in nature (in past or future) along with disclosure of certain information forming part of the agenda in this regard.

**Applicability:** The transactions with STCI Finance Limited are identified & predetermined, executed in the ordinary course of business operations and at arm's length basis and such transactions are repetitive in nature. Hence, an omnibus approval is obtained from the Audit Committee & Board for each financial year. Further, no monetary limit is applicable for such related party transaction.

- iii. An exception has been prescribed to Section 177(4)(iv) of the Companies Act, 2013, that any transaction between a holding company and its wholly owned subsidiary company is exempted from the requirement of Audit Committee to grant omnibus approval if the transaction is in ordinary course of business and at arm's length.

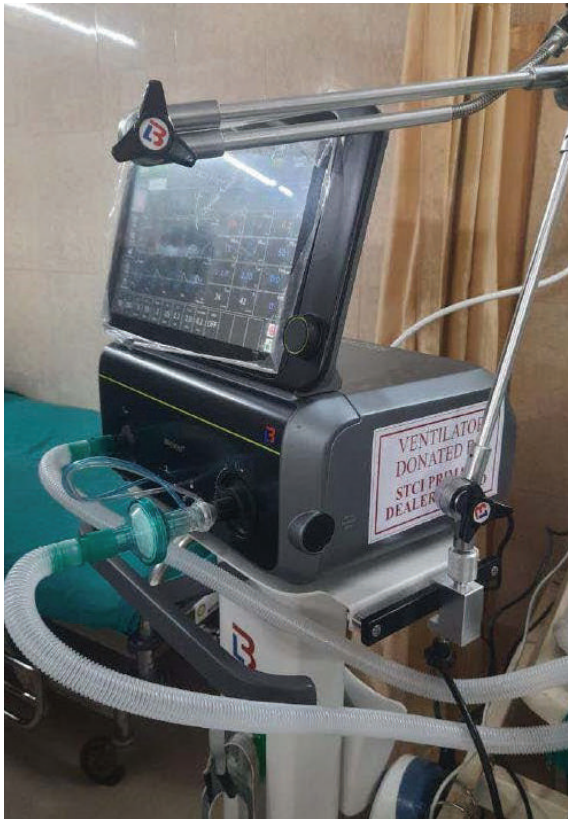
**Applicability:** Though an exemption has been granted as per Section 177(4)(iv) of the Companies Act, 2013, from the requirement of Audit Committee granting omnibus approval for transactions in the ordinary course of business and at arm's length between a holding company and its wholly owned subsidiary, as a matter of good corporate governance practice, omnibus approval of both the Audit Committee & Board of the Company is obtained for each financial year, on all identified and predetermined transactions with STCI Finance Limited (holding company),

- iv. Rule 6A of the Companies (Meetings of Board and its Powers) Rules, 2014, specifies that only when nature/type of transaction are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding rupees One (1) Crore per transaction. i.e., the limit of Rs. One (1) Crore per transaction is applicable only if the details or specification of the nature of transaction is not pre-determined/unforeseen.

**Applicability:** As the nature/type of transactions with STCI Finance Limited (holding company) are predetermined, identified, repetitive and fully known, the limit of Rs. One (1) Crore per transaction is not applicable to the omnibus approval



OUR GOAL IS TO  
BALANCE ECONOMIC  
PROSPERITY ALONG  
WITH SOCIAL PROGRESS  
AND COMMUNITY  
DEVELOPMENT







**GOODNESS IS THE ONLY INVESTMENT WHICH NEVER FAILS**





# SECRETARIAL AUDITORS' REPORT



Form No. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

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

To,  
The Members of,  
**STCI PRIMARY DEALER LIMITED**  
REGD OFFICE:- A/B1 - 801 (A-WING), 8TH FLOOR,  
MARATHON INNOVA,  
MARATHON NEXTGEN COMPOUND,  
LOWER PAREL, MUMBAI - 400 013

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **STCI PRIMARY DEALER LIMITED** having **CIN U67110MH2006PLC165306** (hereinafter called the 'Company') for the financial year ended on 31<sup>st</sup> March 2022 (the "audit period").

We conducted the Secretarial Audit in a manner that provided us a reasonable basis for evaluating the Company's corporate conducts/ statutory compliances and expressing our opinion thereon.

We are issuing this report based on:

- (i) Our verification of the Company's books, papers, minutes books, forms and returns filed, and other records maintained by the Company during the financial year ended March 31, 2022 as well as before the issue of this report;
- (ii) Our observations pursuant to visit to Registered office of the Company;
- (iii) Compliance certificates confirming compliance with all laws applicable to the Company given by the Key Managerial Personnel / Senior Managerial Personnel of the Company and taken on record by the Audit Committee / Board of Directors; and
- (iv) Representations made, documents shown and information provided by the Company, its officers, agents and authorized representatives during our conduct of Secretarial Audit

We hereby report that, in our opinion, during the audit period covering the financial year ended on 31<sup>st</sup> March 2022, the Company has:

- (i) Complied with the statutory provisions listed hereunder; and
- (ii) Board processes and compliance mechanism in place

**to the extent, in the manner and subject to the reporting made hereinafter**

# SECRETARIAL AUDITORS' REPORT

The members are requested to read this report along with our letter of even date annexed to this report as Annexure-A and Annexure-B.

## 1. Compliance with specific statutory provisions

We further report that:

- 1.1. We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company during the year according to the applicable provisions / clauses of:
  - (i) The Companies Act, 2013 (the 'Act') and the Rules made thereunder,
  - (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder,
  - (iii) The Securities Contracts (Regulation) Act, 1956 and the Rules made thereunder;
  - (iv) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; and
  - (v) Secretarial Standards issued by the Institute of Company Secretaries of India (Secretarial Standards).

### 1.2 During the period under review:

- (i) The Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Secretarial Standards as mentioned above.
- (ii) Generally complied with the applicable provisions / clauses of:
  - (a) The Act and Rules mentioned under paragraph 1.1 (i)
  - (b) The Secretarial Standards on meetings of Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) mentioned under paragraph 1.1 (iv) above to the extent applicable to meetings of the Board & its committees held during the year and the 15<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> August 2021, at shorter notice, with consent of the members. The compliance of the provisions of the Rules made under the Act with regard to the meetings of the Board and its Committees held through video conferencing were verified based on the minutes of the meeting provided by the Company.

Due to COVID-19 pandemic and unprecedented lockdown, the meetings of the Board of Directors and its Committees and the General meeting were convened and conducted as per the relaxations/guidelines provided by the Ministry of Corporate Affairs through various circulars.

### 1.3 We are informed and have verified that, during the year, the Company was not required to initiate any compliance related action in respect of the following laws / rules / regulations / standards and was consequently not required to maintain any books, papers, minute books or other records or file any forms/ returns thereunder:

- a. The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investments, Overseas Direct Investment and External Commercial Borrowings.
- b. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:
  - (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (iii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
  - (iv) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - (v) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021
  - (vi) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
  - (vii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
  - (viii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

### 1.4 We have also examined, on test-check basis, the relevant documents and records maintained by the Company, as per Annexure I, with respect to the following: -

- a) Master Direction on Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions 2016,
- b) Master Direction - Standalone Primary Dealers (Reserve Bank) Directions, 2016; and
- c) RBI Directions, Guidelines, Operating guidelines, Notifications and Circulars, as applicable to Systemically Important Non-Deposit Taking NBFC and Standalone Primary Dealers from time to time.





## SECRETARIAL AUDITORS' REPORT

### 2. Board processes:

We further report that:

2.1 The Board of Directors of the Company as on 31<sup>st</sup> March 2022 comprised of:

- (i) An Executive Director known as Managing Director
- (ii) Four Non-Executive Non-Independent Directors; and
- (iii) Two Non-Executive Independent Directors.

2.2 The processes relating to the following changes in the composition of the Board of Directors and Key Managerial Personnel during the year were carried out in compliance with the provisions of the Act:

- (i) Appointment of Mr. Raghvendra Kumar (DIN: - 08045355) by the Board of Directors of the Company as an Additional Director (Non- Executive) of the Company w.e.f. 07.05.2021 subject to the shareholders' approval. His appointment has been approved by the shareholders of the Company at the 15<sup>th</sup> Annual General Meeting held on 30.08.2021.
- (ii) Cessation of Mr. Gopalkrishnan Narayanan (DIN: 00210831), as an Independent Director of the Company w.e.f 07.08.2021 pursuant to completion of two consecutive terms as Independent Director of the Company.
- (iii) Re-appointment of Mr. R. Venkataramani (DIN: 00829107) who was liable to retire by rotation, as Non-Executive Director at the 15<sup>th</sup> Annual General Meeting held on August 30, 2021.
- (iv) Cessation of Mr. Pradeep Madhav (DIN: 00267422), as Non-executive Director w.e.f 01.09.2021 due to resignation under Section 168 of the Act.
- (v) Re- appointment of Mr. Prasanna Patankar as the Managing Director (DIN: 07658714) of the Company, by the Board of Directors at their meeting held on 22.10.2021 for a period of five years with effect from 24.01.2022 till 23.01.2027 subject to the approval of the shareholders of the Company.
- (vi) Appointment of Mr. Pradeep Madhav (DIN: 00267422), by the Board of Directors as an Additional Director (Non- Executive) of the Company w.e.f. 22.10.2021 subject to the approval of the shareholders of the Company.
- (vii) Appointment of Mr. Narayanmurthy Vishnubhotla (DIN: 00555704), by the Board of Directors as an Additional Director (Non- Executive) of the Company w.e.f. 22.10.2021 subject to the approval of the shareholders of the Company.
- (viii) Appointment of Mr. Prakash Kashinath Vartak (DIN: 09336265), by the Board of Directors as an Additional Director (Non- Executive Independent) of the Company w.e.f. 22.10.2021 subject to the approval of the shareholders of the Company.
- (ix) Cessation of Ms Sonali Sinha (DIN: 07092640), as an Independent Director of the company w.e.f 10.02.2022 on completion of two consecutive terms as Independent Director of the Company.
- (x) Appointment of Ms. Varda Pendse (DIN: 00152752), by the Board of Directors at their meeting held on 25.03.2022 as an Additional Director (Non- Executive Independent) of the Company w.e.f. 01.04.2022 subject to the approval of the shareholders of the Company.

2.3 Adequate notices and Agenda and detailed notes on Agenda were given to all Directors to schedule the Meetings of the Board of Directors and its Committees, which were sent within the stipulated time lines as required under section 173(3) of the Act and SS-1 except for one meeting of Nomination and Remuneration committee which was held at shorter notice with due consent of all directors.

2.4 A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for meaningful participation at the meetings.

2.5 We note from the minutes verified that, at the meetings of the Board held during the year:

- (i) Majority decisions were carried through; and
- (ii) No dissenting views were expressed by any member of the Board on any of the subject matters discussed, that were required to be captured and recoded as part of the minutes.

### 3. Compliance mechanism

There are reasonably adequate systems and processes in the Company, commensurate with the size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

### 4. Specific events / actions

- a) Pursuant to the Section 139(5) of the Companies Act, 2013, the Statutory Auditors of the Company have been appointed as per the directive of the Comptroller & Auditor General (C&AG) of India. At the 15<sup>th</sup> Annual General Meeting (AGM) held on 30<sup>th</sup> August 2021 at a shorter notice, the shareholders authorised the Board of Directors to consider appointment of the Statutory Auditors for the Financial Year 2021-2022 and fix their remuneration since the communication from C &AG in this regard was awaited.

## SECRETARIAL AUDITORS' REPORT

- b) With the consent of the members of the Company at the 15<sup>th</sup> AGM held on 30<sup>th</sup> August 2021, there was approval for the revision in terms of remuneration payable to Mr. Prasanna Patankar (DIN: 07658714), Managing Director of the Company with effect from April 01, 2021 by the way of special resolution.
- c) The Board of Directors of the Company in their meeting held on 25<sup>th</sup> March 2022 passed the resolution to consider, approve and declare First Interim Dividend for the FY 2021-22 at a rate of 24% on the face value of Rs.10 per share of the Company i.e., Rs.2.40/- per share in respect of 15,00,00,000 outstanding equity shares of face value of Rs.10/- each aggregating to Rs.36,00,00,000/- (Rupees Thirty-Six Crore Only), subject to the applicable Tax Deduction at Source (TDS) which was duly paid out on March 29, 2022 and there are no unclaimed dividend amounts pending.
- d) The Board of Directors of the Company in their meeting held on 27<sup>th</sup> April 2022 passed the resolution to consider, approve and declare Second Interim Dividend for the FY 2021-22 at a rate of 14% on the face value of Rs.10 per share of the Company i.e., Rs.1.40/- per share in respect of 15,00,00,000 outstanding equity shares of face value of Rs.10/- each aggregating to Rs.21,00,00,000/- (Rupees Twenty-One Crore Only), subject to the applicable Tax Deduction at Source (TDS).
- e) The Company had invested in Commercial Papers (CP) issued by Infrastructure Leasing & Financial Services Ltd. (IL&FS) aggregating to a total of FV of Rs 100 Crores. The maturity of the said Commercial paper was on 17<sup>th</sup> September 2018 of FV Rs 50 crore and another of FV Rs 50 crore due on 5<sup>th</sup> March 2019. IL&FS defaulted in respect of commercial papers invested by the Company. Considering the default, the Board of Directors and Management of the Company has written-off it's investment in the financial statements for Financial Year 2018-19. The Company has submitted a claim for the said amount. Out of the total claim of FV Rs.100 Crores, a claim of Rs. 98.47 Crores has been admitted by the Hon'ble National Company Law Tribunal (NCLT)/ National Company Law Appellate Tribunal (NCLAT) on the cut-off date 15<sup>th</sup> October 2018. However, till end of FY 2021-22, the matter is sub-judiced and pending with NCLT/NCLAT.

**For BNP & Associates**  
Company Secretaries  
Peer Review No-637/2019

**Venkataraman Krishnan**  
Associate Partner  
ACS No.: 8897  
C P No.:12459  
UDIN: A008897D000224961

Place: Mumbai  
Date: 27.04.2022



# SECRETARIAL AUDITORS' REPORT

## ANNEXURE A TO THE SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2022

To,  
**The Members of,**  
STCI PRIMARY DEALER LIMITED

Our Secretarial Audit Report of even date is to be read along with this letter.

1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.
2. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We also examined the compliance procedures followed by the company on a test basis. We believe that the processes and practices we followed, provides a reasonable basis for our opinion.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. We have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
6. Our Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For BNP & Associates**  
Company Secretaries  
Peer Review No-637/2019

**Venkataraman Krishnan**  
Associate Partner  
ACS No.: 8897  
C P No.:12459  
UDIN: A008897D000224961

Place: Mumbai  
Date: 27.04.2022

## SECRETARIAL AUDITORS' REPORT

### ANNEXURE B TO THE SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2022

To,  
**The Members of,**  
STCI PRIMARY DEALER LIMITED

The following documents were verified, on test-check basis, during the course of audit: -

1. Memorandum & Articles of Association of the Company;
2. Annual Report for the Financial year ended March 31, 2022;
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, IT Strategy Committee and Corporate Social Responsibility Committee held during the financial year in the review, along with the attendance registers;
4. Internal Compliance Checklist of the Company.
5. Minutes of the General Meeting held in the financial year under review;
6. Statutory registers viz.
  - Registers of directors and KMP and directors' shareholding
  - Register of loans guarantees and security and acquisition/s made by the company
  - Register of Charges
  - Register of Related Party Transactions-Transactions are in the ordinary course of business at Arms Length Basis
  - Register of Members
7. Agenda paper submitted to all the directors/members for the meetings of the Board and its Committees;
8. Declaration received from the Directors of the Company personal to the provisions of Section 184(1), Section 164(2), Section 149(3) and Section 149(7) of the Companies Act, 2013;
9. E-forms filed by the Company, from time to time, under applicable provisions of the Companies Act 2013, as amended from time to time along with the attachments thereof during the financial year under review.

**For BNP & Associates**  
Company Secretaries  
Peer Review No-637/2019

**Venkataraman Krishnan**  
Associate Partner  
ACS No.: 8897  
C P No.:12459  
UDIN: A008897D000224961

Place: Mumbai  
Date: 27.04.2022

# AUDITORS' REPORT

## DASSANI & ASSOCIATES

Chartered Accountants

1-B, SAGAR MATHA APART.  
18/7, M.G. Road, Indore - 452 001  
Ph. 0731-4078559, 4020801

### INDEPENDENT AUDITORS' REPORT

To The Members Of  
STCI Primary Dealer Limited

#### REPORT ON THE STANDALONE FINANCIAL STATEMENTS

#### OPINION

We have audited the standalone financial statements of **STCI PRIMARY DEALER LIMITED** (hereinafter referred to as "the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes to the financial statements, including a summary of the 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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under sub section 10 of section 143 of the Companies Act, 2013 ("the Act"). 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 Act and the Rules there under, 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 standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How the matter was addressed in our audit
<p><b>Information Technology (IT)</b></p> <p>IT systems and controls</p> <p>The Company's key financial accounting and reporting processes are dependent on the automated controls in information systems, such that there exists a risk that gaps in the IT control environment could impact the financial accounting and reporting significantly. The Company uses SAP system for its overall financial reporting.</p> <p>The Company's General Ledger system used in financial reporting is interfaced with other IT systems which process transactions of account relevant for financial reporting.</p>	<p>Our audit procedures to assess the IT systems and controls included the following:</p> <ul style="list-style-type: none"> <li>Understanding IT application controls for the audit period for significant accounts, testing interfaces, reports, reconciliations and system processing for significant accounts determined by us during our risk assessment. We tested the controls to determine that these controls remained unchanged during the audit period and in case of changes, were the changes followed the standard change management process.</li> <li>Understanding IT infrastructure records for the in-scope systems i.e., operating systems and databases. Based on procedures performed above, wherever required, we extended our audit procedures over other IT application controls, periodic reconciliations, manual approval processes, tests on identified key changes and additional substantive testing.</li> <li>Assessed and tested, the Company's IT systems and controls including IT infrastructure, which is duly supported by the opinion of Internal Auditors of the company, IFC auditors of the company and IT &amp; IS Auditors of the company.</li> </ul>



## **AUDITORS' REPORT**

### **INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON**

The Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Overview, Board's Report including Annexures to Board's Report, and Shareholder's Information but does not include the standalone financial statements and our auditor's report thereon.

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

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

### **MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS**

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

## AUDITORS' REPORT

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

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

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

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

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government 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, to the extent applicable.
2. As required by sub-section (3) of Section 143 of the Act, based on our audit, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) In pursuance to the Notification No. G.S.R. 463(E) dated 05-06-2015 issued by the Ministry of Corporate Affairs, sub-section 2 of section 164 of the Act pertaining to disqualification of directors not applicable to the Government Company. As informed to us by the Company the Board of Directors has taken on record written representations received from the directors as on March 31, 2022. As per written representation received, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of sub-section 2 of Section 164 of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting with reference to these standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's report in accordance with the requirements of the sub-section 16 of Section 197 of the Act, as amended:

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 49 to the standalone financial statements;
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 34 to the standalone financial statements; and
  - iii. As at March 31, 2022 there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

## AUDITORS' REPORT

iv.

- A. The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, 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, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person( or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- C. Based on such audit procedures we have 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 mis-statement.

v. The dividend declared or paid during the year by the company is in compliance with section 123 of the Companies Act, 2013.

- 3. As required by sub-section (5) of Section 143 of the Act and in terms of directions issued by the Comptroller and Auditor General of India during the course of audit of annual accounts of STCI Primary Dealer Limited, we give a report in the attached Annexure "C".

For **DASSANI & ASSOCIATES,**  
**Chartered Accountants**  
**Firm Registration No.: 009096C**

**CA. Aayush Mandhanya**  
**(Partner)**  
**M. No. 435709**  
**UDIN: 22435709AHXBWE9872**

Place: Mumbai  
Date: 27/04/2022



# ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

## ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of STCI Primary Dealer Limited of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.  
(B) The Company has maintained proper records showing full particulars of Intangible assets.
- (b) As explained to us, the Property, Plant and Equipment were physically verified during the year by the Management in accordance with a regular schedule of verification which, in our opinion, provides for physical verification of all the Property, Plant and Equipment at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in Note 13 to the standalone financial statements, are held in the name of the Company.
- (d) According to the information and explanations given to us, the company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) The Company's Investments ('stock') mainly consists of Treasury bills and Dated Government Securities which are held in the form of Subsidiary General Ledger (SGL) account maintained with the Reserve Bank of India and the said stock is verified with the confirmation certificate received from Clearing Corporation of India Limited ('CCIL') on a daily basis. The stock of other securities are held by the Company in de-materialized form with Axis Bank, and the same are verified with the confirmation certificates received from them at the year end. In our opinion, the coverage and procedure of such verification is reasonable and as explained to us, the Company is maintaining proper records of securities held as stock-in-trade and no material discrepancies were noticed on such verification as compared to the book records.
- (ii) (b) According to the information and explanation given to us, during any point of time of the year the company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. Thus, paragraph 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanation given to us, the Company has not made investments in, provided any guarantee or security or granted any loans, secured or unsecured to companies, firms, limited liability partnerships or any other parties. Thus, reporting under paragraph 3(iii) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities granted in respect of which provisions of Section 185 and 186 of the Companies Act are applicable to the Company. Thus, reporting under paragraph 3(iv) of the Order is not applicable to the Company.
- (v) According to the information and explanations given to us, in respect of deposits by the company or amounts which are deemed to be deposits, no amount has been accepted to which the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the rules made there under apply and hence, reporting under paragraph 3(v) of the Order is not applicable to the Company.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under sub-section 1 of section 148 of the Companies Act. Thus, paragraph 3(vi) of the Order is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us, and the records of the company examined by us, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Goods and Service Tax, provident fund, employees' state insurance, income tax, cess and other material statutory dues applicable to it. According to the information and explanations given to us, there are no undisputed amounts payable in respect of income tax, goods and service tax, cess and other material statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable.  
(b) According to the information and explanations given to us, there are no disputed amounts payable in respect material statutory dues referred to in sub-clause (a) which were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (viii) According to the information and explanations given to us, 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).



## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

- (ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) In our opinion and according to the information and explanations given to us, the Company is not declared a willful defaulter by any bank or financial institution or other lender.
- (c) According to the information and explanations given to us, no term loan were obtained by the Company during the year. Thus, reporting under paragraph 3(ix)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us, the Company did not raise any fund on short term basis. Thus, reporting under paragraph 3(ix)(d) of the Order is not applicable to the Company.
- (e) According to the information and explanations given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. Thus, reporting under paragraph 3(ix)(e) of the Order is not applicable to the Company.
- (f) According to the information and explanations given to us, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Thus, reporting under paragraph 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) Based on our audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and according to the information and explanations given to us by the Management, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year under review. Accordingly, reporting under paragraph 3(ix) of the Order is not applicable to the Company.
- (b) Based on our audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and according to the information and explanations given to us by the Management, the Company has not made preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, reporting under paragraph 3(ix) of the Order is not applicable to the Company.
- (xi) (a) Based on the audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and according to the information and explanations given by the Management, we report that no material fraud by the Company and on the Company has been noticed or reported during the year.
- (b) Based on the audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements, we report that no report under sub-section (12) of section 143 of the Companies Act has been filed by us in ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) Based on the audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and according to the information and explanations given by the Management, we report that no whistle-blower complaints received during the year by the company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, reporting under paragraph 3 (xii) of the Order is not applicable to the Company.
- (xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, where applicable and the details have been disclosed in the note no. 37 to the standalone financial statements, as required by the applicable accounting standards.



## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

- (xiv) (a) In our opinion and according to the information and explanations given by the management, company has an internal audit system commensurate with the size and nature of its business.
- (b) Reports of the internal Auditors for the period under audit were considered by us.
- (xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements, in our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Thus, reporting under paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) In our opinion and according to the information and explanations given to us, the Company is a NBFI/NBFC already registered under Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) and the registration certificate has been obtained.
- (b) According to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act 1934.
- (c) According to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- (d) According to the information and explanations given to us, the Group does not have more than one CIC as part of the Group.
- (xvii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements, in our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year.
- (xix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and on the basis of financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, in our opinion and according to the information and explanations given to us no material uncertainty exists as on the date of the audit report that company is 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.
- (xx) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements, in respect of other than ongoing projects, the company has no unspent amount to be transferred to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act.

For **DASSANI & ASSOCIATES,**  
**Chartered Accountants**  
**Firm Registration No.: 009096C**

**CA. Aayush Mandhanya**  
**(Partner)**  
**M. No. 435709**  
**UDIN: 22435709AHXBWE9872**

Place: Mumbai  
Date: 27/04/2022



# ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

## ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of STCI Primary Dealer Limited of even date)

We have audited the internal financial controls over financial reporting of **STCI Primary Dealer Limited** (hereinafter referred to as "the Company") as of March 31, 2022 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 Management and Board of Directors of the Company are 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 ("the Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under sub-section 10 of Section 143 of the Act, 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 judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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 standalone 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

### INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS 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, to the best of our information and according to the explanations given to us, 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 March 31, 2022, 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 **DASSANI & ASSOCIATES,**  
**Chartered Accountants**  
**Firm Registration No.: 009096C**

**CA. Aayush Mandhanya**  
**(Partner)**  
**M. No. 435709**  
**UDIN: 22435709AHXBWE9872**

Place: Mumbai  
Date: 27/04/2022



# ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

## ANNEXURE 'C' TO THE INDEPENDENT AUDITOR'S REPORT

Directions indicating the areas to be examined by the Statutory Auditors during the course of audit of annual accounts of STCI Primary Dealer Limited for the year 2021-22 issued by the Comptroller & Auditor General of India under Section 143 (5) of the Companies Act, 2013.

Sr. NO.	AREA EXAMINED	OBSERVATIONS/FINDINGS
1.	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The Company has system of processing of accounting transactions partially through system with human intervention and partially by direct feeding manually. Various calculations in accordance with the requirements of Ind AS such as Amortized cost using effective interest rate, calculation of lease liability etc. needs to be processed through IT System, any manual intervention can lead to passing of wrong entries in the system and would directly affect the financial statements. Presently, said working have been maintained manually and verified by us.
2.	Whether there is any restructuring of an existing loan or cases of waiver / write off of debts / loans / interest etc. made by a lender to the Company due to the Company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (in case, lender is a Government company, then its direction is also applicable for statutory auditor of lender company).	There is no case of restructuring / waiver/ write off of debts / loans / interest reported by the management and / or observed during our audit of the year.
3.	Whether funds (grants/subsidy etc.) received / receivable for specific schemes from Central / State Government or its agencies were properly accounted for / utilized as per its terms and condition? List the cases of deviations.	There is no case of funds i.e., grants, subsidy etc. received / receivable for specific schemes from Central / State Government or its agencies reported by the management and / or observed during our audit of the year.

Additional Directions for Finance companies u/s 143(5) of the Companies Act, 2013 for 2021-22.

