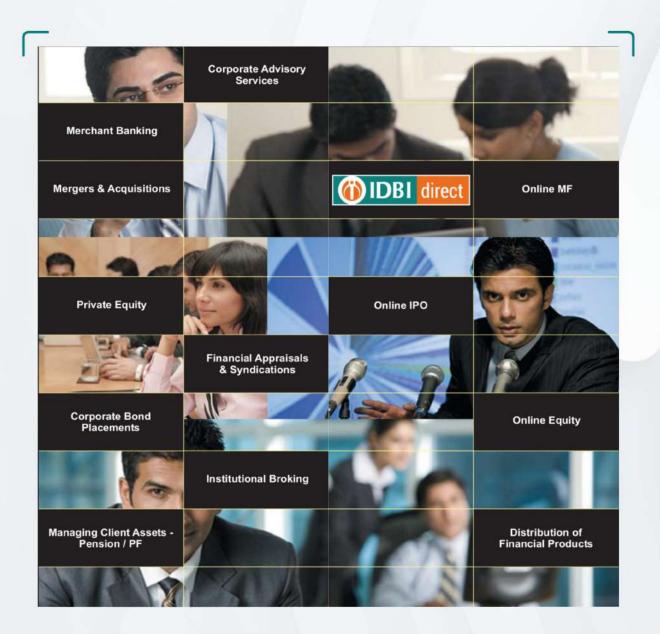
Annual Report 2021-22



Scripting Repositioning

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Board of Directors



Mr. Rakesh Sharma Chairman

(DIN: 06846594)



Mr. Samuel Joseph J Director (DIN: 02262530)



Ms. Lalitha Rameswaran Independent Director

(DIN: 02326309)



Mr. Venkat Nageswar Chalasani Independent Director

(DIN: 07234179)



Ms. Uma Shankar Independent Director

(DIN: 07165728)



Mr. Iswar Padhan MD & CEO

(DIN:03560275)

Audit Committee

- Ms. Lalitha Rameswaran (Chairperson of the Committee)
- Ms. Uma Shankar
- Mr. Samuel Joseph J.

Nomination and Remuneration Committee

- Mr. Venkat Nageswar Chalasani (Chairman of the Committee)
- Ms. Lalitha Rameswaran
- Mr. Samuel Joseph J.

Corporate Social Responsibility Committee

- Ms. Uma Shankar (Chairperson of the Committee)
- Mr. Venkat Nageswar Chalasani
- MD & CEO

KMPs and Auditors of the Company

Chief Financial Officer	Company Secretary & Compliance Officer
Mr. Dattatraya Bhosale	Ms. Christina D'souza
Statutory Auditors M/s. Shah Gupta & Co. Chartered Accountants G-51, Shagun Arcade, Film City Road, Malad (E), Mumbai – 400 097	Internal Auditors Shah Ramaiya & Co. Plot No. 36/227, RDP 10, Sector VI, Charkop, Kandivali West, Mumbai – 400 067

Company Information

Bankers

IDBI Bank Limited HDFC Bank Limited Federal Bank Limited

Registered Office

6th Floor, IDBI Tower, World Trade Complex, Cuffe Parade, Mumbai - 400 005. CIN: U65990MH1993GOI075578

Email id: info@idbicapital.com Website: www.idbicapital.com Trading Portal: www.idbidirect.in

MESSAGE FROM THE MANAGING DIRECTOR & CEO



Dear Shareholders,

It is my honour and privilege to present to you the performance highlights of your Company for the financial year 2021-22, a year in which the Company worked tirelessly scripting for strengthening and repositioning.

The concerted efforts made with remapping of opportunities and focused strategies helped improvement in overall performance of your Company during the year. Total income earned during FY 2021-22 improved to Rs.109.95 crore from Rs.91.64 crore in the previous year. Profit Before Tax and Net Profit during the year 2021-22 were at Rs. 24.00 crore and Rs.19.16 crore as against Rs. 11.63 crore and Rs. 9.11 crore in the previous financial year respectively. The Company posted profits in all its business verticals during the year under reporting.