Sr. NO.	AREA EXAMINED	OBSERVATIONS/FINDINGS
4.	RBI provided a window (vide circular dated 6 August 2020) under the prudential framework to implement a resolution plan to borrowers having stress on account of Covid 19, as per which existing loans can be restructured without downgrading the asset classification. Are there any cases of restructuring involving the new provision and if so, are they in compliance with the RBI Circular?	The company is registered as NBFI/NBFC. The company is a Standalone Primary Dealer and primary business of the company is dealing into Government Securities and T-Bills. The company does not have exposure to Loans (Assets). Thus, the company does not have existing loans which can be restructured without downgrading the asset classification and the RBI Circular on the same is not applicable to the company.

For **DASSANI & ASSOCIATES,**  
Chartered Accountants  
Firm Registration No.: 009096C

**CA. Aayush Mandhanya**  
(Partner)  
M. No. 435709  
UDIN: 22435709AHXBWE9872

Place: Mumbai  
Date: 27/04/2022

# AUDITORS' CERTIFICATE FOR NBFC

## DASSANI & ASSOCIATES

Chartered Accountants

1-B, SAGAR MATHA APART.  
18/7, M.G. Road, Indore - 452 001  
Ph. 0731-4078559, 4020801

---

### INDEPENDENT AUDITORS' REPORT

To,  
**The Board of Directors of  
STCI Primary Dealer Limited**

Pursuant to the paragraphs 3 (A) and (C) of the Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 ("the Directions") issued by the Reserve Bank of India (RBI), we have examined the matters specified in the directions in respect of STCI Primary Dealer Limited (hereinafter referred to as "the Company"), for the year ended March 31, 2022.

#### MANAGEMENT'S RESPONSIBILITY

The Management is responsible for the design and implementation of internal procedures, systems, processes and controls to ensure compliance with the Directions on an ongoing basis. The Management is also responsible for ensuring that the Company complies with the requirements of the Directions and for providing all relevant information to RBI.

#### AUDITOR'S RESPONSIBILITY

Pursuant to the requirements of the directions it is our responsibility to examine the books and other records of the Company and report on the matters as prescribed by the RBI.

We conducted our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

#### CONCLUSION

Based on our examination of the books and records of the Company as produced for our examination, and the information and explanations given to us, we further report that:

1. (a) The Company is engaged in the business of non-banking financial institution and has obtained a Certificate of Registration No. N-13.01865 dated 23.05.2007, as provided in Section 45-IA of the Reserve Bank of India Act, 1934.
- (b) The Company is entitled to continue to hold Certificate of Registration in terms of its asset/income pattern as on March 31, 2022.
- (c) The Company is meeting the required net owned fund requirement as laid down in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.



## AUDITORS' CERTIFICATE FOR NBFC

2. (a) The Board of Directors has passed a resolution for the non-acceptance of any public deposits.
- (b) The Company has not accepted any public deposits during the relevant year.
- (c) The Company has complied with the prudential norms relating to income recognition, Indian accounting standards (INDAS), asset classification and provisioning for bad and doubtful debts as applicable to it.
- (d) The capital adequacy ratio as disclosed in the return submitted to the Reserve Bank of India in Form DNBS-03, has been correctly arrived at and such ratio is in compliance with the minimum capital to risk weighted asset ratio as prescribed by the Reserve Bank of India.
- (e) The Annual Statement of Capital Funds, risk assets / exposures and risk asset ratio in form DNBS-03 has been submitted within the stipulated period.
- (f) The Company is not NBFC Micro Finance Institutions (MFI) as defined in the Non- Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

For **DASSANI & ASSOCIATES,**

**Chartered Accountants**

**Firm Registration No.: 009096C**

**CA. Aayush Mandhanya**

**(Partner)**

**M. No. 435709**

**UDIN: 22435709ALAVEF9527**

Place: Indore

Date: 16/06/2022

## **REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA**

### **COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF STCI PRIMARY DEALER LIMITED FOR THE YEAR ENDED 31 MARCH 2022**

The preparation of Financial Statements of STCI Primary Dealer Limited for the year ended 31 March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 27 April 2022.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statement of STCI Primary Dealer Limited for the year ended 31 March 2022 under section 143(6)(a) of the Act.

For and on the behalf of the  
Comptroller and Auditor General of India  
sd/-  
(P. V. Hari Krishna)  
Principal Director of Audit (Shipping)  
Mumbai

Place : Mumbai  
Date : 29/06/2022

## BALANCE SHEET AS AT MARCH 31, 2022

(₹ in Lakhs)

PARTICULARS	NOTE NO.	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
<b>ASSETS</b>			
<b>1 Financial Assets</b>			
(a) Cash & cash equivalents	4	22.09	48.77
(b) Bank balances other than (a) above	5	122.08	22.11
(c) Derivative financial instruments	6	38,228.27	44,863.24
(d) Receivables			
(i) Trade Receivables	7	20.79	244.56
(ii) Other Receivables	8	0.28	0.35
(e) Investments	9	1,361,550.63	1,139,822.55
(f) Other financial assets	10	3,627.42	1,665.40
<b>2 Non-financial Assets</b>			
(a) Current tax assets(net)	11	545.31	105.28
(b) Deferred tax asset (net)	12	-	64.18
(c) Property, plant and equipment	13	1,492.38	1,523.84
(d) Right of Use Asset	13	75.75	102.46
(e) Intangible assets under development	13	-	0.64
(f) Other intangible assets	13	5.35	9.36
(g) Other non-financial assets	14	134.50	207.94
<b>TOTAL ASSETS</b>		<b>1,405,824.85</b>	<b>1,188,680.68</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>1 Financial Liabilities</b>			
(a) Derivative financial instruments	6	38,589.59	44,695.76
(b) Payables			
<b>(i) Trade Payables</b>	15		
total outstanding dues of micro enterprises and small enterprises		-	2.92
total outstanding dues of creditors other than micro enterprises and small enterprises		47.59	53.69
<b>(ii) Other Payables</b>			
total outstanding dues of micro enterprises and small enterprises		-	-
total outstanding dues of creditors other than micro enterprises and small enterprises		38.18	38.25
(c) Borrowings (other than debt securities)	16	1,269,123.61	1,050,298.35
(d) Deposits	17	19,155.34	18,772.90
(e) Lease Liability	18	67.59	89.08
(f) Other Financial Liabilities	19	476.24	257.58



## BALANCE SHEET AS AT MARCH 31, 2022

(₹ in Lakhs)

PARTICULARS	NOTE NO.	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
<b>2 Non-Financial Liabilities</b>			
(a) Provisions	20	414.84	1,191.93
(b) Deferred tax liabilities(net)	12	218.14	-
(c) Other non-financial liabilities	21	23.60	118.00
<b>3 Equity</b>			
(a) Equity share capital	22	15,000.00	15,000.00
(b) Other equity	23	62,670.13	58,162.22
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1,405,824.85</b>	<b>1,188,680.68</b>

Basis of Preparation and measurement	2
Significant accounting policies	3

The accompanying notes are an integral part of financial statements

In terms of our report of even date

**FOR DASSANI & ASSOCIATES**

Chartered Accountants

Firm Registration No.- 009096C

**CA AAYUSH MANDHANYA**

Partner

Membership No.: 435709

For and on behalf of the Board of Directors

**V. NARAYANAMURTHY** *Director*

**R. VENKATARAMANI** *Director*

**T. V. RAO** *Director*

**PRASANNA PATANKAR**

**KALPESH MODY**

*Managing Director*

*Company Secretary and Chief Financial Officer*

DIN : 00555704

DIN : 00829107

DIN : 05273533

DIN : 07658714

Date: April 27, 2022

Place : Mumbai

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2022**

(₹ in Lakhs)

PARTICULARS	NOTE NO.	FOR THE YEAR ENDED MARCH 31, 2022	FOR THE YEAR ENDED MARCH 31, 2021
<b>REVENUE FROM OPERATIONS :</b>			
(i) Interest income	24	60,025.48	44,922.48
(ii) Dividend income	25	16.34	3.70
(iii) Fees and commission income	26	633.75	617.35
(iv) Trading Profit/(Loss) on investments	27	2,742.77	17,342.55
(v) Net gain on fair value changes	28	(5,963.33)	(1,418.40)
(vi) Reclassification adjustment (Net gain on derecognition of financial instruments under FVOCI)		-	762.32
<b>(I) Total revenue from operations</b>		<b>57,455.01</b>	<b>62,230.00</b>
(II) Other income	29	486.78	798.16
<b>(III) Total income (I+II)</b>		<b>57,941.79</b>	<b>63,028.16</b>
<b>EXPENSES :</b>			
(i) Finance costs	30	41,480.39	29,375.28
(ii) Transaction and settlement charges	31	592.79	489.59
(iii) Employee benefit expenses	32	1,115.23	1,512.83
(iv) Depreciation, amortization and impairment	13	88.25	93.41
(v) Other expenses	33	950.19	752.68
<b>(IV) Total expenses</b>		<b>44,226.85</b>	<b>32,223.79</b>
<b>(V) Profit / (loss) before exceptional items and tax (III-IV)</b>		<b>13,714.94</b>	<b>30,804.37</b>
(VI) Exceptional items		-	-
<b>(VII) Profit/(loss) before tax (V -VI )</b>		<b>13,714.94</b>	<b>30,804.37</b>
<b>Tax expense:</b>			
Current Tax		3,377.06	8,377.90
Deferred Tax		281.72	(412.84)
<b>(VIII) Total tax expense:</b>		<b>3,658.78</b>	<b>7,965.06</b>
<b>(IX) Profit / (loss) for the year from continuing operations(VII-VIII)</b>		<b>10,056.16</b>	<b>22,839.31</b>
(X) Profit/(loss) from discontinued operations		-	-
(XI) Tax Expense of discontinued operations		-	-
<b>(XII) Profit/(loss) from discontinued operations (After Tax) (X-XI)</b>		<b>-</b>	<b>-</b>
<b>(XIII) Profit/(loss) for the year</b>		<b>10,056.16</b>	<b>22,839.31</b>

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

PARTICULARS	NOTE NO.	FOR THE YEAR ENDED MARCH 31, 2022	FOR THE YEAR ENDED MARCH 31, 2021
<b>(XIV) Other comprehensive income</b>			
(i) Items that will not be reclassified to profit or loss		2.32	(3.07)
(ii) Income Tax relating to items that will not be reclassified to profit or loss		(0.58)	0.77
<b>Subtotal (A)</b>		1.74	(2.30)
(i) Items that will be reclassified to profit or loss		-	617.52
(ii) Income Tax relating to items that will be reclassified to profit or loss		-	36.45
(iii) Reclassification adjustment		-	(762.32)
<b>Subtotal (B)</b>		-	(108.35)
<b>Other Comprehensive Income (A + B)</b>		1.74	(110.65)
<b>(XV) Total Comprehensive Income for the year</b>		<b>10,057.90</b>	<b>22,728.66</b>
<b>(XVI) Earnings per equity share (for continuing operations)</b>			
Basic (₹)		6.70	15.23
Diluted (₹)		6.70	15.23

Basis of Preparation and measurement 2  
Significant accounting policies 3

The accompanying notes are an integral part of financial statements

In terms of our report of even date

**FOR DASSANI & ASSOCIATES**

Chartered Accountants

Firm Registration No.- 009096C

**CA AAYUSH MANDHANYA**

Partner

Membership No.: 435709

For and on behalf of the Board of Directors

**V. NARAYANAMURTHY** *Director*

**R. VENKATARAMANI** *Director*

**T. V. RAO** *Director*

**PRASANNA PATANKAR** *Managing Director* DIN : 07658714

**KALPESH MODY** *Company Secretary and Chief Financial Officer*

DIN : 00555704

DIN : 00829107

DIN : 05273533

Date: April 27, 2022

Place : Mumbai



## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

PARTICULARS	FOR THE YEAR ENDED MARCH 31, 2022		FOR THE YEAR ENDED MARCH 31, 2021	
<b>A Cashflow from operating activities</b>				
<b><u>Net Profit before Taxation</u></b>		<b>13,714.94</b>		<b>30,804.37</b>
<b>Adjustments for Non Cash/ Non Operating Items:</b>				
Depreciation & amortisation		88.25		93.41
(Profit)/Loss on sale of Property, plant and equipment		(0.06)		(0.19)
Interest Income on Investments		(5,976.41)		(290.58)
Unrealised (gain)/loss on investment held in FVTPL		5,963.33		1,418.40
Interest on Lease Liabilities		4.19		4.96
Expense written back		(357.80)		(73.60)
Dividend received		-		(3.70)
<b>Operating Profit before working capital changes</b>		<b>13,436.44</b>		<b>31,953.07</b>
<b>Changes in Working Capital:</b>				
(Increase)/ Decrease in Receivable	223.84		(244.91)	
(Increase)/ Decrease in Investments at FVTPL (Trading portfolio)	(65,572.56)		(360,681.65)	
(Increase)/ Decrease in Derivatives	528.80		685.85	
(Increase)/ Decrease in Other financial assets	(1,962.02)		352.10	
(Increase)/ Decrease in Other non-financial assets	73.44		(17.11)	
Increase/ (Decrease) in Payable	(9.08)		(78.93)	
Increase/ (Decrease) in Other Financial Liability	218.66		-	
Increase/ (Decrease) in Provisions	(416.97)		251.92	
Increase/ (Decrease) in Accrued interest on Borrowings	21.92		(195.50)	
Increase/ (Decrease) in Other non-financial liabilities	(94.40)		73.26	
<b>Cash flow from/(used in) operating activities</b>		<b>(53,551.93)</b>		<b>(327,901.90)</b>
<b>Less: Taxes Paid</b>		<b>(3,817.06)</b>		<b>(8,960.32)</b>
<b>Net Cash flow from/(used in) Operating Activities</b>		<b>(57,368.99)</b>		<b>(336,862.22)</b>
<b>B Investing activities</b>				
Purchase of Investments at Amortised cost		(160,513.97)		-
Sale of FVTOCI debt instrument		-		35,639.99
Purchase of fixed assets		(23.51)		(46.48)
Sales of fixed assets		0.06		0.19
Cost incurred for Intangible assets under development		-		(0.64)
Intangible assets under development transferred to Intangible assets		0.64		-
Investment in Right of use asset		0.00		19.94
Purchase of intangible assets		(2.56)		-
Dividend received		-		3.70
Fixed deposit with banks having original maturity over three months		0.03		(0.05)
(Payment) /Realisation of Margin money from bank		(100.00)		300.00
Interest received on Amortised Cost securities		4,371.52		-
Interest received on FVTOCI debt securities		-		290.58
<b>Net Cash Flow from/(used in) Investing Activities</b>		<b>(156,267.79)</b>		<b>36,207.23</b>

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

PARTICULARS	FOR THE YEAR ENDED MARCH 31, 2022		FOR THE YEAR ENDED MARCH 31, 2021	
<b>C <u>Financing Activities</u></b>				
Payment of dividend		(5,550.00)		(12,600.00)
Borrowings and Deposits Taken / (Repayment)		219,185.77		313,270.26
Payment of Lease liability		(25.67)		(29.28)
<b>Net Cash Flow from Financing Activities</b>		<b>213,610.10</b>		<b>300,640.98</b>
<b>Net increase/(decrease) in cash &amp; cash equivalent (A+B+C)</b>		<b>(26.68)</b>		<b>(14.01)</b>
<b>Cash &amp; cash equivalent as at beginning of the year</b>		<b>48.77</b>		<b>62.78</b>
<b>Cash &amp; cash equivalent as at end of the period</b>		<b>22.09</b>		<b>48.77</b>
<b>Net change in cash and cash equivalents</b>		<b>(26.68)</b>		<b>(14.01)</b>
<b>Operational cash flows from interest and dividends</b>				
Interest paid		(41,454.19)		29,315.00
Interest received		52,525.70		44,400.26
Dividend received		16.34		-

**Note:**

- (i) Cash Flow Statement has been prepared under the “Indirect Method” as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flow.
- (ii) Refer note 36 for Change in liabilities arising from financing activities.”

The accompanying notes are an integral part of financial statements

In terms of our report of even date

**FOR DASSANI & ASSOCIATES**

Chartered Accountants

Firm Registration No.- 009096C

For and on behalf of the Board of Directors

**V. NARAYANAMURTHY** *Director*

DIN : 00555704

**R. VENKATARAMANI** *Director*

DIN : 00829107

**T. V. RAO** *Director*

DIN : 05273533

**CA AAYUSH MANDHANYA**

Partner

Membership No.: 435709

**PRASANNA PATANKAR** *Managing Director*      DIN : 07658714

**KALPESH MODY** *Company Secretary and Chief Financial Officer*

Date: April 27, 2022

Place : Mumbai



## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

### A. Equity Share Capital

(1) FY 2021-22

(₹ in Lakhs)

Balance as at April 01, 2021	Changes in Equity Share Capital due to prior period errors	Restated balance as at April 01, 2021	Changes in equity share capital during the current quarter	Balance as at March 31, 2022
15,000.00	-	15,000.00	-	15,000.00

(2) FY 2020-21

(₹ in Lakhs)

Balance as at April 01, 2020	Changes in Equity Share Capital due to prior period errors	Restated balance as at April 01, 2020	Changes in equity share capital during the year	Balance as at March 31, 2021
15,000.00	-	15,000.00	-	15,000.00

### B. Other Equity

(1) FY 2021-22

(₹ in Lakhs)

Particulars	Reserves & Surplus					Debt instruments through Other Comprehensive Income	Other items of Other Comprehensive Income	Total
	Capital Redemption Reserve	Statutory Reserve	Reserve & Surplus HTM - CGS A/c	General Reserve	Retained Earnings			
Balance as at April 01, 2021	5,000.00	20,080.15	2,126.63	105.94	30,863.15	-	(13.65)	58,162.22
Total Comprehensive Income for the year	-	-	-	-	10,056.17	-	1.74	10,057.91
Dividend Distributed	-	-	-	-	(5,550.00)	-	-	(5,550.00)
Transfer to/from retained earnings	-	2,011.58	-	-	(2,011.58)	-	-	-
Balance as at March 31, 2022	5,000.00	22,091.73	2,126.63	105.94	33,357.74	-	(11.91)	62,670.13

(2) FY 2020-21

(₹ in Lakhs)

Particulars	Reserves & Surplus					Debt instruments through Other Comprehensive Income	Other items of Other Comprehensive Income	Total
	Capital Redemption Reserve	Statutory Reserve	Reserve & Surplus HTM - CGS A/c	General Reserve	Retained Earnings			
Balance as at April 01, 2020	5,000.00	15,534.42	2,126.63	105.94	25,169.57	108.35	(11.35)	48,033.56
Total Comprehensive Income for the year	-	-	-	-	22,839.31	(108.35)	(2.30)	22,728.66
Dividend Distributed	-	-	-	-	(12,600.00)	-	-	(12,600.00)
Transfer to/from retained earnings	-	4,545.73	-	-	(4,545.73)	-	-	-
Balance as at March 31, 2021	5,000.00	20,080.15	2,126.63	105.94	30,863.15	-	(13.65)	58,162.22

The accompanying notes are an integral part of financial statements

In terms of our report of even date  
**FOR DASSANI & ASSOCIATES**  
 Chartered Accountants  
 Firm Registration No.- 009096C  
**CA AAYUSH MANDHANYA**  
 Partner  
 Membership No.: 435709

For and on behalf of the Board of Directors  
**V. NARAYANAMURTHY** Director DIN : 00555704  
**R. VENKATARAMANI** Director DIN : 00829107  
**T. V. RAO** Director DIN : 05273533  
**PRASANNA PATANKAR** Managing Director DIN : 07658714  
**KALPESH MODY** Company Secretary and Chief Financial Officer

Date: April 27, 2022

Place : Mumbai

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

### 1. CORPORATE INFORMATION

STCI Primary Dealer Ltd. ('the Company') is a Public limited company domiciled in India with its registered office at A/B1, 801, A Wing, 8th Floor, Marathon Innova, Marathon Nextgen Compound, Off G K Marg, Lower Parel (w) Mumbai – 400013. The company was incorporated under the provisions of the Companies Act, 1956 (as amended by the Companies Act, 2013) on October 31, 2006; vide CIN U67110MH2006PLC165306 issued by the Registrar of Companies Maharashtra, Mumbai. The Legal Entity identifier no is 335800QJFFJDBRUV9222. The Company is registered as a Non-Banking Financial Company and a Standalone Primary Dealer (PD) with Reserve Bank of India.

The Company is a wholly owned subsidiary of STCI Finance Limited and core activities of the Company comprises of underwriting, bidding, market making and trading in Government Securities, Treasury Bills and other fixed income securities. Apart from the above, the Company is an active participant in the money market. The Company plays an active role in all segments of the debt market i.e. in both the SLR and non-SLR segments and in the interest rate derivatives market. The Company runs a proprietary portfolio comprising of Government of India (GOI) dated securities (including Floating Rate Bonds, Inflation Indexed Bonds, etc.), GOI Special Bonds, State Development Loans, Treasury Bills, Corporate Bonds, Commercial Papers, Certificates of Deposits, etc. The Company also trades on proprietary account in equity instruments in both the cash & F&O segments and to a limited extent in the currency futures market.

### 2. BASIS OF PREPARATION AND MEASUREMENT

#### 2.1. Basis of Preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act, 2013 ('the Act') read with Companies (Indian Accounting Standards) Rules as amended from time to time, Reserve Bank of India directions to Non-Banking Finance Companies (NBFCs) and as applicable to Primary Dealers; and Division III to Schedule III of the Act as notified by the Ministry of Corporate Affairs through notification dated 11<sup>th</sup> October, 2018 and amendments thereto. The accounting policies are applied consistently to all the periods presented in the financial statements.

#### 2.2. Functional and presentation currency

The Company's presentation and functional currency is Indian Rupee (INR). All figures appearing in the financial statements are rounded off to two decimal places and have been presented in Lakhs, except per share amount and unless otherwise indicated.

#### 2.3. Basis of measurement

The Financial Statements have been prepared under historical cost convention on an accrual basis except for the following material items which have been measured at fair value as required by relevant Ind AS:

Items	Measurement Basis
Investments classified as fair value through profit or loss	Fair value
Investments classified as fair value through OCI	Fair value
Net defined benefit (asset) / liability	Fair value of plan assets less present value of defined benefit obligations

#### 2.4. Use of judgment and estimates

The preparation of the Financial Statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions in the application of accounting policies that affects the reported amount of assets, liabilities, and the accompanying disclosures along with contingent liabilities as on the date of financial statements and revenue & expenses for the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes different from the estimates. Difference between actual results and estimates are recognised in the period in which the results are known or materialise i.e. prospectively. Estimates and underlying assumptions are reviewed on an on-going basis based on the most recently available information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes.

- Fair value measurement of financial instruments
- Measurement of Defined Benefit Obligations and actuarial assumptions;
- Recognition of deferred tax assets/liabilities;
- Revisions to accounting estimates are recognized prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

### 2.5. Fair value measurement

The Company measures financial instruments, such as investments and derivatives at fair values on each reporting date.

‘Fair value’ is the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price, then following is applied:

If the fair value is evidenced by a quoted price in active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets	the financial instrument is initially measured at fair value and the difference is recognised in the statement of profit and loss
If the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets	the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognised in Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

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

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities. The Company measures the fair value of an instrument using the quoted price in an active market for that instrument, if the same is available. A market is regarded as active, if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 — If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates most of the factors that market participants would take into account in pricing a transaction.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. The Company regularly reviews significant unobservable inputs and valuation adjustments. If the third-party information, such as broker quotes or pricing services, is used to measure fair values, then the Company assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified

The fair value of financial assets which are measured at FVTOCI or FVTPL is determined as under:

CATEGORY	Quoted / Unquoted	Valuation Method
Central Government Securities	Quoted	FIMMDA valuation
State Government Securities	Quoted	FIMMDA valuation
Corporate bonds/debentures	Quoted	FIMMDA valuation
Equity shares	Quoted	Closing prices at Stock Exchange
Units of Mutual Fund	Quoted	Stock Exchange/ AMFI
Units of Mutual Fund	Unquoted	AMFI
Derivative equity Instruments	Quoted	Stock Exchange
Derivative Debt Instruments	Quoted	FIMMDA Valuation

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### 3.1. Presentation and disclosure of financial statements

All Assets and liabilities are presented in financial statements in order of liquidity in compliance with Division III of schedule III to the Companies Act, 2013.

#### 3.2. Property, Plant and Equipment

##### i. Recognition and measurement

Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost of an asset comprises its purchase price and any costs (including non-refundable taxes) directly attributable to bringing the asset into the location and condition for its intended use, including relevant borrowing costs.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

The residual values and useful lives of Property, Plant and Equipment are reviewed at each financial year end and changes, if any, are accounted in the line with revisions to accounting estimates.

##### ii. Subsequent Measurement

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. Expenditure incurred after the PPE have been put into operations, such as repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred.

##### iii. Depreciation and amortisation

Depreciation on property, plant and equipment and amortization of intangible assets is recognised based on the remaining useful life at the end of the year as estimated by the management which are in line with the useful lives indicated in Schedule II to the Companies Act, 2013.

Land is not depreciated. However, where the cost of land and building cannot be separately ascertained, depreciation is provided on the composite cost, based on the estimated useful life of the buildings.

Estimated useful lives of the Tangible Assets are as under:

Description of Asset	Estimated useful Life
Building	60 years
Computers	3 years
Air Conditioners	10 years
Vehicles	8 years
Electrical Installation	10 years
Furniture & Fixtures	5 years
Office Equipment	6 years

#### 3.3. Intangible Assets

##### i. Recognition and measurement

Intangible Assets include computer software /licences acquired by the Company and are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation is recognized on a straight-line basis over the estimated useful lives of all the intangible assets. Estimated useful lives of the Intangible Assets are as under.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022**

Description of Asset	Estimated useful Life
Computer Software	3 years
Value of License/Right to use infrastructure	3 years
Right of use Assets	Remaining contract period

**3.4. Impairment of Non-financial assets****Tangible and intangible assets**

The carrying value of assets on each balance sheet date is reviewed for impairment, if any indication of impairment exists. If the carrying amount of the assets exceeds the estimated recoverable amount, impairment is recognised for such excess amount in Statement of Profit and Loss. Recoverable amount is the higher of the net selling price and value in use.

If on the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment losses previously recognized are reversed such that the asset is recognized at its recoverable amount but not exceeding written down value which would have been reported if the impairment losses had not been recognized initially.

**3.5. Financial Instruments**

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

**A. Financial Assets****i. Initial Recognition and measurement****Initial recognition**

Financial assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition of financial assets for an item which is not measured at Fair Value through Profit or Loss is adjusted to the fair value on initial recognition. Purchase and sale of Financial Assets are recognised using settlement date accounting.

Under settlement date accounting, an asset is recognised on the date it is actually delivered to the Company and asset is derecognised and profit/loss is booked on the date it is actually delivered by the Company. In case of assets measured at fair value, the Company also accounts for any change in fair value of the asset to be received during the period between trade date and settlement date in the same way as it accounts for the already acquired asset in profit or loss or in other comprehensive income, as appropriate.

**Subsequent measurement**

Financial assets are subsequently classified as measured at

- Amortised cost
- Fair value through profit and loss (FVTPL)
- Fair value through other comprehensive income (FVTOCI).

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

**ii. Classification of financial assets**

A Financial Asset is measured at amortised cost if both of the following conditions are met:

- (i) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Statement of Profit and Loss. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the Statement of Profit and Loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

### **Debt Instruments at fair value through OCI**

A financial asset is measured at fair value through other comprehensive income (FVTOCI) if both of the following conditions are met:

- (i) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses and interest revenue which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified to profit or loss and recognised separately in the profit and loss account. Interest income from these financial assets is included in interest income using the effective interest rate method (EIR).

### **Debt Instruments at fair value through profit or loss**

A Financial Asset shall be classified and measured at Fair Value through Profit or Loss (FVTPL) unless it is measured at amortised cost or at fair value through OCI.

A gain or loss on a debt investment that is subsequently measured at Fair value through Profit or Loss and is not part of a hedging relationship is recognised in Statement of Profit or Loss in the period in which it arises. Interest income from these financial assets is included in interest income.

### **Equity instruments**

Equity instruments which are held for trading are classified as at FVTPL with all changes recognised in Statement of Profit and Loss. For all other equity instruments, the Company decides to classify the same as whether at FVTOCI or FVTPL. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

In case, where the equity instruments are classified as at FVTOCI then fair value changes on the instrument, excluding dividends, are recognised in OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investments. However, the Company may transfer the cumulative gain or loss within equity. Dividends received on equity instruments classified as at FVTOCI are recognised in statement of Profit and Loss.

### **iii. De-recognition of financial assets**

The Company de-recognises a financial asset only when rights to receive cash flows from the asset have expired or has transferred its rights to receive cash flows or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity or the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On de-recognition, any gains or losses on all debt instruments (other than debt instruments measured at FVTOCI) and equity instruments (measured at FVTPL) are recognised in the Statement of Profit and Loss. Gains and losses in respect of debt instruments measured at FVTOCI and that are accumulated in OCI are reclassified to profit or loss on de-recognition. Gains or losses on equity instruments measured at FVTOCI that are recognised and accumulated in OCI are not reclassified to profit or loss on derecognition.

## **B. Financial liabilities and equity instruments issued by the Company**

### **i. Classification as Debt or Equity:**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

### **ii. Financial liabilities**

#### **Initial recognition and measurement**

All Financial Liabilities are recognized at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

#### **Subsequent measurement**

### **a) Financial Liabilities at Fair Value through Profit or Loss (FVTPL):**

A financial liability is classified as at Fair Value through Profit or Loss (FVTPL) if it is classified as held-for-trading or is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and changes therein, including any interest expense, are recognised in Statement of Profit and Loss.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

### b) Financial liabilities at amortised cost:

After initial recognition, financial liabilities other than those which are classified as FVTPL are subsequently measured at amortized cost using the effective interest rate method.

Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The amortization done using the EIR method is included as finance costs in the Statement of Profit and Loss.

### De-recognition of financial liabilities

The Company de-recognises financial liabilities when the obligations specified in the contract is discharged, cancelled or expired.

### C. Derivative financial instruments

The Company presently deals in interest rate swaps & futures, currency futures, Equity and index Futures and Options to earn trading profit. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. In case of Interest rate swaps, the current MTM value receivable over and above notional amount of the contract is recognised as fair value of asset and current MTM value payable over and above notional amount of the contract is recognised as fair value of liability.

Currency futures, interest rate futures (i.e. exchange traded derivatives) are marked to market using closing price of the relevant futures contract as published by the NSE.

Interest rate swaps are marked to market using yield curves as published by Financial Benchmark India Private Limited (FBIL).

Equity and Index Futures and Options are marked to market using the closing price of the relevant contract as published by the NSE.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss.

### D. Impairment of financial instruments

The Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial Assets measured at amortised cost or FVTOCI, except for investments in equity instruments. Company follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition.

**Stage 1 (Performing Assets)** - includes financial assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk on the reporting date. For these assets, 12-month ECL is recognised and interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance). 12-month ECL is the portion of ECL that results from default events on a financial instrument that are possible within the 12 months after the reporting date, if the credit risk has not significantly increased since initial recognition.

**Stage 2 (Underperforming Assets with significant increase in credit risk since initial recognition)** includes financial assets that have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but that do not have objective evidence of impairment. For these assets, lifetime ECL is recognised, but interest revenue is still calculated on the gross carrying amount of the asset. Lifetime ECL is the expected credit losses that result from all possible default events over the expected life of the financial instrument.

**Stage 3 (Non-performing or Credit-impaired assets)** includes financial assets that have objective evidence of impairment at the reporting date.

#### Criteria used for determination of movement from Stage 1 (12 month ECL) to Stage 2 and Stage 3 (lifetime ECL).

Criteria used for classification of assets are detailed below:

<b>Stage 1 (12 month ECL)</b>	Investments	No downgrade in external rating
<b>Stage 2 (lifetime ECL)</b>	Investments	Significant downgrade in the external rating
<b>Stage 3 (lifetime ECL)</b>	Investments	Bonds with Default Rating

#### Measurement of Expected Credit Loss

Expected Credit Loss (ECL) on financial assets is an unbiased probability weighted amount based out of possible outcomes after considering risk of credit loss even if probability is low and incorporates all available information which is relevant to the assessment including information about past events, current conditions and reasonable and supportable forecasts of future events and economic conditions at the reporting date. Methods of measuring expected credit losses are based on 3 main parameters.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

**Probability of default (PD):** It is defined as the probability of whether borrowers will default on their obligations in future.

**Loss given default (LGD):** It is the magnitude of the likely loss if there is a default. The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value.

**Exposure at default (EAD):** EAD represents the expected exposure in the event of a default, taking into account the repayment of principal and interest from the balance sheet date to the default event. Stage wise EAD computation is as under.

- (i) For Stage 1 and 3, Current outstanding is used as EAD.
- (ii) For Stage 2 accounts, the expected principals outstanding (as contracted) at the end of reporting period are used as EAD.

ECL is measured as the product of the PD, LGD and EAD. Expected credit loss is measured from the initial recognition of the financial asset. The maximum period considered when measuring ECL (be it 12-month or lifetime ECL) is the maximum contractual period over which the Company is exposed to credit risk. The estimation of ECL also takes into account the time value of money. ECL is estimated based on the present value of all cash shortfalls over the remaining expected life of the financial asset.

Computation of ECL is summarized as under.

Classification	ECL	ECL computation
Stage 1	12 Month ECL	1-year PD*LGD*Outstanding on computation Date
Stage 2	Lifetime ECL	Sum of discounted value of each year's ECL (ECL for each year would be product of forecasted PD, LGD and forecasted EAD at the end of each year)
Stage 3	Lifetime ECL	LGD*Outstanding on Computation Date

### Presentation of allowance for ECL in the balance sheet

Loss allowances for ECL are deducted from the gross carrying amount of financial assets measured at amortized cost.

#### E. Write off

Debt securities are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written-off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

#### F. Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the Balance Sheet when, and only when, the Company has legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

#### G. Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and charges paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognized in profit or loss and is included in the 'interest income' line item.

#### H. Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and for financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in Statement of Profit and Loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Assets continue to be measured at fair value EIR is calculated based on the Fair value of the asset at the reclassification date.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to Statement of Profit and Loss at the reclassification date.

### 3.6. Income Tax

Income tax expense comprises of current tax and deferred tax.

#### A. Current tax

Current tax comprises the expected tax payable on the taxable income for the year and any adjustment to the tax payable or receivable in respect of earlier years. The amount of current tax reflects the best estimate of the tax amount to be paid, measured in accordance with the tax rates and tax laws that have been enacted or substantively enacted by the end of reporting period. Current tax items are recognised in correlation to the underlying transaction either in the Statement of Profit and Loss, other comprehensive income or directly in equity.

Income tax assets and liabilities are measured at the amount expected to be recovered from or payable to the tax authorities.

#### B. Deferred tax

Deferred tax is provided using the Balance Sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised. The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax items are recognised in correlation to the underlying transaction either in the Statement of Profit and Loss, other comprehensive income or directly in equity.

Any changes in the deferred taxes due to a change in tax rates are recognized in the statement of Profit and Loss in the period of enactment of the change.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same tax authority.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

### C. Minimum Alternate Tax ('MAT') credit:

The Company has opted for lower Income Tax Rate as applicable u/s. 115BAA of Income Tax Act and accordingly provisions of MAT are not applicable to the Company.

### 3.7. Cash and Bank Balances

Cash and cash equivalents consist of cash in hand, bank balances, demand deposits with banks and other short-term deposits which are readily convertible into known amounts of cash, are subject to an insignificant risk of change in value and have original maturities of less than or equal to three months. These balances with banks are unrestricted for withdrawal and usage.

Other bank balances include balances and deposits with banks that are restricted for withdrawal and usage.

#### Statement of Cash Flow

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

### 3.8. Provisions and Contingencies

Provisions are recognised when Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation taking into account the risks and uncertainties surrounding the obligation as at the balance sheet date

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

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

Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

### 3.9. Revenue Recognition

#### A. Interest

For all financial instruments measured at amortised cost and interest-bearing financial assets classified at FVTOCI, interest income or expense is recognised using the effective interest rate method from the day asset is recognised in the books of accounts.

For financial instruments measured at FVTPL, interest income is recognised at coupon rate from the day asset is recognised in the books of accounts.

Interest income on tax refunds is recognised on receipt basis.

#### B. Dividend Income

Dividend income from investments is recognised when the shareholder's rights to receive income have been established.

#### C. Income from Derivative instruments:

Derivative instruments such as Equity and Index Futures and Options, Interest Rate Swaps (IRS), Currency and Interest Rate Futures are considered as trading derivatives and hence the open positions are marked to market on daily basis and net gains/losses, are recognised to profit & loss account.

Income from derivative instruments represents the net profit or loss on settled/expired positions in equity index and stock futures and options after adjusting for brokerage and other transaction costs.

#### D. Treasury Bills, Commercial Papers, Certificate of Deposits, Zero-Coupon Bonds and STRIPS

The difference between the acquisition cost and the redemption value is apportioned on time basis and recognised as income. The same is included in the carrying amount of these securities and the aggregate amount is regarded as cost for the purpose of valuation of investment.

In case of discounted instruments, discount income represents the income accrued from the date of acquisition to the date of sale/maturity. Profit/Loss on sale of discounted instruments is the difference between the sale price and its carrying cost and is part of the trading income.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

### E. Expenses/Income under Repo Transactions:

In line with the revised guidelines issued by the Reserve Bank of India (RBI), repo/reverse repo transactions are treated as borrowing and lending transactions. Further, in line with the RBI guidelines, the difference between the total consideration (clean price and the accrued interest) between the 1st and 2nd leg of the repo and reverse repo transactions is accounted as Repo Expenditure or Repo Income, as the case may be, over the period of the contract.

### F. Triparty Repo (TREPS)

Transactions for borrowing and lending under TREPS are accounted for at their discounted values. The difference paid or received on redemption is treated as discount paid on TREPS in case of borrowing and discount earned on TREPS in case of lending. The difference between the discounted value on the borrowing date or the lending date, as the case may be, and the redemption value of the instrument, outstanding on the Balance Sheet date is apportioned on the time basis and recognized as expense or income respectively under the head "Interest/discount income or expenses". The same is included in the carrying amount of the borrowing or lending.

### G. Underwriting Commission/Fees

Underwriting commission/fee earned in respect of successful bids/devolvement towards fulfilment of underwriting commitments, to the extent apportionable to the cost, are reduced from the cost of securities devolved and the remaining amount is reckoned as income.

### H. Cost of acquisition of securities includes brokerage and Securities Transaction Tax (STT), wherever applicable paid towards the transaction. At the time of sale of securities, brokerage and STT are reduced from consideration received.

Profit/Loss from trading in Equities and equity exchange traded derivatives is recognised on the basis of fair value on trade dates. Profit/Loss from trading in Government Securities, Corporate Bonds is recognised on the basis of fair value on settlement dates. Profit / (loss) is recorded on the trades entered into before reporting date and settled after reporting date.

## 3.10. Borrowing Cost

Borrowing cost includes interest expense, amortization of discounts, ancillary costs incurred in connection with borrowing of funds. Interest on borrowings is recognised in the Statement of Profit and Loss using effective interest rate method. Fee and commission expense that are integral to the effective interest rate on a financial liability are included in the effective interest rate.

Borrowings and debt securities are initially measured at fair value minus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset.

## 3.11. Employee Benefits

### A. Short-term employee benefits

Short-term employee benefits are recognised as an expense on accrual basis. All employee benefits payable wholly within 12 months of rendering the services are classified as short-term employee benefits. These benefits include compensated absences such as paid annual leave and sickness leave. The Company recognises the undiscounted amount of such short-term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expenses) after deducting any amount already paid.

### B. Long-Term employee Benefits

Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods.

Long-term employee benefit primarily consists of leave encashment benefits wherein employees are entitled to accumulate leave subject to certain limits for future encashment/availment. Long-term compensated absences are provided for on the basis of an actuarial valuation at the end of each financial year using Projected Unit Credit (PUC) Method. Actuarial gains/losses, if any, are recognised immediately in the statement of Profit and Loss.

Gains or losses on the curtailment or settlement of long-term employee benefits plan are recognised when the curtailment or settlement occurs.

### Post-Employment and termination benefits

#### Defined Contribution Plan (Provident Fund):

Contributions as required under the statute made to the Provident Fund (Defined Contribution Plan) are recognised immediately in the Statement of Profit and Loss. There is no obligation other than the monthly contribution payable to the Regional Provident Fund Commissioner.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

### Defined Benefit Obligation (Gratuity)

Gratuity liability is a defined benefit obligation and is provided on the basis of an actuarial valuation performed by an independent actuary based on Projected Unit Credit (PUC) method, at the end of each financial year. The Company has created a trust for future payment of gratuities which is funded through Gratuity cum Life Assurance Scheme of LIC (Defined Benefit Plan).

Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Re-measurement

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other Comprehensive Income (OCI), net of taxes. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit or Loss.

The Company's net obligation in respect of gratuity (defined benefit plan), is calculated by estimating the amount of future benefit that the employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The retirement benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the company's defined benefit plans. Any surplus resulting from this calculation is recognised as an asset to the extent of present value of any economic benefits available in the form of refunds from the plans or reductions in the future contribution to the plans.

Gains or losses on the curtailment or settlement of defined benefits plan are recognised when the curtailment or settlement occurs.

### 3.12. Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset to lessee for a period of time in exchange for consideration.

Company assess whether a contract is, or contains, a lease only if the terms and conditions of the contract are changed (also known as modification).

#### As a Lessee

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116.

At the commencement date, Company recognises a right-of-use asset at cost and a lease liability at present value of the lease payments that are not paid at commencement date. The lease payments are discounted using appropriate interest rate on periodic basis.

Right of use asset is depreciated over lease term and lease liability is reduced as payments are made and an imputed finance cost on lease liability is recognised in statement of profit and loss.

If a lease, at the commencement date, has a lease term of 12 months or less, it is treated as short term lease.

Lease payments associated with short term leases are treated as an expense on systematic basis.

### 3.13. Earnings Per Share

Basic earnings per share is computed by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

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

### 3.14. Dividend Distribution to Equity share Holders of the Company

The Company recognises a liability to make distributions to equity share holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. Final dividend is authorised when it is approved by the shareholders and interim dividend is authorised when it is approved by the Board of Directors of the Company. A corresponding amount is recognised directly in equity.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

**Note- 4 :**

**CASH AND CASH EQUIVALENTS**

(₹ in Lakhs)

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
a) Cash on hand	0.11	0.06
b) Balances with Bank	21.98	48.71
<b>Total (a+b)</b>	<b>22.09</b>	<b>48.77</b>

**Note- 5 :**

**BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**

(₹ in Lakhs)

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
Fixed deposit with bank* (includes interest accrued but not due)	22.08	22.11
Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments	100.00	-
<b>Total</b>	<b>122.08</b>	<b>22.11</b>

\*As at March 31, 2022, FDs have been lien marked in favour of stock exchanges for Base Minimum Capital requirement in Currency Derivatives Segment amounting to ₹ 21.75 Lacs (accrued interest of ₹ 0.33 Lacs).

**Note 6 :**

**DERIVATIVE FINANCIAL INSTRUMENTS**

(₹ in Lakhs)

PARTICULARS	AS AT MARCH 31, 2022			AS AT MARCH 31, 2021		
	Notional amounts*	Fair Value - Assets	Fair Value - Liabilities	Notional amounts*	Fair Value - Assets	Fair Value - Liabilities
(i) Currency derivatives	-	-	-	-	-	-
(ii) Interest rate derivatives						
Interest rate swaps	3,691,936.93	38,228.27	38,589.59	1,455,710.73	44,863.24	44,695.76
Options purchased	-	-	-	-	-	-
Options sold (written)	-	-	-	-	-	-
Futures	-	-	-	-	-	-
Others	-	-	-	-	-	-
<b>Total</b>	<b>3,691,936.93</b>	<b>38,228.27</b>	<b>38,589.59</b>	<b>1,455,710.73</b>	<b>44,863.24</b>	<b>44,695.76</b>
<b>Total derivatives</b>	<b>3,691,936.93</b>	<b>38,228.27</b>	<b>38,589.59</b>	<b>1,455,710.73</b>	<b>44,863.24</b>	<b>44,695.76</b>

\* Notional amount for IRS represents both assets and liability

**Note 7:**

**TRADE RECEIVABLES**

(₹ in Lakhs)

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
a) Receivable (refer note 53)	20.79	244.56
<b>Total</b>	<b>20.79</b>	<b>244.56</b>

**Note 8:**

**OTHER RECEIVABLES**

(₹ in Lakhs)

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
a) Others	0.28	0.35
<b>Total</b>	<b>0.28</b>	<b>0.35</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

### Note 9: INVESTMENTS\*

(₹ in Lakhs)

PARTICULARS	AS AT MARCH 31, 2022							AS AT MARCH 31, 2021						
	Amor- tised cost	At Fair Value				Others	Total	Amor- tised cost	At Fair Value				Others	Total
		Through other compre- hensive income	Through profit and loss ac- count**	Desig- nated at fair value through profit and loss account	Sub total				Through other compre- hensive income	Through profit and loss ac- count**	Desig- nated at fair value through profit and loss account	Sub total		
1	2	3	4	(5=2+3+4)	6	(7=1+5+6)	1	2	3	4	(5=2+3+4)	6	(7=1+5+6)	
<b>INVESTMENTS</b>														
<b>Government securities (a)</b>														
Government securities (a)	162,118.86	-	1,133,729.24	-	1,133,729.24	-	1,295,848.10	-	-	1,130,480.26	-	1,130,480.26	-	1,130,480.26
Cost	160,513.97	-	1,130,433.78	-	1,130,433.78	-	1,290,947.75	-	-	1,127,795.73	-	1,127,795.73	-	1,127,795.73
Accrued Interest	1,604.89	-	3,295.46	-	3,295.46	-	4,900.35	-	-	2,684.53	-	2,684.53	-	2,684.53
<b>Other approved securities (b)</b>														
Other approved securities (b)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Debt securities (c)</b>														
Debt securities (c)	-	-	65,702.53	-	65,702.53	-	65,702.53	-	-	9,342.29	-	9,342.29	-	9,342.29
Cost	-	-	64,558.45	-	64,558.45	-	64,558.45	-	-	9,110.65	-	9,110.65	-	9,110.65
Accrued Interest	-	-	1,144.08	-	1,144.08	-	1,144.08	-	-	231.64	-	231.64	-	231.64
<b>Equity instruments (d)</b>														
Equity instruments (d)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Quoted Equity Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>A: Gross Investments (a+b+c+d)</b>	162,118.86	-	1,199,431.77	-	1,199,431.77	-	1,361,550.63	-	-	1,139,822.55	-	1,139,822.55	-	1,139,822.55
(i) Overseas Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Investments in India	162,118.86	-	1,199,431.77	-	1,199,431.77	-	1,361,550.63	-	-	1,139,822.55	-	1,139,822.55	-	1,139,822.55
<b>B: Gross Investments</b>	162,118.86	-	1,199,431.77	-	1,199,431.77	-	1,361,550.63	-	-	1,139,822.55	-	1,139,822.55	-	1,139,822.55
<b>Total Investment (A)=(B)</b>	162,118.86	-	1,199,431.77	-	1,199,431.77	-	1,361,550.63	-	-	1,139,822.55	-	1,139,822.55	-	1,139,822.55
C: Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>D: Net Investments (A-C)</b>	162,118.86	-	1,199,431.77	-	1,199,431.77	-	1,361,550.63	-	-	1,139,822.55	-	1,139,822.55	-	1,139,822.55

\* Including Accrued Interest

\*\* As per Business model of the company these investments are measured at FVTPL

Securities having FV of Rs. 12,45,032.00 Lakhs (PY Rs. 10,82,964.00 Lakhs) have been kept as collateral for various borrowings and settlement.

### Note 10: OTHER FINANCIAL ASSETS

(₹ in Lakhs)

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
Security and other deposits	29.17	24.13
Others		
a) Profit booked on account of trade date accounting	-	13.02
b) Margin money with CCIL	3,595.00	1,625.00
c) Margin money with others	3.25	3.25
<b>Total</b>	<b>3,627.42</b>	<b>1,665.40</b>

### Note 11 : CURRENT TAX ASSETS / (LIABILITIES)

(₹ in Lakhs)

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
Current Tax Assets (Net of Tax Provisions) / Liabilities (Net of Advance Tax and TDS)	545.31	105.28
<b>Total</b>	<b>545.31</b>	<b>105.28</b>



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

### Note 12 :

#### DEFERRED TAX ASSETS / (LIABILITIES)

(₹ in Lakhs)

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
<b>DEFERRED TAX ASSETS</b>		
Provisions	76.09	199.32
Lease Liability	17.01	22.42
PLVP Payable	63.80	64.83
Investments	-	-
Interest income on investment	310.90	-
<b>Total (A)</b>	<b>467.80</b>	<b>286.57</b>
<b>DEFERRED TAX LIABILITIES</b>		
Investments	-	(3.28)
Property, Plant and Equipment & Intangible assets	(200.36)	(193.32)
Right of Use Asset	(19.07)	(25.79)
Amortization of premium on investment	(466.51)	-
<b>Total (B)</b>	<b>(685.94)</b>	<b>(222.39)</b>
<b>Net Deferred Tax Assets / (Liabilities) (A+B)</b>	<b>(218.14)</b>	<b>64.18</b>

### Note 13 :

#### PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

As at March 31, 2022

(₹ in Lakhs)

FIXED ASSETS	Tangible Assets							Intangible Assets		Intangible Assets under Development (IV)	Grand Total - (I+II+III+IV)
	Buildings	Computers	Office Equipments		Furniture & Fixtures	Vehicles	Sub-total (I)	Right-of-Use Assets (II)	Software and Licenses (III)		
			Air-Conditioners	Others							
<b>COST</b>											
As at April 01, 2021	1,578.29	125.77	10.47	10.32	48.20	16.38	1,789.43	163.95	39.06	0.64	1,993.08
Additions/adjustments during the period	-	15.54	5.24	1.94	0.79	-	23.51	-	2.56	-	26.07
Deletions/retirements during the period	-	0.91	-	0.37	-	-	1.28	-	-	0.64	1.92
<b>As at March 31, 2022</b>	<b>1,578.29</b>	<b>140.40</b>	<b>15.71</b>	<b>11.89</b>	<b>48.99</b>	<b>16.38</b>	<b>1,811.66</b>	<b>163.95</b>	<b>41.62</b>	<b>-</b>	<b>2,017.23</b>
<b>DEPRECIATION AND AMORTISATION</b>											
As at April 01, 2021	118.27	84.13	8.56	3.94	41.87	8.81	265.58	61.49	29.70	-	356.77
Depreciation charge for the period	29.55	20.10	1.05	1.70	0.67	1.91	54.98	26.71	6.57	-	88.26
On Disposals	-	0.91	-	0.37	-	-	1.28	-	-	-	1.28
<b>As at March 31, 2022</b>	<b>147.82</b>	<b>103.32</b>	<b>9.61</b>	<b>5.27</b>	<b>42.54</b>	<b>10.72</b>	<b>319.28</b>	<b>88.20</b>	<b>36.27</b>	<b>-</b>	<b>443.75</b>
<b>Net Book Value</b>											
<b>Net Block As at March 31, 2022</b>	<b>1,430.47</b>	<b>37.08</b>	<b>6.10</b>	<b>6.62</b>	<b>6.45</b>	<b>5.66</b>	<b>1,492.38</b>	<b>75.75</b>	<b>5.35</b>	<b>-</b>	<b>1,573.48</b>

- Cost of building includes ₹ 0.05 lakhs being the cost of shares held for membership of the Co-operative society.
- Right-of-Use Assets is derived as per the requirement of Ind AS 116.
- Intangible Assets under Development has been transferred to Intangible Asset as the asset is developed during the year.
- Title deeds of all Immovable properties (except leased assets) are in the name of Company.
- There is no adjustments in Property, Plant and Equipment related to revaluation or business combinations.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

**Note 13 :**
**PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS**
**As at March 31, 2021**
**(₹ in Lakhs)**

FIXED ASSETS	Tangible Assets							Intangible Assets		Intangible Assets under Development (IV)	Grand Total - (I+II+III+IV)
	Buildings	Computers	Office Equipments		Furniture & Fixtures	Vehicles	Sub-total (I)	Right-of-Use Assets (II)	Software and Licenses (III)		
			Air-Conditioners	Others							
<b>COST</b>											
As at April 01, 2020	1,578.29	105.66	10.25	3.72	44.06	16.38	1,758.36	157.90	26.62	-	1,942.88
Additions/adjustments during the year	-	20.39	0.42	6.59	6.63	-	34.03	6.05	12.44	0.64	53.16
Deletions/retirements during the year	-	0.28	0.20	-	2.50	-	2.98	-	-	-	2.98
<b>As at March 31, 2021</b>	<b>1,578.29</b>	<b>125.77</b>	<b>10.47</b>	<b>10.31</b>	<b>48.19</b>	<b>16.38</b>	<b>1,789.41</b>	<b>163.95</b>	<b>39.06</b>	<b>0.64</b>	<b>1,993.06</b>
<b>DEPRECIATION AND AMORTISATION</b>											
As at April 01, 2020	88.73	59.56	7.40	3.10	38.76	6.90	204.45	35.50	26.39	-	266.34
Depreciation charge for the year	29.55	24.84	1.36	0.84	5.62	1.91	64.12	25.99	3.32	-	93.43
On Disposals	-	0.28	0.20	-	2.50	-	2.98	-	-	-	2.98
<b>As at March 31, 2021</b>	<b>118.28</b>	<b>84.12</b>	<b>8.56</b>	<b>3.94</b>	<b>41.88</b>	<b>8.81</b>	<b>265.57</b>	<b>61.49</b>	<b>29.71</b>	<b>-</b>	<b>356.77</b>
<b>Net Book Value</b>											
As at March 31, 2021	1,460.01	41.65	1.91	6.38	6.32	7.57	1,523.84	102.46	9.35	0.64	1,636.29

a) Cost of building includes ₹ 0.05 lakhs being the cost of shares held for membership of the Co-operative society.

b) Right-of-Use Assets is derived as per the requirement of Ind AS 116.

c) Title deeds of all Immovable properties (except leased assets) are in the name of Company.

d) There is no adjustments in Property, Plant and Equipment related to revaluation or business combinations.

**Note 14 :**
**OTHER NON-FINANCIAL ASSETS**
**(₹ in Lakhs)**

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
Prepaid expenses	56.25	59.64
Advance payment to supplier	27.86	19.36
GST Input tax credit	45.75	75.73
Others	4.64	53.21
<b>Total</b>	<b>134.50</b>	<b>207.94</b>

**Note 15 :**
**TRADE PAYABLES**
**(₹ in Lakhs)**

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
<b>a) Trade payables (refer note 54)</b>		
(i) total outstanding dues of micro enterprises and small enterprises	-	2.92
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	47.59	53.69
<b>Subtotal (i+ii)</b>	<b>47.59</b>	<b>56.61</b>
<b>b) Other payables*</b>		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	38.18	38.25
<b>Subtotal (i+ii)</b>	<b>38.18</b>	<b>38.25</b>
<b>Total (a+b)</b>	<b>85.77</b>	<b>94.86</b>

\*The amount outstanding in other payables is unbilled.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note 16 :

### BORROWINGS AT AMORTISED COST (OTHER THAN DEBT SECURITIES)

(₹ in Lakhs)

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
<b>OTHER LOANS</b>	<b>1,269,123.61</b>	<b>1,050,298.36</b>
<b>SECURED</b>		
<b>i) Tri-Party Repo (TREPS) Segment</b>	<b>120,293.57</b>	<b>332,571.99</b>
Borrowing Amount	120,281.43	332,541.24
Interest Accrued	12.14	30.75
( March 31, 2022 : Carries interest rate between 2.80% to 4.01% and is repayable within 4 days)		
(March 31, 2021 : Carries interest rate between 3.33% to 3.42% and is repayable within 5 days)		
(Secured by Collateral of Govt. Securities & Treasury Bills)		
(of the above, ₹ Nil is guaranteed by directors and/or others)		
<b>ii) Borrowing under REPO</b>	<b>1,017,081.05</b>	<b>674,550.94</b>
Borrowing Amount	1,016,975.51	674,487.89
Interest Accrued	105.54	63.05
( March 31, 2022 : Carries interest rate between 3.70% to 4.10% and is repayable within 4 days)		
(March 31, 2021 : Carries interest rate between 3.35% to 3.50% and is repayable within 5 days)		
(Secured by Collateral of Govt. Securities & Treasury Bills)		
(of the above, ₹ Nil is guaranteed by directors and/or others)		
<b>UNSECURED</b>		
<b>(i) Loans repayable on demand</b>	<b>131,748.99</b>	<b>43,175.42</b>
Borrowing Amount	131,725.00	43,170.00
Interest Accrued	23.99	5.42
from banks (repayable at call/short notice/term)		
( March 31, 2022: Call money Carries interest rate between 3.05 % to 3.85 % and is repayable within 4 days)		
Notice money Carries interest rate between 3.45 % to 3.50% and is repayable within 5-14 days)		
Term money Carries interest rate between 3.45 % to 3.50% and is repayable within 15-19 days)		
(March 31, 2021: Notice money carries interest rate between 3.05% to 3.45% and is repayable within 5 days)		
<b>Total (A)</b>	<b>1,269,123.61</b>	<b>1,050,298.36</b>
Borrowings in India*	1,269,123.61	1,050,298.36
Borrowings outside India*	-	-
<b>Total Borrowings (B)</b>	<b>1,269,123.61</b>	<b>1,050,298.36</b>
<b>Total (A) = (B)</b>	<b>1,269,123.61</b>	<b>1,050,298.36</b>

Note :

- 1) The debt coverage has been complied with.
- 2) All the borrowed funds have been utilised for the purpose for which it was taken.

\* Including interest accrued on borrowings.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

**Note 17 :**
**DEPOSITS AT AMORTISED COST\***

(₹ in Lakhs)

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
<b>Deposits - Unsecured</b>		
(i) Public Deposits	-	-
(ii) From Banks	-	-
(iii) From others (Inter Corporate Deposits)	19,098.10	18,695.14
Interest Accrued	57.24	77.76
<b>Total</b>	<b>19,155.34</b>	<b>18,772.90</b>

(March 31, 2022 : Carries interest rate between 3.70% to 3.78% and is repayable within 33-91 Days)

(March 31, 2021 : carries interest rate between 3.70% to 3.74% and is repayable within 67-91 days)

(of the above, ₹ Nil is guaranteed by directors and/or others)

- The Company has not defaulted in repayment of deposit and interest during the year.

\* Includes interest accrued on deposits.

**Note 18 :**
**LEASE LIABILITY**

(₹ in Lakhs)

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
Lease Liability	67.59	89.08
<b>Total</b>	<b>67.59</b>	<b>89.08</b>

**Note 19 :**
**OTHER FINANCIAL LIABILITIES**

(₹ in Lakhs)

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
PLVP*	393.59	257.58
Loss booked on account of trade date accounting	82.65	-
<b>Total</b>	<b>476.24</b>	<b>257.58</b>

\* Represents balance tranches of PLVP for FY 2019-20 and FY 2020-21 sanctioned for payment and payable over next 2 years.

**Note 20 :**
**PROVISIONS**

(₹ in Lakhs)

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
(a) <b>Provision for employee benefits</b>		
Performance linked variable pay (refer note 34)	225.00	660.00
Gratuity & leave encashment	189.84	174.13
(b) <b>Others</b>		
- Provision for stamp duty	-	357.80
<b>Total (a+b)</b>	<b>414.84</b>	<b>1,191.93</b>



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022****Note 21 :****OTHER NON-FINANCIAL LIABILITIES**

(₹ in Lakhs)

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
Statutory dues	23.60	118.00
<b>Total</b>	<b>23.60</b>	<b>118.00</b>

**Note : 22****EQUITY SHARE CAPITAL**

(₹ in Lakhs)

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
<b>Authorised</b>		
30,00,00,000 Equity shares of Rs. 10/-each	30,000.00	30,000.00
<b>Total</b>	<b>30,000.00</b>	<b>30,000.00</b>
<b>Issued, subscribed, and fully paid up</b>		
Equity Share Capital		
15,00,00,000 Equity shares of Rs. 10/- each fully paid up	15,000.00	15,000.00
<b>Total</b>	<b>15,000.00</b>	<b>15,000.00</b>

**Note: 22.1****Reconciliation of the number of shares**

PARTICULARS	AS AT MARCH 31, 2022		AS AT MARCH 31, 2021	
	Number	(₹ in Lakhs)	Number	(₹ in Lakhs)
<b>Shares outstanding at the beginning of the period</b>	150,000,000	15,000	150,000,000	15,000
Shares Issued during the period	-	-	-	-
Shares bought back during the period	-	-	-	-
<b>Shares outstanding at the end of the period</b>	<b>150,000,000</b>	<b>15,000</b>	<b>150,000,000</b>	<b>15,000</b>

**Note: 22.2****Details of aggregate shareholding by Holding Company, subsidiary of holding company or Associate of holding Company**

NAME OF SHAREHOLDER	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
	No. of Shares	No. of Shares
STCI Finance Limited (Holding Company)*	150,000,000	150,000,000

\*Includes 6 shares held by the nominees

**Note: 22.3****Terms and Rights attached to equity shares**

Each equity share is entitled to one vote per share. The Company has only one class of equity shares having par value of Rs. 10/- each. In the event of liquidation by the company, the shareholder of equity share will be entitled to receive remaining assets of the Company after distribution of all the preferential amount. Distribution will be in proportion number of equity shares held by each shareholder.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

**Note: 22.4**

Shareholders holding more than 5% of equity shares of the Company are as under

NAME OF SHAREHOLDER	AS AT MARCH 31, 2022		AS AT MARCH 31, 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
STCI Finance Limited (Holding Company)*	150,000,000	100%	150,000,000	100%

\*Includes 6 shares held by the nominees

**Note: 22.5**

Shareholding of Promoters

Shares held by promoters at the end of the year				
Sr. No.	Promoter name	No. of Shares	% of total shares	% Change during the year
1	STCI Finance Limited (Holding Company)*	150,000,000	100%	NA
	<b>Total</b>	<b>150,000,000</b>		

\* Includes 6 shares held by nominees

**Note-23 :**
**OTHER EQUITY**

(₹ in Lakhs)

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
General Reserve	105.94	105.94
Retained Earnings	33,357.74	30,863.15
<b>Other comprehensive income :</b>		
Remeasurements of the net defined benefit plans	(11.91)	(13.65)
<b>Other reserves:</b>		
Statutory Reserve	22,091.73	20,080.15
Capital Redemption Reserve	5,000.00	5,000.00
Reserve & Surplus HTM - CGS	2,126.63	2,126.63
<b>Total</b>	<b>62,670.13</b>	<b>58,162.22</b>

The Description of the nature and purpose of each reserve within equity is as follows:

- i) *General reserve : Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.*
- ii) *Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.*
- iii) *Statutory Reserve is created as per Section 45-IC of the RBI Act, 1934 by transferring therein a sum not less than 20% of its net profit every year and forms part of free reserves, Net owned funds and Tier I capital.*
- iv) *Capital Redemption Reserve is created to the extent of sum equal to the nominal value of the share capital extinguished on buyback of Company's own shares in accordance with Section 69 of the Companies Act, 2013.*
- v) *Reserve & Surplus HTM - CGS represents profit transferred to such reserve as per RBI guidelines on disposal of instruments classified under HTM category.*

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note-24 :

### INTEREST INCOME

(₹ in Lakhs)

PARTICULARS	FOR THE YEAR ENDED MARCH 31, 2022				FOR THE YEAR ENDED MARCH 31, 2021			
	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	On Financial Assets measured at fair value through profit or loss	Total	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	On Financial Assets measured at fair value through profit or loss	Total
Interest income on Loans	-	0.00	-	<b>0.00</b>	-	0.45	-	<b>0.45</b>
Interest income from investments	-	5,976.41	53,811.11	<b>59,787.52</b>	290.58	-	44,551.49	<b>44,842.07</b>
Interest on deposits with banks	-	180.25	-	<b>180.25</b>	-	70.83	-	<b>70.83</b>
Other interest income	-	57.71	-	<b>57.71</b>	-	9.13	-	<b>9.13</b>
<b>Total</b>	-	<b>6,214.37</b>	<b>53,811.11</b>	<b>60,025.48</b>	<b>290.58</b>	<b>80.41</b>	<b>44,551.49</b>	<b>44,922.48</b>

Note-25 :

### DIVIDEND INCOME

(₹ in Lakhs)

Particulars	FOR THE YEAR ENDED MARCH 31, 2022	FOR THE YEAR ENDED MARCH 31, 2021
Dividend received on Equity Shares	16.34	-
Dividend received on Mutual Fund	-	3.70
<b>Total</b>	<b>16.34</b>	<b>3.70</b>

Note-26 :

### FEES AND COMMISSION INCOME

(₹ in Lakhs)

PARTICULARS	FOR THE YEAR ENDED MARCH 31, 2022	FOR THE YEAR ENDED MARCH 31, 2021
Underwriting commission income	592.69	596.61
Arranger fee/ incentive income	40.67	20.58
Other fee income	0.39	0.16
<b>Total other income</b>	<b>633.75</b>	<b>617.35</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note 27 :

### TRADING PROFIT/(LOSS) ON INVESTMENTS

(₹ in Lakhs)

PARTICULARS	FOR THE YEAR ENDED MARCH 31, 2022	FOR THE YEAR ENDED MARCH 31, 2021
Government Securities	(843.66)	472.15
State Development Loans	1,448.46	12,969.38
GOI Special Securities	(16.50)	-
Corporate bonds	(242.97)	351.87
Equity Shares	1,794.01	662.94
Equity Futures & Options	(19.23)	(0.16)
Interest Rate Swaps	274.11	(34.59)
Interest Rate Futures	-	(0.06)
Currency Futures	-	1.38
Interest Rate Option	-	-
Treasury Bills	369.50	2,412.36
Certificate of Deposits	-	524.54
STRIPS	(20.95)	(17.25)
<b>Trading Profit/(Loss) on securities (Refer A below)</b>	<b>2,742.77</b>	<b>17,342.55</b>

### Revenue from Operations

A	TRADING PROFIT/(LOSS) ON SECURITIES	FOR THE YEAR ENDED MARCH 31, 2022		FOR THE YEAR ENDED MARCH 31, 2021	
		(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)
<b>(a) Government securities</b>			<b>(843.66)</b>		<b>472.15</b>
Sales (net of brokerage)	4,879,336.04			7,672,034.26	
Add : Stock on hand as at the end of the year	300,938.27			75,998.91	
Less : (i) Purchases	(5,105,240.78)			(7,668,926.89)	
(ii) Stock on hand as at the beginning of the year	(75,998.91)			(79,150.40)	
Add/Less :Net Fair Value Gain or Loss booked in Previous year now re-versed and booked as Profit/Loss	(14.79)			503.37	
Profit/ (Loss) on account of trade on reporting date accounting	(0.00)			12.90	
Reversal of Fair Value (Gain) / Loss of Previous year	136.51				
<b>(b) State Development Loans</b>			<b>1,448.46</b>		<b>12,969.39</b>
Sales (net of brokerage)	3,471,209.84			3,907,144.77	
Add : Stock on hand as at the end of the year	44,732.63			124,809.87	
Less : (i) Purchases	(3,390,640.13)			(3,872,562.70)	
(ii) Stock on hand as at the beginning of the year	(124,809.87)			(145,507.35)	
Add/Less :Net Fair Value Gain or Loss booked in Previous year now re-versed and booked as Profit/Loss	1.00			(915.32)	
Profit/ (Loss) on account of trade on reporting date accounting	(86.70)			0.12	
Reversal of Fair Value (Gain) / Loss of Previous year	1,041.69				
<b>(c) GOI Special Securities</b>			<b>(16.50)</b>		<b>-</b>
Sales (net of brokerage)	1,023.45			-	
Add : Stock on hand as at the end of the year	-			-	
Less : (i) Purchases	(1,039.95)			-	
(ii) Stock on hand as at the beginning of the year	-			-	
<b>(d) Corporate Bond</b>			<b>(242.97)</b>		<b>351.87</b>
Sales (net of brokerage)	143,970.95			123,844.97	
Add : Stock on hand as at the end of the year	64,601.30			9,028.63	
Less : (i) Purchases	(199,704.57)			(101,001.16)	
(ii) Stock on hand as at the beginning of the year	(9,028.63)			(31,520.58)	
Reversal of Fair Value (Gain) / Loss of Previous year	(82.02)				

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022**
**Revenue from Operations Continued...**

	FOR THE YEAR ENDED MARCH 31, 2022		FOR THE YEAR ENDED MARCH 31, 2021	
	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)
<b>(e) Equity Shares</b>		<b>1,794.01</b>		<b>662.94</b>
Sales (net of brokerage)	11,168.07		2,125.16	
Add : Stock on hand as at the end of the year	-		-	
Less : (i) Purchases	(9,374.06)		(1,462.22)	
(ii) Stock on hand as at the beginning of the year	-		-	
(iii) Equity Cash MTM	-		-	
<b>(f) Equity Futures &amp; Options</b>		<b>(19.23)</b>		<b>(0.16)</b>
Profit & Loss including MTM on Equity F&O	(19.23)		(0.16)	
<b>(g) Interest Rate Swap</b>		<b>274.11</b>		<b>(34.59)</b>
Profit & Loss including MTM on IRS	274.11		(34.59)	
<b>(h) Interest Rate Futures</b>		-		<b>(0.06)</b>
Profit & Loss on Interest Rate Futures	-		(0.06)	
<b>(i) Currency Futures</b>		-		<b>1.38</b>
Profit & Loss on Currency Futures	-		1.38	
<b>(j) Interest Rate Option</b>		-		-
Profit & Loss on Interest Rate Option	-		-	
<b>(k) Treasury Bills</b>		<b>369.50</b>		<b>2,412.36</b>
Sales (net of brokerage)	5,891,611.68		5,640,399.59	
Add : Stock on hand as at the end of the year	785,116.25		921,073.64	
Less : (i) Purchases	(5,728,675.16)		(6,080,671.06)	
(ii) Stock on hand as at the beginning of the year	(921,073.64)		(451,565.45)	
(iii) Discount Income on Treasury bills	(26,965.22)		(24,959.74)	
Add/Less :Net Fair Value Gain or Loss booked in Previous year now reversed and booked as Profit/Loss	26.54		(1,864.62)	
Profit/ (Loss) on account of trade on reporting date accounting	4.05		-	
Reversal of Fair Value (Gain) / Loss of Previous year	325.00		-	
<b>(l) Certificate of Deposit</b>		-		<b>524.54</b>
Sales (net of brokerage)	-		66,493.90	
Add : Stock on hand as at the end of the year	-		-	
Less : (i) Purchases	-		-	
(ii) Stock on hand as at the beginning of the year	-		(64,942.17)	
(iii) Discount Income on Certificate of Deposit	-		(874.85)	
Add/Less :Net Fair Value Gain or Loss booked in Previous year now reversed and booked as Profit/Loss	-		(152.35)	
<b>(m) STRIPS</b>		<b>(20.95)</b>		<b>(17.25)</b>
Sales (net of brokerage)	10,678.67		3,246.55	
Add : Stock on hand as at the end of the year	5,567.12		7,413.73	
Less : (i) Purchases	(8,467.65)		(7,562.35)	
(ii) Stock on hand as at the beginning of the year	(7,413.73)		(2,816.64)	
(iii) Discount Income on STRIPS	(356.79)		(281.30)	
Add/Less :Net Fair Value Gain or Loss booked in Previous year now reversed and booked as Profit/Loss	-		(17.25)	
Reversal of Fair Value (Gain) / Loss of Previous year	(28.56)		-	
<b>Total</b>		<b>2,742.77</b>		<b>17,342.57</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

**Note-28 :**
**NET GAIN/ (LOSS) ON FAIR VALUE CHANGES**
**(₹ in Lakhs)**

PARTICULARS	FOR THE YEAR ENDED MARCH 31, 2022	FOR THE YEAR ENDED MARCH 31, 2021
Net gain/ (loss) on financial instruments at fair value through profit or loss		
<b>On trading portfolio</b>		
- Investments	(5,963.33)	(1,418.40)
- Derivatives	-	-
<b>Total Net gain/(loss) on fair value changes</b>	<b>(5,963.33)</b>	<b>(1,418.40)</b>
<b>Fair Value changes:</b>		
- Realised	-	-
- Unrealised	(5,963.33)	(1,418.40)
<b>Total Net gain/(loss) on fair value</b>	<b>(5,963.33)</b>	<b>(1,418.40)</b>

**Note-29 :**
**OTHER INCOME**
**(₹ in Lakhs)**

PARTICULARS	FOR THE YEAR ENDED MARCH 31, 2022	FOR THE YEAR ENDED MARCH 31, 2021
Profit on sale of fixed assets	0.06	0.19
Expenses written back <sup>#</sup>	357.80	73.60
Other income*	128.92	724.37
<b>Total other income</b>	<b>486.78</b>	<b>798.16</b>

<sup>#</sup> Refer Note No. 34

\*Other income for the year ended March 31, 2022 includes compensation of ₹ 127.76 Lakhs received from merchant banker in respect of short allotment of shares in IPO. Other income for the year ended March 31, 2021 includes ₹ 673.41 Lakhs reimbursement of Service tax/GST on underwriting commission income received from RBI for the period July 01, 2012 to March 31, 2020.

**Note-30 :**
**FINANCE COSTS AT AMORTISED COST**
**(₹ in Lakhs)**

PARTICULARS	FOR THE YEAR ENDED MARCH 31, 2022	FOR THE YEAR ENDED MARCH 31, 2021
Interest on deposits	702.71	722.42
Interest on borrowings	40,619.02	28,423.42
Interest on debt securities	-	-
Intraday liquidity charges	154.38	168.95
Other interest expense	4.28	60.49
<b>Total</b>	<b>41,480.39</b>	<b>29,375.28</b>

**Note-31 :**
**TRANSACTION AND SETTLEMENT CHARGES**
**(₹ in Lakhs)**

PARTICULARS	FOR THE YEAR ENDED MARCH 31, 2022	FOR THE YEAR ENDED MARCH 31, 2021
CCIL charges	578.53	477.95
Transaction & custody charges	14.26	11.64
<b>Total</b>	<b>592.79</b>	<b>489.59</b>



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

**Note 32 :**

**EMPLOYEE BENEFIT EXPENSES**

(₹ in Lakhs)

PARTICULARS	FOR THE YEAR ENDED MARCH 31, 2022	FOR THE YEAR ENDED MARCH 31, 2021
Salaries and wages	1,037.39	1,441.25
Gratuity	8.16	9.07
Contribution to provident and other funds	41.33	39.80
Staff welfare expenses	28.35	22.71
<b>Total</b>	<b>1,115.23</b>	<b>1,512.83</b>

**Note 33 :**

**OTHER EXPENSES**

(₹ in Lakhs)

PARTICULARS	FOR THE YEAR ENDED MARCH 31, 2022	FOR THE YEAR ENDED MARCH 31, 2021
Electricity Charges	20.40	18.49
Rates and taxes	1.10	12.69
Repairs and maintenance	86.27	83.07
Communication cost	38.93	37.72
Printing and stationery	10.09	6.23
CSR expenditure	425.79	267.10
Director's sitting fee	45.67	38.48
Auditor's remuneration*	15.40	14.00
Legal, Professional and Consultancy charges	72.05	62.67
Insurance	52.30	35.83
Information services	105.87	114.83
Business development expenses	9.22	10.25
GST ITC (written off)	(0.33)	1.06
Office and Other Admin expenses	57.65	44.03
Conveyance Expenses	9.78	6.23
<b>Total</b>	<b>950.19</b>	<b>752.68</b>

**\*Note : Auditors remuneration**

(₹ in Lakhs)

PARTICULARS	FOR THE YEAR ENDED MARCH 31, 2022	FOR THE YEAR ENDED MARCH 31, 2021
Statutory audit fee	8.00	7.00
Limited review fee	1.65	1.50
Tax audit fee	1.75	1.50
Certification and other services	3.75	3.75
Out of pocket expenses	0.25	0.25
<b>Total</b>	<b>15.40</b>	<b>14.00</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note : 34

### PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

#### PROVISIONS

(₹ in Lakhs)

PARTICULARS	STAMP DUTY <sup>#</sup>		PLVP*	
	2021-22	2020-21	2021-22	2020-21
Carrying amount at the beginning of the year	357.80	357.30	660.00	695.80
Provision made during the year	-	0.50	225.00	660.00
Amount paid/ transferred during the year	-	-	(640.33)	(643.52)
Amount written back during the year	(357.80)	-	(19.67)	(52.28)
<b>Carrying amount at the end of the year</b>	<b>-</b>	<b>357.80</b>	<b>225.00</b>	<b>660.00</b>

\*Performance Linked Variable Pay – The Company pays PLVP to its employees on the basis of their performance. The provision made by the Company is approved by the Board of Directors in line with the Board approved PLVP Policy. In case the amount or portion thereof is unapproved, or the employee leaves the Company before the payment of the PLVP, then such amount is reversed in current year.

Amount paid/transferred during the year includes amount transferred to Other financial Liability of ₹ 276.09 Lakh in FY 2021-22 and ₹ 257.58 Lakh in FY 2020-21 as the maturity of amount is more than one year.

<sup>#</sup>The stamp duty provision was created in view of the deliberations which were held between Government of Maharashtra and various representative bodies of the market participants on the applicability of stamp duty on non-government securities' transactions. The said provision was created till June 30, 2020 as there was uncertainty over payment of stamp duty to Government of Maharashtra in respect of direct deals in Non-SLR securities. W.e.f. July 1, 2020, pursuant to amendment to the Indian Stamp Act, 1908 the stamp duty on such transactions is being collected by Clearing Corporation of India Limited (CCIL) as part of the settlement obligation and thus no provision has been created for the period from July 1, 2020 onwards.

For the current year, a provision of ₹ Nil (March 31, 2021 - ₹ 0.50 lakhs) has been created in respect of non-government securities' transactions. C&AG in its audit conducted for FY 2020-21 had suggested the Company to write back the amount as there was no demand in respect of the same. Consequently, based on legal opinion obtained in the matter, the provision of ₹ 357.80 Lakhs has been written back.

Note: 35

### MATURITY ANALYSIS OF ASSETS AND LIABILITIES

(₹ in Lakhs)

PARTICULARS	March 31, 2022		
	Within 12 months	After 12 months	Total
<b>ASSETS</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	22.09	-	22.09
Bank Balance other than (a) above	122.08	-	122.08
Derivative financial instruments	15,575.56	22,652.71	38,228.27
Receivables	21.07	-	21.07
Investments (including accrued interest)	1,201,036.66	160,513.97	1,361,550.63
Other financial assets	-	3,627.42	3,627.42
<b>Non-financial Assets</b>			
Current tax Assets (Net)	545.31	-	545.31
Property, Plant and Equipment	-	1,492.38	1,492.38
Right of use Asset	-	75.75	75.75
Intangible assets under development	-	-	-
Other Intangible assets	-	5.35	5.35
Other non-financial assets	134.50	-	134.50
<b>Total Assets (A)</b>	<b>1,217,457.27</b>	<b>188,367.58</b>	<b>1,405,824.85</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022**

(₹ in Lakhs)

PARTICULARS	March 31, 2022		
	Within 12 months	After 12 months	Total
<b>LIABILITIES</b>			
<b>Financial Liabilities</b>			
Derivative financial instruments	15,315.22	23,274.37	38,589.59
<b>Payables</b>			
<b>(i) Trade Payables</b>			
total outstanding dues of micro enterprises and small enterprises	-	-	-
total outstanding dues of creditors other than micro enterprises and small enterprises	47.59	-	47.59
<b>(ii) Other Payables</b>			
total outstanding dues of micro enterprises and small enterprises	-	-	-
total outstanding dues of creditors other than micro enterprises and small enterprises	38.18	-	38.18
Borrowings (other than debt securities, including accrued interest)	1,269,123.61	-	1,269,123.61
Deposits (including accrued interest)	19,155.34	-	19,155.34
Lease Liability	25.51	42.08	67.59
Other Financial Liabilities	338.19	138.05	476.24
<b>Non-Financial Liabilities</b>			
Provisions	370.12	44.72	414.84
Deferred tax liabilities (Net)	-	218.14	218.14
Other non-financial liabilities	23.60	-	23.60
<b>Total liabilities (B)</b>	<b>1,304,437.36</b>	<b>23,717.36</b>	<b>1,328,154.72</b>
<b>Net (A-B)</b>	<b>(86,980.09)</b>	<b>164,650.22</b>	<b>77,670.13</b>

(₹ in Lakhs)

PARTICULARS	March 31, 2021		
	Within 12 months	After 12 months	Total
<b>ASSETS</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	48.77	-	48.77
Bank Balance other than (a) above	22.11	-	22.11
Derivative financial instruments	2,366.49	42,496.75	44,863.24
Receivables	244.91	-	244.91
Investments	1,139,822.55	-	1,139,822.55
Other financial assets	13.02	1,652.38	1,665.41
<b>Non-financial Assets</b>			
Current tax Assets	105.28	-	105.28
Deferred tax Assets (Net)	-	64.18	64.18
Property, Plant and Equipment	-	1,523.84	1,523.84
Right of use Asset	-	102.46	102.46
Intangible assets under development	-	0.64	0.64
Other Intangible assets	-	9.36	9.36
Other non-financial assets	207.94	-	207.94
<b>Total Assets (A)</b>	<b>1,142,831.07</b>	<b>45,849.61</b>	<b>1,188,680.68</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

PARTICULARS	March 31, 2021		
	Within 12 months	After 12 months	Total
<b>LIABILITIES</b>			
<b>Financial Liabilities</b>			
Derivative financial instruments	2,420.68	42,275.08	44,695.76
<b>Payables</b>			
<b>(i) Trade Payables</b>			
total outstanding dues of micro enterprises and small enterprises	2.92	-	2.92
total outstanding dues of creditors other than micro enterprises and small enterprises	53.69	-	53.69
<b>(ii) Other Payables</b>			
total outstanding dues of micro enterprises and small enterprises	-	-	-
total outstanding dues of creditors other than micro enterprises and small enterprises	38.25	-	38.25
Borrowings (other than debt securities)	1,050,298.35	-	1,050,298.35
Deposits	18,772.90	-	18,772.90
Lease Liability	24.45	64.63	89.08
Other Financial Liabilities	140.08	117.50	257.58
<b>Non-Financial Liabilities</b>			
Provisions	570.13	621.80	1,191.93
Deferred tax liabilities (Net)	-	-	-
Other non-financial liabilities	118.00	-	118.00
<b>Total liabilities (B)</b>	<b>1,072,439.44</b>	<b>43,079.01</b>	<b>1,115,518.45</b>
<b>Net (A-B)</b>	<b>70,391.62</b>	<b>2,770.60</b>	<b>73,162.22</b>

Note : 36

### CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

(₹ in Lakhs)

PARTICULARS	April 01, 2021	Cash flows*	Changes in fair values	Exchange differences	Other	March 31, 2022
Borrowings other than debt securities	1,050,298.35	218,825.25	-	-	-	1,269,123.60
Deposits	18,772.90	382.45	-	-	-	19,155.35
<b>Total liabilities from financing activities</b>	<b>1,069,071.25</b>	<b>219,207.70</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,288,278.95</b>

(₹ in Lakhs)

PARTICULARS	April 01, 2020	Cash flows*	Changes in fair values	Exchange differences	Other	March 31, 2021
Borrowings other than debt securities	753,065.28	297,233.07	-	-	-	1,050,298.35
Deposits	2,931.21	15,841.69	-	-	-	18,772.89
<b>Total liabilities from financing activities</b>	<b>755,996.48</b>	<b>313,074.76</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,069,071.24</b>

\*Cash flows also include interest accrued but not due on borrowings.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022**

Note : 37

**RELATED PARTY DISCLOSURES****a. List of related parties:****i. Enterprises that directly or indirectly through one or more intermediaries control or controlled by or are under common control with the reporting enterprise:**

Name of the Related Party	Relation
STCI Finance Limited	Parent Company holding 100% of share capital in the Company
STCI Commodities Limited	Wholly owned Subsidiary of STCI Finance Limited
Bank of India	By virtue of its shareholding in Parent Company in excess of 20%
BOI Merchant Bankers Limited	Subsidiary of Bank of India

**ii. Key managerial personnel and relatives of such personnel**

Mr. Prasanna Patankar	Managing Director
Mr. Kalpesh Mody	Chief Financial Officer and Company Secretary
Mr. G Narayanan	Director
Ms. Sonali Sinha	Director
Mr. R Venkataramani	Director
Mr. T V Rao	Director
Mr. Pradeep Madhav	Director
Mr. Prakash Vartak	Director

**b. Details of Related party transactions during the year :**

(₹ in Lakhs)

Related Party and Nature of Transaction	2021-22	2020-21
<b>1. STCI Finance Limited</b>		
Purchase of Government Securities/ Bonds	6,013.85	Nil
Sale of Government Securities/ Bonds	Nil	Nil
CCIL charges (Received)	0.26	Nil
Reimbursement of Expenses (Payment)	9.84	9.68
Reimbursement of Expenses (Received)	0.35	0.79
Rent paid	4.39	4.18
Sitting fees Paid	4.70	4.20
Dividend Paid	5,550.00	12,600.00
Other Fee Income received	0.21	Nil
<b>2 Bank of India</b>		
Purchase of Government Securities/ Bonds	Nil	25,268.04
Sale of Government Securities/ Bonds	15,109.11	38,643.12
Sitting fees Paid	4.00	2.90
IDL Charges Paid	40.00	40.00
IDL Borrowings (C.Y. 200 crores for 241 days P.Y. 200 crores for 242 days)	4,820,000.00	4,840,000.00
<b>3. BOI Merchant Bankers Limited</b>		
Arranger Fee received	9.00	6.12
<b>KMP (Directors)</b>		
Sitting Fee Paid*	33.20	28.20

\*Sitting Fee excludes sitting fee paid to STCI Finance Limited and Bank of India which has been shown separately  
There are no transactions with other group companies during the year.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

### Key managerial personnel compensation

(₹ in Lakhs)

PARTICULARS	FOR THE YEAR ENDED MARCH 31, 2022*	FOR THE YEAR ENDED MARCH 31, 2021*
Short-term employee benefits	278.33	210.63
Post-employment benefits	-	-
Other long-term benefits	-	-
Other	-	-
<b>Total</b>	<b>278.33</b>	<b>210.63</b>

\* Includes Performance Linked Variable Pay (PLVP) paid during the year.

Performance Linked Variable Pay (PLVP), if any, to be paid for the financial year is paid based on the Individual's performance and Company's performance and as per the Board approved PLVP policy.

All related party transactions were made on terms equivalent to those that would otherwise prevail in an arm's length transaction provided that such terms can be substantiated.

### Note : 38

#### EARNING PER SHARE

(₹ in Lakhs)

PARTICULARS	FOR THE YEAR ENDED MARCH 31, 2022	FOR THE YEAR ENDED MARCH 31, 2021
Profit attributable to equity holders of the Company for basic and diluted earnings per equity share (₹ in Lakhs)	10,056.16	22,839.31
Issued ordinary shares (No's)	150,000,000	150,000,000
Weighted average number of shares at year end for basic and diluted EPS	150,000,000	150,000,000
<b>Basic and diluted earnings per share (₹)</b>	<b>6.70</b>	<b>15.23</b>

There has been no transaction involving ordinary shares or potential ordinary shares between the reporting date and the date of finalisation of these financial statements which would require the restatement of EPS.

### Note : 39

#### DISCLOSURE AS PER IND AS 116 - LEASES

##### LEASES AS A LESSEE

The leases entered into by the Company are primarily operating leases on payment of monthly rentals for its branch offices. The lease arrangements provide an option of renewal on expiry of the term and periodic escalations in the rentals.

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts that were previously identified as lease under Ind AS 17 and existing as on April 1, 2019 using the modified retrospective method. Consequently, the Company recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate on the date of transition and the right of use asset at its carrying amount.

- i) The following is the detailed breakup of Right-of-use assets (by class of underlying assets) included in Property, Plant and Equipment.

#### Current year

(₹ in Lakhs)

Particulars	Gross Block					Depreciation				Net
	As at April 01, 2021	Transi- tional Impact	Additions	Reclassi- fications / Deductions On Account Of Conclusion	As at March 31, 2022	As at April 01, 2021	For the Year	Reclassi- fications / Deductions On Account Of Conclusion	Up to March 31, 2022	As at March 31, 2022
Buildings	163.95	-	-	-	163.95	61.49	26.71	-	88.19	75.75
<b>Total</b>	<b>163.95</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>163.95</b>	<b>61.49</b>	<b>26.71</b>	<b>-</b>	<b>88.19</b>	<b>75.75</b>



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Previous year (₹ in Lakhs)

PARTICULARS	Gross Block					Depreciation				Net
	As at April 01, 2020	Transitional Impact	Additions	Reclassifications / Deductions On Account Of Conclusion	As at March 31, 2021	As at April 01, 2020	For the Year	Reclassifications / Deductions On Account Of Conclusion	Up to March 31, 2021	As at March 31, 2021
Buildings	157.90	-	6.05	-	163.95	35.50	25.99	-	61.49	102.46
<b>Total</b>	<b>157.90</b>	<b>-</b>	<b>6.05</b>	<b>-</b>	<b>163.95</b>	<b>35.50</b>	<b>25.99</b>	<b>-</b>	<b>61.49</b>	<b>102.46</b>

ii) The following expenses have been charged to Statement of Profit and Loss during the year

(₹ in Lakhs)

PARTICULARS	MARCH 31, 2022	MARCH 31, 2021
Interest on Lease Liabilities	4.19	4.96
Depreciation on ROU	26.71	25.98
Expenses relating to short term leases	-	-
Expenses relating to leases of low value items	-	-
Expenses relating to variable lease payments (not included in measurement of lease liabilities)	-	-
<b>Total</b>	<b>30.89</b>	<b>30.94</b>

iii) Total Cash outflow for leases during FY 2021-22 is ₹ 25.67 Lakhs (FY 2020-21 is ₹ 32.85 Lakhs)

iv) Income from Sub leasing of Right-of-use assets recognised in statement of profit and loss during FY 2021-22 is Nil ( FY 2020-21 is Nil)

v) Maturity Analysis of Lease Liabilities is as per Ind AS 116 Leases

(₹ in Lakhs)

AS AT MARCH 31, 2022	CONTRACTUAL CASH FLOWS				
	Less than 6 months	6 to 12 month	1 to 5 years	More than 5 years	Total
Cash outflows	12.76	12.76	42.08	-	67.59

(₹ in Lakhs)

AS AT MARCH 31, 2021	CONTRACTUAL CASH FLOWS				
	Less than 6 months	6 to 12 months	1 to 5 years	More than 5 years	Total
Cash outflows	12.22	12.22	64.63	-	89.08

vi) The following is the movement in lease liabilities during the year:

(₹ in Lakhs)

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
Balance at the beginning of the year	89.08	113.40
Additions during the year	-	3.57
Finance cost charged during the year	4.19	4.96
Payment of lease liabilities	(25.67)	(32.85)
Balance at the end of the year	67.59	89.08

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note : 40

### INCOME TAXES

#### i) Amounts recognized in the Statement of Profit and Loss

(₹ in Lakhs)		
PARTICULARS	YEAR ENDED MARCH 31, 2022	YEAR ENDED MARCH 31, 2021
<b>Income tax expense:</b>		
Current tax	3,311.04	8,457.18
Short/(excess) provision for tax for earlier years	66.02	(79.29)
Deferred tax - origination and reversal of temporary differences	281.72	(412.84)
<b>Total</b>	<b>3,658.78</b>	<b>7,965.06</b>

#### ii) Reconciliation of effective tax rate:

The reconciliation between the provision for income tax and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

(₹ in Lakhs)		
PARTICULARS	YEAR ENDED MARCH 31, 2022	YEAR ENDED MARCH 31, 2021
<b>Profit before income tax (A)</b>	<b>13,714.94</b>	<b>30,804.37</b>
Enacted income tax rate in India	25.168%	25.168%
<b>Computed expected tax expense</b>	<b>3,451.78</b>	<b>7,752.84</b>
<b>Effect of:</b>		
Difference in depreciation as per books and as per Income tax	(9.00)	(8.71)
Non-deductible expenses	117.82	88.97
Provisions recorded during the year (net)	70.26	185.21
Tax exempt income	-	-
Deduction	(164.21)	(115.18)
Effect of adjustment of Fair value as per Ind AS	-	554.06
Effect of adjustments as per ICDS	(155.61)	-
<b>Income Tax Payable</b>	<b>3,311.04</b>	<b>8,457.19</b>
Short/(Excess) provision for tax for earlier years	66.02	(79.29)
Deferred tax - origination and reversal of temporary differences	281.72	(412.84)
<b>Income Tax Expense(B)</b>	<b>3,658.78</b>	<b>7,965.06</b>
<b>Final Effective Income Tax Rate {(B/A)*100}</b>	<b>26.68%</b>	<b>25.86%</b>

#### iii) Recognized deferred tax assets and liabilities

(₹ in Lakhs)			
Sr. No.	PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
	<b>Deferred Tax Asset :</b>		
1	Provisions	76.09	199.31
2	Lease Liability	17.01	22.42
3	PLVP Payable	63.80	64.83
	<b>Total Deferred Tax Asset</b>	<b>156.90</b>	<b>286.56</b>
	<b>Deferred Tax Liability:</b>		
1	Investments	155.61	3.28
2	Property, Plant and Equipment & Intangible assets	200.36	193.32
3	Right of Use Asset	19.07	25.79
	<b>Total Deferred Tax Liability</b>	<b>375.04</b>	<b>222.39</b>
	<b>Net Deferred Tax Asset/(Liability)</b>	<b>(218.14)</b>	<b>64.18</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022****iv) Movement in temporary differences**

(₹ in Lakhs)

PARTICULARS	FY 2021-22	FY 2020-21
Net deferred tax asset/(Liability) at the beginning of the year (a)	64.18	(385.88)
Credit / (Charge) in the Statement of Profit and Loss during the year (b)		
Investments	(152.33)	461.35
Property, Plant and Equipment & Intangible assets	(7.04)	(10.14)
Provisions	(122.63)	(102.10)
PLVP Payable	(1.03)	64.83
Lease Liability	(5.41)	(6.12)
Right of Use Asset	6.72	5.01
<b>Total</b>	<b>(281.73)</b>	<b>412.83</b>
Credit / (Charge) in the other comprehensive income during the year (c)		
Provisions - employee benefits	(0.58)	0.77
Investment measured at fair value through other comprehensive income	-	36.45
<b>Total</b>	<b>(0.58)</b>	<b>37.21</b>
<b>MAT CREDIT (d)</b>	<b>-</b>	<b>-</b>
Net deferred tax asset/(Liabilities) at the end of the year (e) = (a) + (b) + (c) + (d)	(218.14)	64.18

**v) Other tax assets and current tax liabilities**

(₹ in Lakhs)

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
Current tax assets/ (liabilities)	545.31	105.28

**Note : 41****EMPLOYEE BENEFITS****DEFINED CONTRIBUTION PLAN**

The Company makes contributions towards provident fund, in respect of qualifying employees

(₹ in Lakhs)

PARTICULARS	MARCH 31, 2022	MARCH 31, 2021
Employer's Contribution to Provident Fund	39.18	37.86

(above figure does not include administrative charges of Rs. ₹ 1.99 lakhs (PY - ₹ 1.93 Lakhs))

**Defined Benefit Plan****i) Gratuity:**

The Company operates a post employment benefit plan that provides for gratuity benefit to the employees of the Company. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive gratuity as per applicable law at the time of retirement / exit. The gratuity contribution is paid to Life Insurance Corporation of India (LIC) under Group gratuity Scheme of LIC. The estimates of the future salary increases, considered in actuarial valuation, include inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

The following table summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans :

(₹ in Lakhs)

Sr. No.	PARTICULARS	MARCH 31, 2022	MARCH 31, 2021
<b>I.</b>	<b>Assumption</b>		
	Mortality	IALM (2012-14) Ult	IALM (2012-14) Ult
	Interest / Discount rate	6.95%	6.41%
	Rate of increase in compensation	5.00%	5.00%
	Rate of return (expected) on plan assets	6.04%	5.81%
	Employee Attrition Rate	Service based: Upto 5 years - 20% 5 to 10 years - 15% 10 to 20 years - 5% Above 20 years - 0%	Service based: Upto 5 years - 20% 5 to 10 years - 15% 10 to 20 years - 5% Above 20 years - 0%
	Expected average remaining service (years)	8.64	8.65
<b>II.</b>	<b>Changes in present value of obligations</b>		
	PVO at beginning of year	93.51	88.18
	Interest cost	5.65	5.11
	Current Service Cost	8.38	9.81
	Past service cost –(vested benefits)	-	-
	Benefits Paid	(3.47)	(13.10)
	Actuarial (gain)/loss on obligation	(1.33)	3.51
	PVO at end of year	102.74	93.51
<b>III.</b>	<b>Changes in fair value of plan assets</b>		
	Fair Value of Plan Assets at beginning of year	96.99	89.95
	Adjustment to opening balance	-	-
	Return on plan assets excluding interest income	0.99	0.44
	Interest income	5.87	5.86
	Contributions by employer	10.43	13.84
	Benefit Paid	(3.47)	(13.10)
	Fair Value of Plan Assets at end of year	110.81	96.99
<b>IV.</b>	<b>Actuarial (Gain)/Loss on obligation</b>		
	Due to demographic assumption	-	-
	Due to financial assumption	(4.60)	0.77
	Due to experience	3.27	2.74
	Total Actuarial (Gain)/Loss	(1.33)	3.51
<b>V.</b>	<b>Amounts recognized in the balance sheet and statement of profit &amp; loss account</b>		
	PVO at end of year	102.74	93.51
	Fair Value of Plan Assets at end of year	110.81	96.99
	Funded Status	8.07	3.48
	Net Asset/(Liability) recognized in the balance sheet	8.07	3.48
<b>VI.</b>	<b>Expenses recognized in the statement of P &amp; L A/c</b>		
	Current Service Cost	8.38	9.81
	Net interest	(0.22)	(0.73)
	Past Service Cost –(vested benefits)	-	-
	Expenses recognized in the statement of P & L A/c	8.16	9.08
<b>VII.</b>	<b>Other comprehensive income(OCI)</b>		
	Actuarial (Gain)/Loss recognized for the year	(1.33)	3.51
	Return on plan assets excluding net interest	(0.99)	(0.44)
	Total Actuarial (Gain)/Loss recognized in OCI	(2.32)	3.07

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022****Experience Adjustment**

(₹ in Lakhs)

PARTICULARS	MARCH 31, 2022	MARCH 31, 2021	MARCH 31, 2020	MARCH 31, 2019	MARCH 31, 2018
Defined Benefit Obligation (DBO)	102.74	93.51	88.18	71.80	49.89
Plan Assets	110.81	96.99	89.95	80.88	49.39
Surplus / (Deficit)	8.07	3.48	1.77	9.08	(0.50)
Experience adjustment on plan assets	0.99	0.44	(0.44)	0.95	2.52

**Sensitivity analysis**

Sensitivity analysis for significant actuarial assumptions, showing how the defined benefit obligation would be affected, considering increase/decrease of 1% as at 31.03.2022 is as below:

(₹ in Lakhs)

CHANGE IN ACTUARIAL ASSUMPTION	PVDBO	
	MARCH 31, 2022	MARCH 31, 2021
+ 1% change in rate of Discounting	95.05	86.27
- 1% change in rate of Discounting	111.54	101.83
+ 1% change in rate of Salary increase/ inflation	107.59	98.15
- 1% change in rate of Salary increase/ inflation	97.96	89.28

The expected future cash flows as at 31st March 2022 are as follows:

(₹ in Lakhs)

ESTIMATED BENEFIT PAYMENTS FROM THE FUND DURING	EXPECTED CONTRIBUTION	
	MARCH 31, 2022	MARCH 31, 2021
Expected Outgo in First year	9.85	10.68
Expected Outgo in Second year	8.95	7.53
Expected Outgo in Third year	8.14	6.84
Expected Outgo in Fourth year	10.73	6.23
Expected Outgo in Fifth year	6.15	8.90
Expected Outgo Six to Ten years	44.89	32.04
Expected Outgo above Ten years	44.12	48.65

**Leave Encashment:** The Company has additionally booked the provision of ₹ 46.01 lakhs (P.Y. ₹ 34.41 lakh) during the year ended March 31, 2022 for leave encashment on actuarial valuation basis.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note : 42

### FINANCIAL INSTRUMENTS

#### i) Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

#### Financial assets and financial liabilities measured at fair value

(₹ in Lakhs)

AS AT MARCH 31, 2022	CARRYING AMOUNT*			FAIR VALUE HIERARCHY		
	FVTPL	FVOCI	TOTAL	LEVEL 1	LEVEL 2	TOTAL
<b>Financial Assets</b>						
Investment in Central Government dated securities	298,440.32	-	298,440.32	298,440.32	-	298,440.32
Investment in State Development loans	44,821.08	-	44,821.08	44,821.08	-	44,821.08
Investment in Government special securities	-	-	-	-	-	-
Investment in Treasury bills	784,889.01	-	784,889.01	254,503.71	530,385.30	784,889.01
Investment in STRIPS	5,578.83	-	5,578.83	5,578.83	-	5,578.83
Investment in Debentures or Bonds	65,702.53	-	65,702.53	53,673.86	12,028.67	65,702.53
<b>Derivative instrument</b>						
- Interest rate swap	38,228.27	-	38,228.27	-	38,228.27	38,228.27
<b>Total</b>	<b>1,237,660.04</b>	<b>-</b>	<b>1,237,660.04</b>	<b>657,017.80</b>	<b>580,642.24</b>	<b>1,237,660.04</b>
<b>Financial liabilities</b>						
<b>Derivative instrument</b>						
- Interest rate swap	38,589.59	-	38,589.59	-	38,589.59	38,589.59
<b>Total</b>	<b>38,589.59</b>	<b>-</b>	<b>38,589.59</b>	<b>-</b>	<b>38,589.59</b>	<b>38,589.59</b>

\* Carrying amount include accrued interest

#### Financial assets and financial liabilities measured at amortized cost

(₹ in Lakhs)

AS AT MARCH 31, 2022	AMOUNT
<b>Financial Assets</b>	
Cash and cash equivalents	22.09
Bank Balances other than Cash and cash equivalents	122.08
Investments (including accrued interest)	162,118.86
Other Receivables	21.07
Other financial assets	3,627.42
<b>Total</b>	<b>165,911.52</b>
<b>Financial liabilities</b>	
Borrowings (including accrued interest)	1,269,123.61
Deposits (including accrued interest)	19,155.34
Trade and Other Payables	85.78
Lease Liability	67.59
Other Financial Liabilities	476.24
<b>Total</b>	<b>1,288,908.56</b>

The carrying amount of cash and cash equivalents, bank balances other than cash and cash equivalents, other financial assets, borrowings, deposits, trade and other payables and other financial liabilities are considered to be same as fair value.



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022****Financial assets and financial liabilities measured at fair value** (₹ in Lakhs)

AS AT MARCH 31, 2021	CARRYING AMOUNT*			FAIR VALUE HIERARCHY		
	FVTPL	FVOCI	TOTAL	LEVEL 1	LEVEL 2	TOTAL
<b>Financial Assets</b>						
Investment in Central Government Dated securities	76,889.95	-	76,889.95	76,889.95	-	76,889.95
Investment in State Development loans	125,425.92	-	125,425.92	125,425.92	-	125,425.92
Investment in Treasury bills	920,722.10	-	920,722.10	215,064.14	705,657.96	920,722.10
Investment in STRIPS	7,442.29	-	7,442.29	7,442.29	-	7,442.29
Investment in Debentures or Bonds	9,342.29	-	9,342.29	9,342.29	-	9,342.29
<b>Derivative instrument</b>						
- Interest rate swap	44,863.24	-	44,863.24	-	44,863.24	44,863.24
<b>Total</b>	<b>1,184,685.78</b>	<b>-</b>	<b>1,184,685.78</b>	<b>434,164.59</b>	<b>750,521.19</b>	<b>1,184,685.78</b>
<b>Financial liabilities</b>						
Derivative instrument						
- Interest rate swap	44,695.76	-	44,695.76	-	44,695.76	44,695.76
<b>Total</b>	<b>44,695.76</b>	<b>-</b>	<b>44,695.76</b>	<b>-</b>	<b>44,695.76</b>	<b>44,695.76</b>

\* Carrying amount include accrued interest

**Financial assets and financial liabilities measured at amortized cost** (₹ in Lakhs)

AS AT MARCH 31, 2021	AMOUNT
<b>Financial Assets</b>	
Cash and cash equivalents	48.77
Bank Balances other than Cash and cash equivalents	22.11
Other Receivables	244.91
Other financial assets	1,665.40
<b>Total</b>	<b>1,981.19</b>
<b>Financial liabilities</b>	
Borrowings	1,050,298.35
Deposits	18,772.90
Trade and Other Payables	94.85
Lease Liability	89.08
Other Financial Liabilities	257.58
<b>Total</b>	<b>1,069,512.76</b>

The carrying amount of cash and cash equivalents, bank balances other than cash and cash equivalents, other financial assets, borrowings, deposits, trade and other payables and other financial liabilities are considered to be same as fair value.

**Financial assets and financial liabilities measured at fair value**

The carrying amount of cash and cash equivalents, bank balances other than cash and cash equivalents, other financial assets, borrowings, deposits, trade and other payables and other financial liabilities are considered to be same as fair value.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

### ii) Financial risk management

#### Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has adopted a Board approved Business Investment & Risk Policy which lays down risk parameters, processes and procedures for managing the risk arising from the Company's business operations. The Risk Management Committee of the Board oversees the Company's risk management framework, and its responsibilities include reviewing and recommending the Business Investment & Risk Policy to the Board for its approval and also reviewing compliance with the approved / statutory risk parameters, processes, procedures, etc by means of regular risk management reports.

The Risk Management Department of the Company is an independent unit under the Chief Risk Officer, reporting to the Managing Director and is responsible for measurement and monitoring of risk limits within the risk management framework of the Company. The Chief Risk Officer is responsible for identification, measurement and monitoring adherence to prudential limits laid down in the Business Investment & Risk Policy and RBI regulatory limits and meets to the Risk Management Committee directly without the presence of the Managing Director on a quarterly basis.

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk and
- Settlement risk

#### A. Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's trade and other receivables, cash and cash equivalents and other bank balances, derivatives and debt securities. The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount.

##### a. Exposure in SLR securities

SLR securities consisting of G-Sec, SDL, SPL and T-Bills have zero credit risk as they are sovereign securities. Further all SLR securities trades are settled by the Clearing Corporation of India Ltd which provides novation and thus guaranteed settlement in respect of all these instruments.

##### b. Exposure in non- SLR securities

Various prudential guidelines are laid down in Business Investment and Risk Policy to manage and mitigate credit risk arising in respect of holding of non-SLR securities. External credit ratings form the basic qualifying criteria for investing in any individual reference credit. The debt issuers are classified based on their credit rating and exposure limits are also stipulated for each issuing company / entity. A credit scoring model is also used to analyse the credit quality of the individual reference credits which meet the threshold external rating. The Credit Evaluation Committee is responsible for evaluating credit quality of individual credit references in whose corporate debt securities the Company proposes to invest and approving the proposed investment. It is also responsible for monitoring the credit quality of existing corporate debt securities portfolio including rating migrations. Additionally, a defeasance / holding period has also been prescribed for corporate debt securities to mitigate risk arising from holding corporate debt securities.

##### c. Exposure in Interest Rate Swaps

Interest rate swaps which are not in the IRS Guaranteed Settlement segment of CCIL give rise to bilateral credit risk. However currently all the IRS deals are dealt in IRS Guaranteed Settlement segment of CCIL and thus the Company is not exposed to credit risk in respect of its transactions in Interest Rate Swaps.

#### B. Liquidity risk

The Company has an Asset Liability Management Committee (ALCO) which monitors various issues related to liquidity risk on the basis of ALM statements and decides on the strategy to address the same. The Company uses duration gap analysis to monitor the ALM interest rate risk. As a PD, the Company has access to the RBI PDLs facility in case of tight liquidity conditions in the inter-bank money market.

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company believes that the working capital is sufficient to meet its current requirements.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

### Maturity Analysis of Significant Financial Liabilities:

(₹ in Lakhs)

AS AT MARCH 31 2022	CONTRACTUAL CASH FLOWS				
	TOTAL	LESS THAN 6 MONTHS	6 MONTHS TO 12 MONTHS	1 TO 5 YEARS	MORE THAN 5 YEARS
Borrowings and Deposits	1,288,278.95	1,288,278.95	-	-	-
Trade and other payables	85.78	85.78	-	-	-
Lease Liability	67.59	12.76	12.76	42.08	-
Other Financial Liability	476.24	338.20	-	138.05	-

(₹ in Lakhs)

AS AT MARCH 31 2021	CONTRACTUAL CASH FLOWS				
	TOTAL	LESS THAN 6 MONTHS	6 MONTHS TO 12 MONTHS	1 TO 5 YEARS	MORE THAN 5 YEARS
Borrowings and Deposits	1,069,071.25	1,069,071.25	-	-	-
Trade and other payables	94.85	94.85	-	-	-
Lease Liability	89.08	12.22	12.22	64.63	-
Other Financial Liability	257.58	140.08	-	117.50	-

### C. Market risk

The Company uses measures including Value-at-Risk (VaR), Modified Duration & PV01 to monitor interest rate risk of its fixed income portfolios. The Company calculates Value-at-Risk (VaR) to measure market risk on a daily basis for a 1 day holding period with 99% confidence level using the Historical Simulation methodology based on a data set of last 250 days. The Company also back tests the results of its VaR model for validating the model by comparing the VaR number with both the hypothetical portfolio MTM change as well as actual change. Based on the back-testing results, the Company scales up the applied multiplication factor to adequately compensate for any observed loss of accuracy. The Company also carries out interest rate sensitivity analysis based on an assumed adverse parallel shift of 25/50/100 basis points in the yield curve.

#### a. Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates, or in cases where the borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

#### Exposure to interest rate risk

Company's interest rate risk arises primarily from Investments. The interest rate profile of the Company's interest-bearing financial instruments is as follows.

(₹ in Lakhs)

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
<b>Fixed-rate instruments</b>		
<b>Financial Assets - measured at amortised cost</b>		
Investment in debt instruments	162,118.86	-
<b>Financial Assets - measured at FVTPL or FVOCI</b>		
Investment in debt instruments	1,199,431.77	1,139,822.55
<b>Total of Fixed Rate Financial Assets</b>	<b>1,361,550.63</b>	<b>1,139,822.55</b>
<b>Financial liabilities - measured at amortised cost</b>		
Borrowings	1,269,123.61	1,050,298.35
Deposits (Inter corporate Deposit)	19,155.34	18,772.90
<b>Total of Fixed Rate Financial Liabilities</b>	<b>1,288,278.95</b>	<b>1,069,071.25</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

### b. Fair value sensitivity analysis for fixed-rate instruments

The Company has investments in fixed-rate financial assets such as investments in Government Securities, Commercial Paper, Corporate Deposit etc. Accordingly, a increase in 1 basis point in interest rates is likely to decrease the profit or loss (before tax) for the year ending March 31, 2022 by ₹ 148.78 Lakhs (March 31, 2021 ₹ 170.55 Lakhs) and an decrease in 1 basis point in interest rates is likely to increase the profit or loss (before tax) for the year ending March 31, 2022 by ₹ 148.78 Lakhs (March 31, 2021 ₹ 170.55 Lakhs).

### D. Settlement Risk

The Company is a member of CCIL and enjoys the benefits of guaranteed settlement of trades put through CCIL. Accordingly, the Company does not face settlement risk arising from the GSec, SDL, SPL and T-Bill outright and repo transactions. The settlement of all non-SLR securities transactions is done on DVP-I basis through the clearing houses attached with the exchanges namely, NSCCL (NSE) and ICCL (BSE) and this reduces the counterparty and settlement risk. In case of IRS transactions, the settlement risk is mitigated by the interest exchanges taking place through the Clearing Corporation of India Ltd which carries out both guaranteed & non-guaranteed settlement of IRS transactions. In case of equity market & interest rate transactions, the settlement risk is mitigated as settlement is taking place through the clearing houses of the respective exchanges which act as CCP.

### Note : 43

#### FAIR VALUE MEASUREMENT

##### i) Valuation Principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as explained in Note no. 44

##### ii) Valuation Governance

The Company's fair value methodology and the governance framework include a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy. The Company is required to follow valuation methodology for its assets and liabilities as prescribed by the RBI. All new products and their valuation methodologies are subject to approvals by the Risk Management Committee of the Board as well as the Board of Directors of the Company. The responsibility of on-going measurement resides with the Risk Management Department.

Once submitted, fair value estimates are also reviewed and independently verified by the Chief Risk Officer (CRO) and the independent price verification process for financial reporting is ultimately the responsibility of the CRO.

The Risk Management team works together with the Finance function's accounting policy team and is responsible for ensuring that the final reported fair value figures are in compliance with Ind AS and will propose adjustments as and when needed.

##### iii) Asset and liabilities by fair value hierarchy:

All assets or liabilities are based on quoted (unadjusted) market prices/yields in active markets for identical assets or liabilities.

### Note : 44

#### VALUATION TECHNIQUES

**Government dated securities:** All Central Government dated securities are valued as per prices published by Financial Benchmarks India Private Limited (FBIL) as prescribed by RBI.

**State Development Loans:** All State Government securities are valued as per prices published by Financial Benchmarks India Private Limited (FBIL) as prescribed by RBI.

**Special Bonds:** All Special Bonds are valued as per prices published by Financial Benchmarks India Private Limited (FBIL) as prescribed by RBI.

**Treasury Bills:** T-Bills which are traded are valued at their last traded prices. T-Bills which are not traded are valued at market traded yields as per the T-Bill yield curve published by FBIL, as prescribed by RBI.

**Certificate of Deposits:** CDs which are traded valued at their last traded prices. CDs which are not traded are valued at market traded yields as per the CD curve published by FBIL.

**Equity (cash and futures):** Market value of equity shares is determined by the closing prices obtained from recognised stock exchange such as NSE/BSE.

**Corporate bonds:** Corporate Bonds which are traded are valued at their last traded prices. Corporate bonds which are not traded are valued based on the credit spreads published by FBIL over the last traded yields of Central Government Dated Securities as published by FBIL.

**STRIPS:** All STRIPS are valued as per prices published by Financial Benchmarks India Private Limited (FBIL) as prescribed by RBI.

**Interest rate Futures:** Interest Rate Futures contracts are valued at their respective closing settlement prices as published by recognized stock exchange such as NSE/BSE.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

**Interest Rate Swaps:** Interest Rate Swaps are valued on the basis of traded swap yields as published by FBIL.

**Currency Futures:** Currency Futures contracts are valued at their respective closing settlement prices as published by recognized stock exchange such as NSE/BSE.

**Note : 45**

**VALUATION ADJUSTMENTS AND OTHER INPUTS AND CONSIDERATIONS**

No valuation adjustments have been made to the prices/yields provided for valuation by FBIL or the recognized stock exchanges.

**Note : 46**

**ANALYSIS OF RISK CONCENTRATION**

The Company's business operations can be broadly classified into two major segments viz gilts and non-gilts. Gilts segment includes Government Dated Securities, State Development Loans, Special Bonds, Treasury Bills and STRIPS while non-gilt segment includes corporate bonds, CPs, CDs, Interest Rate Swaps and equities.

Reserve Bank of India (RBI) prescribes guidelines to prevent concentration of risk by Primary Dealers (PDs) by stipulating that 50% of total investments has to be in the gilt segment at all times. Further, in case of non-gilt investments, the RBI prescribes single and group borrower limits so as to prevent concentration of credit risk.

Additionally, the Business Investment & Risk Policy of the Company stipulates prudential limits on holding of each class of instrument. Concentration risk to a particular issuer is also limited by the internal prudential guidelines which stipulate counterparty exposure limits and maximum holding limits for each issuer (e.g. for each state government and individual reference credit) for debt securities, interest rate derivatives and equities.

The Company does not face any concentration risk arising from currency or geography as the Company operates only in the Indian Fixed Income market and it has a diversified pan-India presence through its Branches.

**Note :47**

**EVENTS AFTER REPORTING DATE:**

No events took place after the reporting date that require disclosure in these financial statements.

**Note : 48**

**CAPITAL MANAGEMENT**

The Company's objective is to maximize the shareholders' value by maintaining an optimum capital structure. The company maintains capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of Reserve Bank of India (RBI). The adequacy of the company's capital is monitored using, among other measures, the regulation issued by RBI.

Capital to Risk Weighted Assets Ratio (CRAR) is a measurement of a company's available Capital expressed as a percentage of a Risk-weighted assets. The Capital includes Tier-I and II capital. Primary Dealers are required to maintain a minimum Capital to Risk-Weighted Assets Ratio (CRAR) of 15 percent on an ongoing basis.

Sr. No.	ITEMS	MARCH 31, 2022	MARCH 31, 2021
i	CRAR (%)	32.31	28.95
ii	CRAR - Tier I capital (%)	32.31	28.95
iii	CRAR - Tier II Capital (%)	-	-
iv	Amount of subordinated debt raised as Tier-II capital	-	-
v	Amount raised by issue of Perpetual Debt Instruments	-	-
vi	Risk Weighted Assets (RWA) (₹ in Lakhs)	240,414.00	252,427.00
vii	Net Owned Funds (NOF) (₹ in Lakhs)	77,664.78	73,088.04
viii	Tier- I Capital (₹ in Lakhs)	77,664.78	73,088.04
ix	Return on Average Net Owned Funds	13.34%	33.99%

**Note:**

- The net owned fund of the Company has been calculated in accordance with RBI circular No. RBI/2019-20/170 DOR (NBFC).CC.PD.No. 109/22.10.106/2019-20 dated March 13, 2020.
- Liquidity Coverage Ratio (LCR)- As per point 4(c) of RBI Liquidity Risk Management Framework dated November 04, 2019, Primary Dealers are exempt from applicability of LCR norms.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

### Note : 49

#### PENDING LITIGATION

a. The company had invested in CPs issued by IL&FS as below:

(₹ in Lakhs)

NAME	DATE OF INVESTMENT	FACE VALUE
CP IL&FS Ltd due on 17-Sept-2018	9-Mar-18	5,000
CP IL&FS Ltd due on 05-Mar-2019	27-Mar-18	5,000

- b. An amount of ₹ 9,413.34 lakhs being the book value of the investment made in CP of IL&FS has been written off in F.Y. 2018-19 owing to the fact that the instrument being unsecured in nature and on account of the fact that IL&FS has been classified by the resolution consultant and Ministry of Corporate Affairs, Govt. of India as a “Red Entity” i.e. the entity that cannot meet its payment obligations towards even senior secured financial creditors, as and when such payment obligation become due.
- c. In the order dated February 4, 2019, the Hon’ble NCLAT, New Delhi, permitted the operational and financial creditors of the IL&FS & its group companies to file Intervention Applications. Accordingly, the Company has filed Intervention Application before the Hon’ble NCLAT, New Delhi. The Intervention Application no 9626 of 2019 filed by the Company has been admitted on February 11, 2019.
- d. Subsequent to the intervention application filed by the Company, the Company has been admitted to the Committee of Creditors (CoC), and the claim of ₹ 9,847.89 lakhs (including accrued discount income till cut off date i.e. 15-Oct-2018) has been admitted by NCLT/NCLAT in F.Y. 2019-20. There is no further progress in the matter in FY 2021-22 w.r.t. receipt of outstanding claim.

### Note : 50

#### SEGMENT REPORTING

Business Segment : The Company’s management has identified Gilt Segment and Non Gilt Segment as two reportable segment based on risk, return and the regulatory authorities for reporting. The Company does not have geographical segment in the context of the Indian Accounting Standard (Ind AS) 108 - “Operating Segments”. The detailed segmental information is as under.

(₹ in Lakhs)

SEGMENT INFORMATION	GILT INCOME		NON GILT INCOME		UNALLOCATED		TOTAL	
	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
Interest and similar income	56,895.19	42,912.18	3,072.58	2,001.17	57.71	9.13	60,025.48	44,922.48
Interest and similar expense	40,547.00	28,272.62	929.11	1,042.16	4.28	60.49	41,480.39	29,375.27
<b>Net interest income (expense)</b>	<b>16,348.19</b>	<b>14,639.56</b>	<b>2,143.47</b>	<b>959.00</b>	<b>53.43</b>	<b>(51.35)</b>	<b>18,545.09</b>	<b>15,547.20</b>
Fee and commission income	633.75	617.35	-	-	-	-	633.75	617.35
Fee and commission expense	-	-	-	-	-	-	-	-
<b>Net fees and commission income</b>	<b>633.75</b>	<b>617.35</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>633.75</b>	<b>617.35</b>
Trading Profit/(Loss) on investments	936.85	15,836.65	1,805.92	1,505.90	-	-	2,742.77	17,342.55
Net gain on fair value changes	(5,920.48)	(1,500.41)	(42.85)	82.02	-	-	(5,963.33)	(1,418.40)
Reclassification adjustment (Net gain on derecognition of financial instruments under FVOCI)	-	762.32	-	-	-	-	-	762.32
impairment on financial instruments	-	-	-	-	-	-	-	-
Other income	-	-	16.34	-	486.78	801.86	503.12	801.86
Depreciation of property and equipment	-	-	-	-	81.69	90.09	81.69	90.09
Amortisation of intangible assets	-	-	-	-	6.57	3.32	6.57	3.32
Other operating expenses	592.79	488.04	-	1.55	2,065.42	2,265.51	2,658.21	2,755.10
Total operating expense	592.79	488.04	-	1.55	2,153.68	2,358.92	2,746.47	2,848.51
Segment profit (loss) before taxation	11,405.51	29,867.42	3,922.88	2,545.37	(1,613.47)	(1,608.41)	13,714.94	30,804.38
Income tax expense	-	-	-	-	-	-	3,658.78	7,965.06
Profit for the year for continuing operations	-	-	-	-	-	-	10,056.16	22,839.31



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

SEGMENT INFORMATION	GILT INCOME		NON GILT INCOME		UNALLOCATED		TOTAL	
	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
<b>Other Comprehensive Income</b>	-	-	-	-	-	-	-	-
(i) Items that will not be reclassified to profit or loss	-	-	-	-	2.32	(3.07)	2.32	(3.07)
(ii) Income Tax relating to items that will not be reclassified to profit or loss	-	-	-	-	(0.58)	0.77	(0.58)	0.77
(i) Items that will be reclassified to profit or loss	-	-	-	-	-	(144.80)	-	(144.80)
(ii) Income Tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	36.45	-	36.45
Additions to property plant and equipment	-	-	-	-	23.51	40.08	23.51	40.08
Additions to other intangible assets	-	-	-	-	2.56	12.44	2.56	12.44
Segment assets as at March 31, 2022	1,337,674.63	1,176,984.77	65,824.60	9,364.40	2,325.62	2,331.51	1,405,824.85	1,188,680.68
Segment Liabilities as at March 31, 2022	1,301,291.75	1,094,994.12	25,659.44	18,772.90	78,873.66	74,913.66	1,405,824.85	1,188,680.68

### Note : 51

#### OFFSETTING

Certain derivative financial assets and financial liabilities are subject to master netting arrangements, whereby in the case of insolvency, derivative financial assets and financial liabilities will be settled on a net basis. The tables below summarise the financial assets and liabilities subject to offsetting, enforceable master netting and similar agreements, as well as financial collateral received to mitigate credit exposures for these financial assets, and whether offset is achieved in the balance sheet:

#### Financial assets subject to offsetting, netting arrangements

(₹ in Lakhs)

PARTICULARS	DERIVATIVE ASSETS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
<b>Offsetting recognised on the balance sheet</b>	Gross assets before offset	38,228.27	44,863.24
	Offset with gross liabilities <sup>2</sup>	-	-
	Net assets recognised in the balance sheet	38,228.27	44,863.24
<b>Netting potential not recognised on the balance sheet</b>	Financial liabilities	38,589.59	44,695.76
	Collaterals received	-	-
	Assets/ (Liability) after consideration of netting potentials	(361.32)	167.47
<b>Assets not subject to netting arrangements<sup>1</sup></b>	Assets recognised on the balance sheet	-	-
<b>Total assets</b>	Recognised in the balance sheet	38,228.27	44,863.24
<b>Maximum exposure to risk</b>	After consideration of netting potential	-	167.47

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

### Financial liabilities subject to offsetting, netting arrangements

(₹ in Lakhs)

PARTICULARS	DERIVATIVE ASSETS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
<b>Offsetting recognised on the balance sheet</b>	Gross Liabilities before offset	38,589.59	44,695.76
	Offset with gross liabilities <sup>2</sup>	-	-
	Net Liabilities recognised on the balance sheet	38,589.59	44,695.76
<b>Netting potential not recognised on the balance sheet</b>	Financial assets	38,228.27	44,695.76
	Collaterals received	-	-
	Assets/ Liab after consideration of netting potential <sup>3</sup>	-	-
<b>Assets not subject to netting arrangements<sup>1</sup></b>	Assets recognised on the balance sheet	-	-
<b>Total Liabilities</b>	Recognised in the balance sheet	38,589.59	44,695.76
<b>Maximum exposure to risk</b>	After consideration of netting potential	-	-

1. Represents items not subject to enforceable netting arrangements and other out-of-scope items
2. Netting with gross liabilities” column represents amounts that can be offset under Ind AS 32. These numbers are the same amount as those presented in the “Netting with gross assets” column in the liabilities table.
3. Amounts have been capped by the relevant netting agreement so as not to exceed the net amount financial assets presented on the balance sheet; (i.e., over-collateralisation, where it exists, is not reflected in the table, given surplus collateral would not be recognisable in an event of default.

### Note:52

#### CORPORATE SOCIAL RESPONSIBILITY (CSR) DISCLOSURE

During the year, Company has spent ₹ 425.79 lakhs (March 31, 2021 ₹ 267.10 lakhs) towards CSR activities, as required to be spent in terms of Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility policy) Rules, 2014. Details of CSR expense for the year are as under:-

(₹ in Lakhs)

Sr. No.	PARTICULARS	FY 2021-22	FY 2020-21
a)	Gross amount required to be spent during the year	429.12	263.76
b)	Amount of expenditure incurred and spent during the year on:		
	- Construction/acquisition of any asset - Capital Expenditure	-	-
	- Others (other than above)	425.79	267.10
	- Amount set off from the excess spent of last year*	3.33	-
	<b>Total</b>	<b>429.12</b>	<b>267.10</b>
c)	Amount spent during the year		
	Expenses paid	425.79	267.10
	Expenses yet to be paid for (Shortfall for the year)	-	-
d)	Total of previous years shortfall	-	-
e)	Reason for shortfall	NA	NA



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

Sr. No.	PARTICULARS	AMOUNT SPENT	PENDING TO BE SPENT	TOTAL
<b>1</b>	<b>Construction/acquisition of any asset</b>			
<b>2</b>	<b>On purposes other than (i) above-</b>			
	a) Prime Minister's National Relief Fund	128.83 (19.59)	- -	128.83 (19.59)
	b) Cancer Patient Aid Association (CPAA)	40.00 (30.00)	- -	40.00 (30.00)
	c) ImPaCCT Foundation (Paediatric Foundation of Tata Memorial hospital)	40.00 (25.00)	- -	40.00 (25.00)
	d) National Association for the blind	- (9.90)	- -	- (9.90)
	e) HDFC Charity Fund for Cancer Cure ** (Dividend amount)	- (3.33)	- -	- (3.33)
	f) Sunder Shewak Sabha	40.00 (28.00)	- -	40.00 (28.00)
	g) Ramakrishna Mission	- (20.19)		 (20.19)
	h) Ramakrishna Mission Seva Pratishthan, Kolkata	33.60 -	- -	33.60 -
	i) Ramakrishna Mission Ashrama, Belagavi (Belgaum), Karnataka	22.69 -	- -	22.69 -
	j) Friends of Tribal Society	- (20.00)	- -	- (20.00)
	k) Indian Cancer Society	40.00 (35.00)	- -	40.00 (35.00)
	l) Sadguru Seva Sangh Trust	25.00 (17.50)	- -	25.00 (17.50)
	m) Cancer Institute WIA	5.67 (17.00)	- -	5.67 (17.00)
	n) The Akshaya Patra Foundation	50.00 (22.00)	- -	50.00 (22.00)
	o) Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund	- (19.59)	- -	- (19.59)
	<b>Total (Current Year)</b>	<b>425.79</b>	<b>-</b>	<b>425.79</b>
	<b>Total (Previous Year)</b>	<b>(267.10)</b>	<b>-</b>	<b>(267.10)</b>

\* The actual CSR contribution for the current FY 2021-22 was ₹ 429.12 Lakh. There was an excess CSR spent of ₹ 3.33 Lakh in the previous Financial Year (FY 2020-21). The excess amount of ₹ 3.33 Lakh has been set off against current year's CSR contribution vide Board approval dated October 22, 2021.

\*\* The Company has made investment in HDFC Cancer Cure Fund. As per the scheme, any dividend declared in the said scheme was contributed directly to Indian Cancer Society and eligible towards Company's contribution for CSR commitment. The said scheme is a close ended scheme and matured on May 06, 2020.

**Note:** Figures in brackets denote figures for March 31, 2021

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note : 53

### TRADE RECEIVABLE AGING SCHEDULE

FY 2021-22

(₹ in Lakhs)

Sr. No.	Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment					Total
				Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i)	Undisputed Trade receivables – considered good	-	20.79	-	-	-	-	-	20.79
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii)	Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv)	Disputed Trade Receivables–considered good	-	-	-	-	-	-	-	-
(v)	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi)	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-

FY 2020-21

(₹ in Lakhs)

Sr. No.	Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment					Total
				Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i)	Undisputed Trade receivables – considered good	-	244.56	-	-	-	-	-	244.56
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii)	Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv)	Disputed Trade Receivables–considered good	-	-	-	-	-	-	-	-
(v)	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi)	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note : 54

### INTANGIBLE ASSETS UNDER DEVELOPMENT AGING SCHEDULE

FY 2021-22

(₹ in Lakhs)

Sr. No.	Intangible assets under development	Amount in CWIP for a period of				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i)	Projects in progress	-	-	-	-	-
(ii)	Projects temporarily suspended	-	-	-	-	-

FY 2020-21

(₹ in Lakhs)

Sr. No.	Intangible assets under development	Amount in CWIP for a period of				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i)	Projects in progress	0.64	-	-	-	0.64
(ii)	Projects temporarily suspended	-	-	-	-	-

Note : 55

### TRADE PAYABLE AGING SCHEDULE

FY 2021-22

(₹ in Lakhs)

Sr. No.	Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
				Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i)	MSME	-	-	-	-	-	-	-
(ii)	Others	1.98	45.61	-	-	-	-	47.59
(iii)	Disputed dues – MSME	-	-	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-	-	-

FY 2020-21

(₹ in Lakhs)

Sr. No.	Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
				Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i)	MSME	-	-	2.92	-	-	-	2.92
(ii)	Others	4.14	49.55	-	-	-	-	53.69
(iii)	Disputed dues – MSME	-	-	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-	-	-

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

### Regulatory Disclosures

#### Note : 56

#### CAPITAL COMMITMENT AND CONTRACTUAL OBLIGATION

- a. Estimated amount of contracts remaining to be executed on capital account - Nil (PY Nil)
- b. Commitment and contractual obligations in respect of:
- i. The purchases and sales of the securities effected on March 31, 2022, the transaction shall be accounted on April 04, 2022 i.e Settlement date. The face value of the securities purchased and sold on March 31, 2022 are as given in the table below;

(₹ in Lakhs)

Sr. No.	PARTICULARS	MARCH 31, 2022	MARCH 31, 2021
1	Purchase of securities	6,504.00	21,900.00
2	Sale of securities	40,954.00	35,303.40

#### Note : 57

The Company is a member of Primary Dealers Association of India (PDAI) and Fixed Income Money Market and Derivatives Association of India (FIMMDA); which are Companies limited by guarantee and incorporated under the Companies Act, 1956. The amount guaranteed by the Company on this amounts to Rs. One Hundred only, for each Association.

#### Note : 58

The Company is authorized by RBI to offer Constituent SGL Account facility in the nature of Subsidiary General Ledger (SGL) account maintained with RBI on behalf of its Constituents. The transactions undertaken include purchase and sale transactions on behalf of Constituents. As on March 31, 2022 the face value of the securities held by the Company on behalf of its Constituents is ₹ 45,50,325.60 Lakhs (March 31, 2021 – ₹ 35,00,979.00 Lakhs).

#### Note : 59

In terms of the Reserve Bank of India guidelines, details of Repo and Reverse Repo transactions during the year are given here under:

(₹ in Lakhs)

Particulars for FY 2021-22	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	March 31, 2022
<b>Securities sold under repos</b>				
Government Securities	559,572.25	1,115,642.32	846,136.55	1,016,975.50
	(178,898.00)	(686,178.00)	(483,925.00)	(674,487.88)
Corporate debt securities	-	-	-	-
	-	-	-	-
<b>Securities purchased under reverse repos</b>				
Government Securities	-	-	-	-
	-	(8,132.29)	(22.28)	-
Corporate debt securities	-	-	-	-
	-	-	-	-

**Note:** Figures in brackets denote figures for FY 2020-21





## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note : 60

### OTHER DISCLOSURES - SCHEDULE TO THE BALANCE SHEET AS AT MARCH 31, 2022

(as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank Directions, 2007)

(₹ in Lakhs)

Sr. No.	PARTICULARS	AMOUNT OUTSTANDING		AMOUNT OVERDUE	
		AS AT MARCH 31, 2022	AS AT MARCH 31, 2021	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
	<b>Liabilities Side</b>				
1	Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:				
	(a) Debenture				
	Secured	-	-	-	-
	Unsecured	-	-	-	-
	(other than falling within the meaning of Public deposit)				
	(b) Deferred Credit	-	-	-	-
	(c) Term Loans (includes term money)	6,504.10	-	-	-
	(d) Inter Corporate Loans and Borrowing	19,155.34	18,772.90	-	-
	(e) Commercial Paper	-	-	-	-
	(f) Others Loans				
	(i) Call/Notice	125,244.89	43,175.42	-	-
	(ii) TREPS	120,293.57	332,571.99	-	-
	(iii) RBI LAF	-	-	-	-
	(iv) RBI Refinance	-	-	-	-
	(v) Loan Against Fixed Deposit	-	-	-	-
	(vi) REPO Borrowing	1,017,081.05	674,550.94	-	-
	<b>Assets Side</b>				
		<b>Amount Outstanding</b>	<b>Amount Outstanding</b>		
		<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>		
2	<b>Break-up of Loans and Advances including bills receivables (other than those included in (4) below):</b>				
	(a) Secured	-	-	-	-
	(b) Unsecured	-	-	-	-
3	<b>Break up Leased Assets and stock on hire and and other assets counting towards AFC activities</b>				
	(i) Lease assets including lease rentals under sundry debtors				
	(a) Finance Lease	-	-	-	-
	(b) Operating Lease	-	-	-	-
	(ii) Stock on hire including hire charges under sundry debtor				
	(a) Assets on hire	-	-	-	-
	(b) Repossessed Assets	-	-	-	-
	(iii) Other loans counting towards AFC activities				
	(a) loans where assets have been repossessed	-	-	-	-
	(b) loans other than (a) above	-	-	-	-

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

	Assets Side	Amount Outstanding	Amount Outstanding	
		As at March 31, 2022	As at March 31, 2021	
<b>4</b>	<b>Break-up of Investments</b>			
	<b>Current Investment</b>			
	1. Quoted			
	(i) Shares : (a) Equity	-	-	
	(b) Preference	-	-	
	(ii) Debentures and Bonds	65,702.53	9,342.29	
	(iii) Units of mutual funds	-	-	
	(iv) Government Securities & T-bills	1,133,729.24	1,130,480.26	
	(v) others			
	2. Unquoted			
	(i) Shares : (a) Equity	-	-	
	(b) Preference	-	-	
	(ii) Debentures and Bonds	-	-	
	(iii) Units of mutual funds	-	-	
	(iv) Government Securities	-	-	
	(v) others : (a) Commercial papers	-	-	
	(b) Certificate of Deposits	-	-	
	<b>Long Term Investments</b>			
	1. Quoted			
	(i) Shares : (a) Equity	-	-	
	(b) Preference	-	-	
	(i) Debentures and Bonds	-	-	
	(ii) Units of mutual funds	-	-	
	(iv) Government Securities	-	-	
	(v) others	-	-	
	2. Unquoted			
	(i) Shares : (a) Equity	-	-	
	(b) Preference	-	-	
	(i) Debentures and Bonds	-	-	
	(ii) Units of mutual funds	-	-	
	(iv) Government Securities	162,118.86	-	
	(v) others	-	-	
<b>5</b>	<b>Borrower group-wise classification of assets financed as in (2) and (3) above</b>			
	<b>Category</b>	<b>Amount Net of Provisions</b>		
		<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
	1. Related Parties			
	(a) Subsidiaries	-	-	-
	(b) Companies in the same group	-	-	-
	(c) other related parties	-	-	-
	2. Other than related parties	-	-	-
	<b>Total</b>	-	-	-



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

6	Investor group-wise classification of all Investments (current & long-term) in shares and securities (quoted & unquoted)				
	Category	Market Value		Book Value	
		2021-22	2020-21	2021-22	2020-21
	1. Related Parties				
	(a) Subsidiaries	-	-	-	-
	(b) Companies in the same group	-	-	-	-
	(c) other related parties	-	-	-	-
	2. Other than related parties	1,361,550.63	1,139,822.55	1,361,550.63	1,139,822.55
	<b>Total</b>	<b>1,361,550.63</b>	<b>1,139,822.55</b>	<b>1,361,550.63</b>	<b>1,139,822.55</b>
Sr. No.	Particulars	2021-22		2020-21	
		(₹ in lakhs)		(₹ in lakhs)	
7	<b>Other Information</b>				
	(i) Gross Non-Performing Assets				
	(a) Related parties	-	-	-	-
	(b) Other than related parties	-	-	-	-
	(ii) Net Non-Performing Assets				
	(a) Related parties	-	-	-	-
	(b) Other than related parties	-	-	-	-
	(iii) Assets acquired in satisfaction of Debts	-	-	-	-

### Note : 61

#### ISSUER COMPOSITION OF INVESTMENTS IN NON-GOVERNMENT SECURITIES AS AT MARCH 31, 2022

(Ref: RBI circular no. IDMD.PDRS.No.03/03.64.00/2003-04)

(₹ in Lakhs)						
Sr. No.	Issuer	Amount*	Extent of private placement**	Extent of 'below investment grade' securities	Extent of 'unrated' securities	Extent of 'unlisted' securities
1	2	3	4	5	6	7
1	PSUs	-	-	-	-	-
		(9,115.69)	(4,986.89)	-	-	-
2	FIs	14,938.08	-	-	-	-
		-	-	-	-	-
3	Banks	20,115.57	5,504.77	-	-	-
		-	-	-	-	-
4	Other PDs	-	-	-	-	-
		-	-	-	-	-
5	Private Corporate	29,504.80	17,476.13	-	-	-
		-	-	-	-	-
6	Subsidiaries/ Joint Ventures	-	-	-	-	-
		-	-	-	-	-
7	Others	-	-	-	-	-
		-	-	-	-	-
8	Provision held towards depreciation	-	-	-	-	-
		-	-	-	-	-
	<b>Total</b>	<b>64,558.45</b>	<b>22,980.90</b>	-	-	-
		<b>(9,115.69)</b>	<b>(4,986.89)</b>	-	-	-

**Note:** Figures in brackets pertains to March 31, 2021

All the investments in the above non government securities are rated and are above investment grade securities.

\* Represents amounts net of provision for depreciation, if any

\*\* Represents original issue.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

### Note : 62

Disclosure pursuant to RBI circular No. RBI/2008-09/116 DNBS (PD). CC No.125/03.05.002/2008-2009 dated August 1, 2008, RBI/2015-16/12 DNBR (PD) CC.NO.053/03/10.119/2015-16 dated July 1, 2015 and RBI/DNBR/2016-17/42, Master Direction DNBR.PD.004/03.10.119/2016-17 dated August 23, 2016 as updated on October 05, 2021

#### a. Capital to Risk Assets Ratio (CRAR)\*

Sr. No.	Items	March 31, 2022	March 31, 2021
i.	CRAR (%)	32.31	28.95
ii.	CRAR - Tier I capital (%)	32.31	28.95
iii.	CRAR - Tier II Capital (%)	-	-
iv.	Amount of subordinated debt raised as Tier-II capital	-	-
v.	Amount raised by issue of Perpetual Debt Instruments	-	-

\*calculated as per RBI circular no.RBI/2006-2007/355 DNBS.PD/CC No.93/03.05.002/2006-07

#### b. Exposures to Real Estate Sector

(₹ in Lakhs)

Category	March 31, 2022	March 31, 2021
<b>a. Direct exposure</b>		
i. Residential Mortgages -	-	-
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	-	-
ii. Commercial Real Estate -	-	-
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	-	-
iii. Investments in Mortgage Backed Securities (MBS) and other securitized exposures -	-	-
a. Residential,	-	-
b. Commercial real Estate.	-	-
<b>b. Indirect Exposure</b>		
Fund based and non-fund based exposures on Housing Finance Companies (HFCs).	-	-
Non-fund based – Notional Principal of IRS	-	-



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

### Exposure to Capital Market

(₹ in Lakhs)

PARTICULARS	MARCH 31, 2022	MARCH 31, 2021
Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/ convertible bonds/convertible debentures/units of equity oriented mutual funds 'does not fully cover the advances;	-	-
Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
Loans sanctioned to corporates against the security of shares/ bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
Bridge loans to companies against expected equity flows/ issues;	-	-
All exposures to Venture Capital Funds (both registered and unregistered)	-	-
<b>Total Exposure to Capital Market</b>	-	-

### c. Asset Liability Management - Maturity Pattern of certain items of Assets and Liabilities as at March 31, 2022\*\*\*\*

(₹ in Lakhs)

Particulars	1 day to 30/31 days (one month)	Over 1 month to 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
<b>Assets</b>									
Deposits	-	-	-	-	3,598.25	7.15	3.96	18.06	<b>3,627.42</b>
	-	-	-	-	(1,628.25)	(7.15)	(3.96)	(13.02)	<b>(1,652.38)</b>
Advances*	27.86	-	-	-	-	-	-	-	<b>27.86</b>
	(19.36)	-	-	-	-	-	-	-	<b>(19.36)</b>
Investments**	1,199,431.77	-	-	-	-	-	160,513.97	-	<b>1,359,945.74</b>
	(1,139,822.55)	-	-	-	-	-	-	-	<b>(1,139,822.55)</b>
<b>Liabilities</b>									
Borrowings from banks***	131,748.99	-	-	-	-	-	-	-	<b>131,748.99</b>
	(43,175.42)	-	-	-	-	-	-	-	<b>(43,175.42)</b>
Market Borrowings	1,140,134.17	16,395.78	-	-	-	-	-	-	<b>1,156,529.95</b>
	(1,012,989.51)	(9,713.40)	(3,192.93)	-	-	-	-	-	<b>(1,025,895.84)</b>

Note: Figures in brackets pertains to March 31, 2021

\* Advances represent advances given in the normal course of business and is not in nature of loans given.

\*\* Investments in the nature of 'Securities held as Stock in Trade' are classified in the "one month bucket" and those in the nature of 'Non Current Investments' are classified as per their residual maturity.

\*\*\* Borrowings in Call / Notice / Term represents borrowings from banks

\*\*\*\* The Company does not have any foreign currency assets and liabilities.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

### d. Investments

(₹ in Lakhs)

Sr. No.	Particulars	As at March 31, 2022	As at March 31, 2021
<b>1</b>	<b>Value of Investments :</b>		
	(i) Gross Value of Investments		
	(a) In India*	160,513.97	-
	(b) Outside India	-	-
	(ii) Provisions for Depreciation		
	(a) In India	-	-
	(b) Outside India	-	-
	(iii) Net Value of Investments		
	(a) In India*	160,513.97	-
	(b) Outside India	-	-
<b>2</b>	<b>Movement of Provisions held towards depreciation on Investments :</b>		
	(i) Opening Balance	-	-
	(ii) Add: Provisions made during the year	-	-
	(iii) Less: Write-off / write-back of excess provisions during the year	-	-
	(iv) Closing balance	-	-

\* The above figures are investment classified as subsequently measured at amortised cost

e. The Company has not exceeded Single Borrower Limit (SBL)/Group Borrower Limit (GBL) as prescribed by the regulator.

### f. Registration / license/authorisation obtained from financial sector regulators

- RBI – Certificate of Registration bearing No. 13.01865, dated May 23, 2007.
- MCA – Certificate of Incorporation dated October 31, 2006 bearing Corporate Identity No. U67110MH2006PLC165306.
- Primary Dealership Business authorisation granted by RBI has been renewed for the year 2019-22 and is valid upto June 30, 2022.

g. Disclosure of Penalties imposed by RBI and other regulator: Nil (PY –Nil)

h. Ratings assigned by credit rating agencies and migration of ratings during the year

Rating Agencies	Rating programme	Rating Assigned	Migration	Rating Amount ( ₹ in Lakhs)	
				March 31, 2022	March 31, 2021
CRISIL	Short Term	CRISIL A1+	-	20,000.00	20,000.00

i. Information on all provisions and contingencies booked as expenditure in Profit and Loss Account:

(₹ in Lakhs)

PARTICULARS	2021-22	2020-21
Provision for depreciation on Investment	-	-
Provision towards NPA	-	-
Provision for Standard Assets	-	-
Provision made towards Income Tax (incl. deferred tax)	218.14	-
Other Provision and Contingencies (stamp duty and employee related)	414.84	1,449.51

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022**

Note : 63

**DERIVATIVES****a. Interest Rate Swaps**

(₹ in Lakhs)

Sr. No.	PARTICULARS	MARCH 31, 2022	MARCH 31, 2021
	<b>Notional Principal amount of IRS Contracts</b>		
a.	Hedging Contracts	-	-
b.	Trading Contracts	3,691,936.93	1,450,710.73
	i. Fair value of trading IRS	(361.32)	167.47
	ii. Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
	iii. Likely impact of one percentage change in interest rate (100*PV01)	199.84	93.00
	iv. Collateral value made available towards Derivatives margin	-	-
	v. Credit Risk Concentration@	-	-

@ Credit risk concentration is measured as the highest net receivable under swap contracts from a particular group of counterparties.

**b. Interest Rate Future Contracts**

(₹ in Lakhs)

Sr. No.	PARTICULARS	MARCH 31, 2022	MARCH 31, 2021
(i)	Notional principal amount of exchange traded Interest Rate derivatives undertaken during the year		
	IRF on Government Securities	-	81.98
(ii)	Notional principal amount of exchange traded IR derivatives outstanding (Interest Rate Futures)	-	-
(iii)	Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective"	-	-
(iv)	Mark-to-Market value of exchange traded IR derivatives outstanding and not "highly effective"	-	-

**c. Disclosures on Risk Exposure in Derivatives****Qualitative Disclosure**

During the year, Company has entered into derivative transactions in equity and interest rate derivatives. The derivatives transactions entered into during the year are for the purpose of trading and market-making. The Business Investment and Risk policy of the Company lays down the risk management framework for derivatives trading. The Policy prescribes risk identification, measurement monitoring and risk mitigation. The compliance with the prudential limits for derivative transactions as laid down in the Risk Policy is done by the Risk Management Department which reports to the Chief Risk Officer. The Risk Management Committee of the Board oversees the risk management function of the Company. For accounting policy refer note 3.9 C of notes to the financial statements.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

### Quantitative Disclosure

The company has not entered into currency and interest rate futures transactions during the year. The detail of outstanding position is mentioned hereunder:

(₹ in Lakhs)

Sr. No.	PARTICULARS	CURRENCY DERIVATIVES	INTEREST RATE FUTURES
(i)	Derivatives (Notional Principal Amount) For hedging	-	-
(ii)	Marked to Market Positions		
	a) Asset (+)	-	-
	b) Liability (-)	-	-
(iii)	Credit Exposure	-	-
(iv)	Un-hedged Exposure	-	-

### d. Disclosure relating to Securitisation :

- During the year Company has not securitized any of its assets and does not have any outstanding position in respect thereof as on March 31, 2022.
- Company has not sold any of its financial assets to Securitization/Reconstruction Company for Asset Reconstruction.
- Company has not undertaken any Assignment transactions during the year
- Company has neither purchased nor sold any non-performing financial assets during the year and does not have any outstanding position in respect thereof as on March 31, 2022.

### Note : 64

Below are the dues payable to micro, small and medium enterprises in view of the nature of the business of the Company. The Company has received intimation from its suppliers regarding status under the Micro, Small and Medium Enterprises Development Act, 2006. The List of MSME suppliers are as follows :

Based on and to the extent of the information received by the company from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), below are the amounts due to MSME as at March 31, 2022.

(₹ in Lakhs)

Sr. No.	Disclosure under MSMED Act , 2006, to the extent the Company has received intimation from the Suppliers regarding their status	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
i)	Principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	-	2.92
ii)	Interest paid by the Company 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 the year	-	-
iii)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
iv)	Interest accrued and remaining unpaid at the end of each accounting year	-	-
v)	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	-	-

### Note : 65

The following information is submitted as required by the Reserve Bank of India's guidelines to Primary Dealers regarding publication of their audited annual results:

Net borrowings in call : Average net call borrowing during the year ended March 31, 2022 was ₹ 746.24 crores and peak net call borrowing during the year ended March 31, 2022 was ₹ 1,978.00 crores.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Leverage ratio: Average during the year was 16.72 and peak during the year was 17.48.

Quarterly CRAR	FY 2021-22	FY 2020-21
Quarter 1	35.97%	25.51%
Quarter 2	34.48%	28.12%
Quarter 3	28.05%	30.06%
Quarter 4	32.31%	28.95%

\*RBI minimum stipulated CRAR is 15%

### Note : 66

Disclosure requirement pursuant to paragraph 2 of annexure to RBI circular no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 - The Company does not have any assets under the class on which provision under IRAC norms or provision as per ECL is required, hence the disclosure is not applicable.

### Note : 67

To the best of our knowledge there is no transaction with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

### Note : 68

The Company has paid first interim dividend at 24% (₹ 2.40 per equity share of ₹ 10/- each) of ₹ 3,600 Lakh (subject to applicable TDS) for the FY 2021-22 on March 29, 2022. Further, The Board of Directors at its meeting held as on April 27, 2022 has declared second interim dividend of 14% (₹ 1.4/- per equity share of ₹ 10/- each) for the FY 2021-22. This will lead to an outflow of ₹ 2,100 Lakh (subject to applicable TDS).

### Note : 69

Figures of previous year have been regrouped / reclassified wherever necessary to conform to current year's classification.

The accompanying notes are an integral part of financial statements

In terms of our report of even date

**FOR DASSANI & ASSOCIATES**

Chartered Accountants

Firm Registration No.- 009096C

**CA AAYUSH MANDHANYA**

Partner

Membership No.: 435709

For and on behalf of the Board of Directors

**V. NARAYANAMURTHY** *Director*

**R. VENKATARAMANI** *Director*

**T. V. RAO** *Director*

**PRASANNA PATANKAR** *Managing Director*

**KALPESH MODY** *Company Secretary and Chief Financial Officer*

DIN : 00555704

DIN : 00829107

DIN : 05273533

DIN : 07658714

Date: April 27, 2022

Place : Mumbai

## NOTICE

NOTICE IS HEREBY GIVEN THAT THE 16<sup>th</sup> ANNUAL GENERAL MEETING (“AGM”) OF THE MEMBERS OF STCI PRIMARY DEALER LIMITED WILL BE HELD ON MONDAY, SEPTEMBER 19, 2022 AT 11.30 A.M. THROUGH VIDEO CONFERENCING/OTHER AUDIO VISUAL MEANS (VC/OAVM) TO TRANSACT THE FOLLOWING BUSINESS:

THE PROCEEDINGS OF THE ANNUAL GENERAL MEETING (“AGM”) SHALL BE DEEMED TO BE CONDUCTED AT THE REGISTERED OFFICE OF THE COMPANY AT A/B1-801, (A Wing), 8<sup>th</sup> FLOOR, MARATHON INNOVA, MARATHON NEXTGEN COMPOUND, OFF GANPATRAO KADAM MARG, LOWER PAREL (WEST), MUMBAI- 400 013 WHICH SHALL BE THE DEEMED VENUE OF THE AGM.

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2022, together with the Board of Directors’ Report and the Auditor’s Report thereon and to consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

*“RESOLVED THAT the Audited Financial Statements of the Company for the year ended March 31, 2022, together with the Board of Directors’ Report and Auditor’s Report thereon, be and are hereby considered, approved and adopted.”*

2. To appoint a Director in the place of Mr. Raghvendra Kumar (DIN - 08045355), who retires from office by rotation and being eligible, offers himself for re-appointment and to consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

*“RESOLVED THAT Mr. Raghvendra Kumar (DIN - 08045355), who retires by rotation and being eligible, has offered himself for re-appointment, be and is hereby, re-appointed as a Non-Executive Director of the Company who shall be liable to retire by rotation.”*

3. To take a note of the Statutory Auditor(s) of the Company and authorize the Board to determine the remuneration payable and to consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

*“RESOLVED THAT pursuant to the provisions of section 139(5), 142 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, M/s Dassani and Associates, Chartered Accountants (FRN: - 009096C), as appointed by Comptroller and Auditor General of India (C&AG), be and are hereby appointed and noted as Statutory Auditors of the Company;*

*RESVOLED FURTHER THAT the Board of Directors of the Company, be and are hereby, authorized to decide and fix the remuneration of the Statutory Auditors(s) of the Company as appointed by Comptroller and Auditor General of India (C&AG) for the financial year 2022-23, as it may deem fit;*

*RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby, authorized to do all such acts, deeds, matters and things as may be required/necessary ancillary/incidental to give effect to the aforesaid resolution.”*

### SPECIAL BUSINESS

#### 4. Appointment of Mr. Prakash Vartak as an Independent Director of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

*“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the rules framed thereunder, read with Schedule IV of the Act, as amended from time to time, Mr. Prakash Vartak (DIN – 09336265) who was appointed as an Additional Director (Independent) of the Company with effect from October 22, 2021, to hold the office as an Additional Director upto the date of the Annual General Meeting and who has submitted a declaration that he meets the criteria for Independence as provided in section 149(6) of the Act and has provided his consent to act as a Director of the Company, be and is hereby appointed, as an Independent Director of the Company for an initial term of five (5) years, with effect from October 22, 2021 till October 21, 2026;*

*RESOLVED FURTHER THAT the Managing Director/ Company Secretary of the Company, be and is hereby, authorized severally/jointly to do all such acts, deeds, matters and things as may be required/necessary to give effect to the aforesaid resolution.”*

#### 5. Appointment of Ms. Varda Pendse as an Independent Director of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

*“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder; read with Schedule IV of the Act, as amended from time to time, Ms. Varda Pendse (DIN – 00152752), who was appointed as an Additional Director (Independent) of the Company with effect from April 01, 2022, to hold the office as an Additional Director upto the date of the Annual General Meeting and who has submitted a declaration that she meets the criteria for Independence as provided in section 149(6) of the Act and has provided her consent to act as a Director of the Company, be and is hereby appointed, as an Independent Director of the Company for an initial term of three (3) years, with effect from April 1, 2022 till March 31, 2025;*



## NOTICE

**RESOLVED FURTHER THAT** the Managing Director/ Company Secretary of the Company, be and is hereby, authorized severally/jointly to do all such acts, deeds, matters and things as may be required/necessary to give effect to the aforesaid resolution.”

### 6. Appointment of Mr. Pradeep Madhav as a Non-Executive Director of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, as amended from time to time, Mr. Pradeep Madhav (DIN – 00267422), who was appointed as an Additional Director (Non-Executive) of the Company with effect from October 22, 2021, to hold the office as an Additional Director upto the date of the Annual General Meeting, and who being eligible for appointment and has provided his consent to act as a Director of the Company, be and is hereby, appointed as a Non-Executive Director of the Company and liable to retire by rotation;

**RESOLVED FURTHER THAT** the Managing Director/ Company Secretary of the Company, be and is hereby, authorized severally/jointly to do all such acts, deeds, matters and things as may be required/necessary to give effect to the aforesaid resolution.”

### 7. Appointment of Mr. V. Narayanamurthy as a Non-Executive Director of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, as amended from time to time, Mr. V. Narayanamurthy (DIN – 00555704) was appointed as an Additional Director (Non- Executive) of the Company with effect from October 22, 2021, to hold the office as an Additional Director upto the date of the Annual General Meeting, and who being eligible for appointment and has provided his consent to act as a Director of the Company, be and is hereby, appointed as a Non-Executive Director of the Company and liable to retire by rotation;

**RESOLVED FURTHER THAT** the Managing Director/ Company Secretary of the Company, be and is hereby, authorized severally/jointly to do all such acts, deeds, matters and things as may be required/necessary to give effect to the aforesaid resolution.”

### 8. Re-Appointment of Mr. Prasanna Patankar as the Managing Director of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule V (including any statutory amendments thereto or modifications or re-enactments thereof), and upon the recommendation of Nomination and Remuneration Committee & approval of the Board of Directors, the consent of the Members, be and is hereby, accorded for re-appointment of Mr. Prasanna Patankar (DIN 07658714) as the Managing Director of the Company for a period of five (5) years, with effect from January 24, 2022, till January 23, 2027, on such terms & conditions as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with the liberty to the Board of Directors and/or a Committee thereof to alter and vary the terms and conditions of remuneration;

**RESOLVED FURTHER THAT** any of the Director(s) and/or Company Secretary of the Company, be and is hereby, severally/jointly authorized to do all such other acts, deeds, matters and things as may be necessary/required and/or incidental to give effect to the aforesaid resolution.”

### 9. Revision in terms of remuneration payable to Mr. Prasanna Patankar, as the Managing Director

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**“RESOLVED THAT** in partial modification of the resolution(s) passed by the Members of the Company at the General Meeting of the Company, pursuant to the provisions of Sections 197, 198, and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with the applicable Rules framed thereunder and Schedule V to the Act and subject to the approval of Central Government, if required, the Company hereby approves the revision in the terms of remuneration payable to Mr. Prasanna Patankar, Managing Director of the Company, with effect from April 01, 2022, on the terms and conditions as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors and/or a Committee thereof to alter and vary the terms and conditions of remuneration;

## NOTICE

**RESOLVED FURTHER THAT** all other terms and conditions, if any, mentioned in the resolution passed at the General Meeting held on September 19, 2022, at the time of re-appointment of Mr. Prasanna Patankar as Managing Director of the Company, shall continue and remain unchanged.”

**RESOLVED FURTHER THAT** any of the Director(s) of the Company and/or the Company Secretary, be and is hereby authorized, severally/jointly to do all such acts, deeds, matters and things, as may be considered, necessary and/or incidental for giving effect to this resolution.”

Mumbai  
Date: September 02, 2022  
CIN: - U67110MH2006PLC165306

By Order of the Board of Directors  
for **STCI Primary Dealer Limited**

**Kalpesh Mody**  
Company Secretary

**Regd. Office: -**

A/B1- 801, A Wing, 8th floor, Marathon Innova,  
Marathon Nextgen Compound, Off. G.K.Marg  
Lower Parel (West), Mumbai 400013.

### NOTES

1. The Ministry of Corporate Affairs (“MCA”) has vide its General Circular No. 02/2022 dated 05th May, 2022, read together with General Circular No. 21/2021 dated 14th December, 2021, General Circular No. 19/2021 dated 08th December, 2021, General Circular No. 02/2021 dated 13th January, 2021, General Circular No. 14/2020 dated 8th April, 2020, General Circular No. 17/2020 dated 13th April, 2020 and General Circular No. 20/2020 dated 5th May, 2020 and other circulars, if any, (collectively referred to as “MCA Circulars”), permitted the holding of the Annual General Meeting (‘AGM’) through VC/OAVM, without the physical presence of the Members at a common venue. In compliance to the provisions of the Companies Act, 2013 read with the MCA Circulars, the AGM of the Company is being held through VC/OAVM.
2. In compliance with applicable provisions of the Act read with the MCA Circulars, the AGM of the Company is being conducted through VC/OAVM and the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to this Notice.
3. Pursuant to the applicable provisions, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. A body corporate (including any company which is a Member of the Company) may authorize any person as it thinks fit by a resolution of its Board of Directors or other governing body to act as its representative on its behalf at any meeting including this meeting, and such representative shall be entitled to exercise the same rights and powers, including the right to vote by proxy on behalf of the body corporate which he represents as that body corporate would exercise if it were an individual. The body corporate is requested to send a scanned copy of the Board Resolution/ Authority Letter, etc., authorizing their representative to attend the AGM through VC/OAVM on their behalf. Members of the Company, being a body corporate, are requested to email a certified true copy of the Resolution of the meeting of their Board of Directors or governing body appointing the representative of the body corporate not later than 48 hours before the commencement of the meeting, at the email id provided in the email sent to the members for convening the AGM.
5. Certified true copies of the Resolutions appointing the representative by bodies corporate and to attend the meeting on their behalf which are received will be available electronically for inspection by the Members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the Members from the date of circulation of this notice up to the date of AGM.
6. Members are requested to notify any change in their address immediately to the Company at its Registered Office.
7. Members desiring any additional information or having any question or query pertaining to the business to be transacted at the AGM are requested to write to the Company, mentioning their name, DP ID and Client ID number/folio number and mobile number at least 48 hours before the time fixed for the AGM, to enable the Management to keep the information ready. The queries may be raised precisely and in brief to enable the Company to answer the same suitably.

## NOTICE

8. Members are encouraged to join the Meeting through laptops/IPads for better audio video quality. Further, Members will be required to allow the use of the camera of their device and use internet with a good speed to ensure good connectivity during the meeting. Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio/video loss due to fluctuations in their respective networks. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any technical glitches.
9. Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the meeting. The link for joining the meeting shall be sent via email to the members.
10. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under the applicable provisions of the Companies Act, 2013 and the MCA Circulars thereof.
11. The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013, about the above Resolutions, as and where required, is enclosed as an Annexure to the Notice.

Mumbai  
Date: September 02, 2022  
CIN: - U67110MH2006PLC165306

By Order of the Board of Directors  
for STCI Primary Dealer Limited

**Kalpesh Mody**  
Company Secretary

**Regd. Office: -**  
A/B1- 801, A Wing, 8th floor, Marathon Innova,  
Marathon Nextgen Compound, Off. G.K.Marg  
Lower Parel (West), Mumbai 400013.



# ANNEXURE TO THE NOTICE

## EXPLANATORY STATEMENT (Pursuant to Section 102 of the Companies Act, 2013)

### Item No. 4

#### **Appointment of Mr. Prakash Vartak as an Independent Director of the Company**

Pursuant to the provisions of Sections 149, 150, 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, the Board of Directors at their meeting held on October 22, 2021, on the recommendation of the Nomination and Remuneration Committee, appointed Mr. Prakash Vartak, as an Additional Director (Independent) of the Company, for an initial term of five (5) years, with effect from October 22, 2021, upto October 21, 2026.

In accordance with the provisions of Section 161 of the Act, Mr. Prakash Vartak holds the office as an Additional Director upto the date of this Annual General Meeting and being eligible for appointment as an Independent Director of the Company, subject to the approval of the Members of the Company. Mr. Prakash Vartak has given a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and confirmed of not being disqualified from being appointed as an Independent Director. In the opinion of the Board, Mr. Prakash Vartak, fulfils the conditions of independence as specified in the Act & the Rules, framed thereunder, to the extent applicable and is independent of the management of the Company.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Prakash Vartak, as Independent Director for an initial term of five (5) years, with effect from October 22, 2021 upto October 21, 2026, is now being placed before Members for their approval. The Board of Directors recommends the resolution for the approval of the Members.

In accordance with the Secretarial Standards on General Meeting ('SS-2') issued by the Institute of Company Secretaries of India, a brief profile of Mr. Prakash Vartak including age, qualifications, terms and conditions of appointment, expertise, other directorship is enclosed herewith and forms part of this explanatory statement.

None of the Directors, Key Managerial Personnel and/or their relative, except Mr. Prakash Vartak, is concerned or interested in the Resolution(s) of the accompanying Notice relating to his appointment as Independent Director of the Company.

### Item No. 5

#### **Appointment of Ms. Varda Pendse as an Independent Director of the Company**

Pursuant to the provisions of Sections 149, 150, 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, the Board of Directors at their meeting held on March 25, 2022, on the recommendation of the Nomination and Remuneration Committee, appointed Ms. Varda Pendse as an Additional Director (Independent) of the Company, for a term of three (3) years, with effect from April 01, 2022 upto March 31, 2025.

In compliance with the provisions of Section 161 of the Act, Ms. Varda Pendse, holds the office as an Additional Director upto the date of this Annual General Meeting and being eligible for appointment as an Independent Director of the Company, subject to the approval of the Members of the Company. Ms. Varda Pendse has given a declaration that she meets the criteria of independence as provided in Section 149(6) of the Act and confirmed of not being disqualified from being appointed as an Independent Director. In the opinion of the Board, Ms. Varda Pendse, fulfils the conditions of independence as specified in the Act & the Rules, framed thereunder, to the extent applicable and is independent of the management of the Company.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Ms. Varda Pendse, as Independent Director for an initial term of three (3) years, with effect from April 01, 2022 upto March 31, 2025, is now being placed before Members for their approval. The Board of Directors recommends the resolution for the approval of the Members.

In accordance with the Secretarial Standards on General Meeting ('SS-2') issued by the Institute of Company Secretaries of India, a brief profile of Ms. Varda Pendse including age, qualifications, terms and conditions of appointment, expertise, other directorship is enclosed herewith and forms part of this explanatory statement.

None of the Directors, Key Managerial Personnel and/or their relative, except Ms. Varda Pendse, is concerned or interested in the Resolution(s) of the accompanying Notice relating to his appointment as Independent Director of the Company.

### Item No. 6

#### **Appointment of Mr. Pradeep Madhav as a Non -Executive Director of the Company**

Pursuant to the provisions of Sections 149, 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, as amended from time to time, the Board of Directors at their meeting held on October 22, 2021, on the recommendation of the Nomination and Remuneration Committee appointed Mr. Pradeep Madhav, as an Additional Director (Non-Executive) of the Company.





## ANNEXURE TO THE NOTICE

In accordance with the provisions of Section 161 of the Act, Mr. Pradeep Madhav holds office as an Additional Director upto the date of this Annual General Meeting and being eligible for appointment as a Non-Executive Director whose office shall be liable to retire by rotation, subject to the approval by the Members of the Company.

In compliance with the provisions of Section 149, 152, 161 and other applicable provisions of the Act, 2013, and the Rules framed thereunder, as amended from time to time, the appointment of Mr. Pradeep Madhav as Non-Executive Director of the Company, with effect from October 22, 2021, and whose period of office shall be liable to be determined by retirement by rotation, is now being placed before the Members for their approval. The necessary declaration and requisite consent to act as a Director has been received to this effect. The Board of Directors recommends the resolution for the approval of the Members.

In accordance with the Secretarial Standards on General Meeting ('SS-2') issued by the Institute of Company Secretaries of India, a brief profile of Mr. Pradeep Madhav including age, qualifications, terms and conditions of appointment, expertise, other directorship is enclosed herewith and forms part of this explanatory statement.

None of the Directors, Key Managerial Personnel and/or their relative, except Mr. Pradeep Madhav, is concerned or interested in the Resolution(s) of the accompanying Notice relating to appointment of him as a Non-Executive Director of the Company.

### Item No. 7

#### **Appointment of Mr. V. Narayanamurthy as a Non -Executive Director of the Company**

Mr. V. Narayanamurthy currently holds the position as Managing Director & CEO of STCI Finance Limited (Holding Company).

Pursuant to the provisions of Sections 149, 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, as amended from time to time, the Board of Directors at their meeting held on October 22, 2021, on the recommendation of the Nomination and Remuneration Committee appointed Mr. V. Narayanamurthy, as an Additional Director (Non-Executive) of the Company.

In accordance with the provisions of Section 161 of the Act, Mr. V. Narayanamurthy holds office as an Additional Director upto the date of the Annual General Meeting and being eligible for appointment as a Non-Executive Director whose office shall be liable to retire by rotation, subject to the approval by the Members of the Company.

In compliance with the provisions of Section 149, 152, 161 and other applicable provisions of the Act, 2013, and the Rules framed thereunder, as amended from time to time, the appointment of Mr. V. Narayanamurthy as Non-Executive Director of the Company, with effect from October 22, 2021, and whose period of office shall be liable to be determined by retirement by rotation, is now being placed before the Members for their approval. The necessary declaration and requisite consent to act as a Director has been received to this effect. The Board of Directors recommends the resolution for the approval of the Members.

In accordance with the Secretarial Standards on General Meeting ('SS-2') issued by the Institute of Company Secretaries of India, a brief profile of Mr. V. Narayanamurthy including age, qualifications, terms and conditions of appointment, expertise, other directorship is enclosed herewith and forms part of this explanatory statement.

None of the Directors, Key Managerial Personnel and/or their relative, except Mr. V. Narayanamurthy, is concerned or interested in the Resolution(s) of the accompanying Notice relating to appointment of him as a Non-Executive Director of the Company.

### Item No. 8

#### **Re-Appointment of Mr. Prasanna Patankar as the Managing Director of the Company**

Pursuant to the provisions of Sections 196, 197, 198, 203 read with Schedule V and the prescribed rules and/or other applicable provisions, if any, of the Companies Act, 2013 ("the Act") (including any statutory amendments thereto or modifications or re-enactments thereof), the Members at the general meeting held on January 06, 2016, approved the appointment of Mr. Prasanna Patankar, as the Managing Director of the Company for a period of five (5) years, with effect from January 24, 2017, upto January 23, 2022.

During the last five (5) years under the leadership of Mr. Prasanna Patankar, the Company has achieved new heights and has been consistently witnessing growth in its Primary Dealer operations. Considering the significant performance of the Company and on the recommendations of Nomination and Remuneration Committee, the Board of Directors at their meeting held on October 22, 2021, approved the re-appointment of Mr. Prasanna Patankar as a Managing Director of the Company, for a period of five (5) years with effect from January 24, 2022, till January 23, 2027, on then existing terms & conditions as under:

## ANNEXURE TO THE NOTICE

**Period of appointment:** - From January 24, 2022, till January 23, 2027.

**Terms and Conditions:**

- Total Monthly Remuneration: - Rs 7,95,000/- (Rupees Seven Lakhs Ninety-Five Thousand Only) per month which includes Basic Pay of Rs 3,50,000/-per month, HRA of Rs 80,000/- per month & Special Allowance of Rs 3,65,000/- per month.
- Provident Fund/Superannuation/Annuity Fund: During the period of his employment, he will be entitled to the Company's contribution to Provident Fund/Superannuation/Annuity Fund and the amount of Company's contribution and other benefits will be as per Company's rules.
- Gratuity: During the period of his employment, he shall be entitled to gratuity and the amount payable as gratuity will be computed as per the Payment of Gratuity Act.
- Leave, Leave Encashment: As Per Company's rules.
- Leave Travel Concession: ₹ 1,50,000/- (Rupees One Lakh Fifty Thousand Only) per annum payable annually.
- Medical Benefit: ₹ 1,50,000/- (Rupees One Lakh Fifty Thousand Only) per annum payable monthly.

**Perquisites:**

- (i) A company car (with personal driver) will be provided and usage/reimbursement of which will be as per Company rules.
- (ii) Free furnished residential accommodation will be provided in lieu of HRA.
- (iii) Insurance by the Company against hospitalisation expenses, arising out of an accident or sickness or any other cause, under the Group Mediclaim insurance and/or Term insurance policy as per Company's rules.
- (iv) Other facilities like telephone charges reimbursement, meal vouchers, etc. would be provided as per Company's rules.
- (v) He would be eligible for Performance Linked Variable Pay (PLVP) based on the performance of the Company and as per the PLVP Scheme of the Company. The percentage and the quantum of PLVP could vary from year to year as decided by the Board.
  - In other service matters, not expressly covered by the terms of appointment, the rules as applicable to the Senior Officers of the Company will be followed.
  - In the event of inadequacy or absence of profits in any financial year, the remuneration referred to as aforesaid will be paid as minimum remuneration.
  - Tax payable on salary shall be borne by Mr. Prasanna Patankar as per Income Tax Act, 1961 or any Rules framed thereunder.

In terms of the provisions of Sections 196, 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the rules, framed thereunder, re-appointment of Mr. Prasanna Patankar as Managing Director and payment of remuneration shall be subject to the approval by the Members of the Company. The necessary declaration and requisite consent to act as a Director has been received to this effect. The Board of Directors recommends the resolution for the approval of the Members.

In accordance with the Secretarial Standards on General Meeting ('SS-2') issued by the Institute of Company Secretaries of India, a brief profile of Mr. Prasanna Patankar including age, qualifications, terms and conditions of appointment, expertise, other directorships are enclosed herewith and forms part of this explanatory statement.

None of the Directors, Key Managerial Personnel and/or their relative(s), except Mr. Prasanna Patankar, is concerned or interested in the Resolution(s) of the accompanying Notice relating to re-appointment of him as Managing Director of the Company.

**Item No.9**

**Revision in the terms of remuneration payable to Mr. Prasanna Patankar, as the Managing Director.**

The Members of the Company at the General Meeting of the Company held on January 06, 2017, had approved the appointment of Mr. Prasanna Patankar as the Managing Director of the Company for a period of five (5) years with effect from January 24, 2017, till January 23, 2022.

On the recommendations of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on October 22, 2021, approved the re-appointment of Mr. Prasanna Patankar as the Managing Director of the Company, for a period of five (5) years with effect from January 24, 2022, till January 23, 2027. The said re-appointment has been placed for the approval of the Members, as detailed in the item No.8 of this meeting along with the terms of appointment.

Based on the recommendations of the Nomination and Remuneration Committee, in their meeting held on July 25, 2022, the Board of Directors in their meeting held on July 26, 2022, approved an increase in the salary payable to Mr. Prasanna Patankar for FY2022-23 to Rs. 9,30,000/- (Rupees Nine Lakhs Thirty Thousand Only) per month which includes Basic Pay of Rs.4,00,000/- per month, HRA of Rs.80,000/- per month & Special Allowance of Rs.4,50,000/- per month, subject to the approval of the Members of the Company.



## ANNEXURE TO THE NOTICE

In compliance with the provisions of Sections 197, 198 and other applicable provisions, if any, of the Act, read with Schedule V to the Act and corresponding Rules framed thereunder, the revision in the terms of remuneration payable to Mr. Prasanna Patankar, as specified above, are now being placed before the Members for their approval.

**The terms and conditions of remuneration for FY2022-23 are as under: -**

- *Total Monthly Remuneration: - Rs 9,30,000/- (Rupees Nine Lakhs Thirty Thousand Only) per month which includes Basic Pay of Rs 4,00,000/-per month, HRA of Rs 80,000/- per month & Special Allowance of Rs 4,50,000/- per month.*
- *Provident Fund/Superannuation/Annuity Fund: During the period of his employment, he will be entitled to the Company's contribution to Provident Fund/Superannuation/Annuity Fund and the amount of Company's contribution and other benefits will be as per Company's rules.*
- *Gratuity: During the period of his employment, he shall be entitled to gratuity and the amount payable as gratuity will be computed as per the Payment of Gratuity Act.*
- *Leave, Leave Encashment: As Per Company's rules.*
- *Leave Travel Concession: Rs. 1,50,000/- (Rupees One Lakh Fifty Thousand Only) per annum payable annually.*
- *Medical Benefit: Rs. 1,50,000/- (Rupees One Lakh Fifty Thousand Only) per annum payable monthly.*

**Perquisites:**

- (i) *A company car (with personal driver) will be provided and usage/reimbursement of which will be as per Company rules.*
  - (ii) *Free furnished residential accommodation will be provided in lieu of HRA.*
  - (iii) *Insurance by the Company against hospitalization expenses, arising out of an accident or sickness or any other cause, under the Group Medclaim insurance and/or Term insurance policy as per Company's rules.*
  - (iv) *Other facilities like telephone charges reimbursement, meal vouchers, etc. would be provided as per Company's rules.*
  - (v) *He would be eligible for Performance Linked Variable Pay (PLVP) based on the performance of the Company and as per the PLVP Scheme of the Company. The percentage and the quantum of PLVP could vary from year to year as decided by the Board.*
- *In other service matters, not expressly covered by the terms of appointment, the rules as applicable to the Senior Officers of the Company will be followed.*
  - *In the event of inadequacy or absence of profits in any financial year, the remuneration referred to as aforesaid will be paid as minimum remuneration.*
  - *Tax payable on salary shall be borne by Mr. Prasanna Patankar as per Income Tax Act, 1961 or any Rules framed there under.*

The existing terms and conditions of re-appointment and remuneration, including any revisions, of Mr. Prasanna Patankar, Managing Director of the Company, as set out in the Resolution(s) passed by the members in the aforementioned General Meeting(s) would be available for inspection, by electronic means.

In accordance with the Secretarial Standards on General Meeting ('SS-2') issued by the Institute of Company Secretaries of India, a brief profile of Mr. Prasanna Patankar including age, qualifications, terms and conditions of appointment, expertise, other directorships are enclosed herewith and forms part of this explanatory statement.

None of the Directors, Key Managerial Personnel and/or their relative(s), except Mr. Prasanna Patankar, is concerned or interested in the Resolution(s) of the accompanying Notice relating to variation in the terms of remuneration payable to him as Managing Director. The Board of Directors recommends the resolution for the approval of the Members.

Mumbai  
Date: September 02, 2022  
CIN: - U67110MH2006PLC165306

By Order of the Board of Directors  
for STCI Primary Dealer Limited

**Regd. Office: -**  
A/B1- 801, A Wing, 8th floor, Marathon Innova,  
Marathon Nextgen Compound, Off. G.K.Marg  
Lower Parel (West), Mumbai 400013.

**Kalpesh Mody**  
Company Secretary

## ANNEXURE TO THE NOTICE

Pursuant to Secretarial Standard on General Meetings (SS-2), the details of Directors interested in item no. 2, 4, 5, 6, 7, 8 and 9 at 16<sup>th</sup> Annual General Meeting (“AGM”) of the Company is as under:

Name of Director	Mr. Raghvendra Kumar	Mr. Prakash Vartak
Designation	Non-Executive Director	Additional Director (Independent)
Age	54 years 11 months (D.O.B.-Sept 19, 1967)	65 years 7 months (D.O.B. - Jan 10, 1957)
Date of first appointment on the Board	May 7, 2021	October 22, 2021
Qualification	Graduate, CAIIB	B.Com., CAIIB
Experience – brief profile	Mr. Raghvendra Kumar has over 29 years of experience in the Banking Sector. He is a seasoned banker with wide experience in Indian and International Banking including forex operations, trade finance and overseas assignment. He is a science graduate, CAIIB and holds a Dealing Certificate from ACI, Paris. He has been the Chief Dealer of Bank of India Global Treasury. Presently he is a General Manager in Bank of India, holding the portfolios of Treasury (B.O.), Foreign Business Department and Domestic Subsidiaries Management Division.	Mr. Prakash Vartak has a career as a banker with Bank of India for a period 39 years prior to his superannuation in the year 2017. During his career in Bank of India, he had started with the post of Manager / AGM at the Opera House branch. This led to him achieving the position of a General Manager in the International and Foreign Business Department and alternate GM for Treasury Department for two years. As a special assignment, he was appointed as a Director on the Board of Director of Commonwealth Finance Corporation, Hong Kong for a period of one and half year.
No of Shares held in Company	NIL	NIL
Relationship with other Directors/Key Managerial Personnel	None	None
Number of meetings of the Board attended during the FY2021-22	8/8	3/8 (appointed w.e.f. October 22, 2021)
Directorship in other Companies	STCI Finance Limited	NIL
Membership in Committees of Company.	NIL	<ul style="list-style-type: none"> <li>Member of Audit Committee</li> <li>Member of Corporate Social Responsibility Committee</li> </ul>
Membership in Committees of other companies.	NIL	NIL
Terms and conditions of appointment/reappointment	As per details provided in item no. 2 of the Notice.	As per details provided in item no. 4 of the Notice.
Remuneration last drawn	NIL	NIL
Remuneration proposed to be paid	Sitting fees payable as approved by the Board, from time to time, within the limit prescribed under the Companies Act, 2013. The said sitting fees are payable to Bank of India.	Sitting fees payable as approved by the Board, from time to time, within the limit prescribed under the Companies Act, 2013.



## ANNEXURE TO THE NOTICE

<b>Name of Director</b>	<b>Ms. Varda Pendse</b>	<b>Mr. Pradeep Madhav</b>
<b>Designation</b>	Additional Director (Independent)	Additional Director (Non – Executive)
<b>Age</b>	57 years 9 months (D.O.B.-Nov 23, 1964)	65 years 1 month (D.O.B. - July 31, 1957)
<b>Date of first appointment on the Board</b>	April 01, 2022	October 22, 2021
<b>Qualification</b>	Graduate in Economics and MMS	BSc. (Hons)
<b>Experience – brief profile</b>	Ms. Varda Pradeep Pendse has a career as HR Consultant and Leadership Coach with overall 34 years of experience. She has been one of the founding team members and a Whole-time Director of Cerebrus Consultants Private Limited for last 24 years. She is a member of the Management council of Kapadia Associates. She has done her Graduation in Economics (1985) from St. Xavier’s College, Mumbai and Masters in MMS (1987) from NMIMS, Mumbai University. She has done certified courses on several personality profiling instruments and is a certified Coach by Result Coaching, USA.	Mr. Pradeep Madhav has more than 40 years of experience, spread over different companies, in Banking and Financial Services. His experience has been varied and covers Banking (includes Transaction Banking, handling large Credit portfolios, Heading large branches etc.), Retirement Funds Management, Debt Capital Market and Treasury Operations (PD). Mr. Madhav has a Board experience of more than 16 years with different companies as Managing Director & CEO and with Clearing Corporation of India as a Nominee Director. He has been on the Technical Advisory Committee of RBI and also on numerous other committees of RBI, SEBI, NSE, BSE, City of London, Chambers of Commerce etc. He has been on Board of FIMMDA & PDAI including Chairperson of PDAI for more than 3 years. He has been MD & CEO of STCI Finance Limited from January 2017 to August 2021.
<b>No of Shares held in Company</b>	NIL	NIL
<b>Relationship with other Directors/Key Managerial Personnel</b>	None	None
<b>Number of meetings of the Board attended during the FY2021-22</b>	NA as appointed w.e.f April 01, 2022	4/8 meetings as MD & CEO of STCI Finance Limited (Holding Company) 3/8 meetings as Additional Director (Non-Executive)
<b>Directorship in other Companies</b>	NIL	NIL
<b>Membership in Committees of Company.</b>	<ul style="list-style-type: none"> <li>Member of Nomination and Remuneration Committee</li> </ul>	<ul style="list-style-type: none"> <li>Member of Risk Management Committee</li> <li>Member of Corporate Social Responsibility Committee</li> </ul>
<b>Membership in Committees of other companies.</b>	NIL	NIL
<b>Terms and conditions of appointment/re-appointment</b>	As per details provided in item no. 5 of the Notice.	As per details provided in item no. 6 of the Notice.
<b>Remuneration last drawn</b>	NA	NIL
<b>Remuneration proposed to be paid</b>	Sitting fees payable as approved by the Board, from time to time, within the limit prescribed under the Companies Act, 2013.	Sitting fees payable as approved by the Board, from time to time, within the limit prescribed under the Companies Act, 2013.

## ANNEXURE TO THE NOTICE

Name of Director	Mr. V. Narayanamurthy	Mr. Prasanna Patankar
Designation	Additional Director (Non – Executive)	Managing Director
Age	59 years (D. O.B – Aug 28, 1963)	52 years 11 months (D.O.B.- Oct 2, 1969)
Date of first appointment on the Board	October 22, 2021	Nov 18, 2016
Qualification	B. Com (Hons), MA (Business Economics), MFM, CAIIB	B.Sc. (Hons), Master of Business Management (MBM)
Experience – Brief profile	Mr. V. Narayanamurthy is a career banker with 32 years of operational and strategic experience in IDBI Bank Limited He has been Executive Assistant to Chairman and Managing Director of IDBI Bank from May 2018. He holds a Masters of Financial Management from Jamnalal Bajaj Institute for Management Studies, University of Mumbai and Masters of Arts Degree (Business Economics) from the University of Delhi. He is a Certified Associate of the Indian Institute of Banking and Finance. Presently, holds the position of Managing Director & CEO of STCI Finance Limited.	Mr. Prasanna Patankar has over 29 years of cumulative work experience in Treasury & Investment Management functions across areas which include Primary Dealership (PD) Operations, Fixed Income Sales & Trading, Debt & Macro Economic Research, Debt Capital Markets, Client Asset Management, Proprietary Equity Trading, etc. Mr Prasanna Patankar holds a Master’s in Business Management (MBM) from the University of Calcutta and has been associated with the PD industry since its inception in India in 1996, and has worked with three (3) PDs viz. PNB Gilts Ltd, IDBI Capital Markets Services Ltd & STCI PD. Mr. Prasanna Patankar was part of the team that which set up Primary Dealership Business at STCI Primary Dealer Limited. He is also a Director on the Board of Primary Dealers Association of India (PDAI).
No of Shares held in Company	1 share held as Nominee of STCI Finance Limited	1 share held as Nominee of STCI Finance Limited
Relationship with other Directors/ Key Managerial Personnel	None	None
Number of meetings of the Board attended during the FY2021-22	3/8 as MD & CEO of STCI Finance Limited (Holding Company) (appointed w.e.f October 22, 2021)	8/8
Directorship in other Companies	(i) STCI Finance Limited (ii) STCI Commodities Limited	(i) STCI Commodities Limited (ii) Primary Dealers Association of India (Sec. 8 Company)
Membership in Committees of Company.	<ul style="list-style-type: none"> <li>Member of Nomination and Remuneration Committee, IT Strategy Committee</li> </ul>	<ul style="list-style-type: none"> <li>Member of Corporate Social Responsibility Committee</li> </ul>
Membership in Committees of other Companies.	STCI Finance Limited <ul style="list-style-type: none"> <li>Chairperson of Credit &amp; Investment Committee</li> <li>Member of IT Strategy Committee</li> <li>Member of Risk Management Committee</li> <li>Member of Corporate Social Responsibility Committee</li> </ul>	NIL
Terms and conditions of appointment/reappointment	As per details provided in item no. 7 of the Notice.	As per details provided in item no. 8 of the Notice.
Remuneration last drawn	NIL	As per details provided in item no. 8 of the Notice.
Remuneration proposed to be paid	Sitting fees payable as approved by the Board, from time to time, within the limit prescribed under the Companies Act, 2013. The said sitting fees are payable to STCI Finance Limited.	As per details provided in item no. 9 of the Notice.



















525

100

80

40