During the financial year 2021-22, the equity market generally remained buoyant except the signs of weakness and rise in volatility witnessed towards the end of the year due to the impact from adverse geopolitical developments. On the Equity Capital Markets advisory business front, the Company associated closely with companies and Government Departments for mandate for IPO/OFS/QIP/Buyback etc. The Debt Syndication business segment of the Investment Banking continues to take up mandates across diverse sectors such as food, chemicals, telecom, roads, energy, textile, healthcare, commercial real estate, industrial parks, govt sector etc. The Debt Resolution advisory group is also taking advantage of the opening up of the economy to focus more on debt syndication / project advisory mandates of well rated companies for sectors sought after by leading banks and mandates from Banks/FIs for debt assignments. The M&A and PE teams continue to work on prestigious mandates across sectors.

On the Debt Capital Markets front, the Company has reached within the Top 15 Merchant Bankers and is ranked #2 in PSU Merchant Banking outfits for NCDs. The Company is also actively placing Commercial Paper for Indian Corporates and reached within the Top 10 Merchant Bankers for Commercial Paper and is ranked #1 in PSU Merchant Banking Outfits for Commercial Papers. (Source: Prime Database)

The Retail Broking volumes got a boost owing to the bullish market trend in FY 2021-22 except in the last quarter where the markets dipped due to geopolitical factors and increase in commodities prices. The Group continues to focus on enhancing technology platform to explore new business opportunities and increase volumes. The Institutional Equities business also generated a robust growth during the year.

The Alternative Investment Fund (AIF) management business continues to make significant profit contribution to the Company by being a steady and reliable source of revenue. The Company jointly with the Government of Maharashtra has recently sponsored the Maharashtra Innovation and Technological Development Fund which has obtained registration from SEBI as a Category I AIF.

Along with improvement in business prospects and better performance, the Company deliberated and adopted medium term business plans and strategies across business segments to script repositioning, which we believe will enable the Company to achieve higher prominence in coming years.

I conclude by expressing my gratitude to the Board of Directors of the Company for its direction, mentoring and support. I express my special gratitude to the Company Chairman Mr. Rakesh Sharma, for supporting and motivating the team to aspire for higher achievement. Thanks to my IDBI Capital Team for believing in the vision and mission of the Company and working relentlessly to achieve the goals. I would also like to express my gratitude to our colleagues at IDBI Bank for their business cooperation and support. Our special thanks to the Comptroller and Auditor General of India (C&AG), SEBI, RBI, BSE, NSE, MCX, NSDL, CDSL and other institutions and partner banks and other stakeholders for their support. Our Customers/Clients as always deserve special thanks for their continued trust and patronage on the business endeavours of the Company.

With best wishes, Iswar Padhan MD & CEO

GLIMPSES FROM THE PAST YEAR



Board level Strategy Meeting in March, 2022



Business Plan and Strategy meeting of Senior Management in April 2022



Investor Awareness Programme

GLIMPSES FROM THE PAST YEAR



Retail Offsite Review Meet in May 2022

CSR Initiative - Distribution of DESKIT Bags





Notice Of The Twenty Ninth (29th) Annual General Meeting

NOTICE is hereby given that the Twenty Ninth (29th) Annual General Meeting of the Members of IDBI Capital Markets & Securities Limited will be held on the Wednesday, September 28, 2022 at 4.00 p.m.

A. Ordinary Business

1. ADOPTION OF AUDITED FINANCIAL STATEMENTS

To receive, consider and adopt the Audited Balance Sheet and Profit and Loss Account of the Company for the year ended March 31, 2022 and the reports of the Board of Directors, Statutory Auditors and Comments of the Comptroller and Auditor General of India thereon.

2. DECLARATION OF FINAL DIVIDEND ON EQUITY SHARES FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

To declare Final Dividend on Equity Shares at the rate of 6% (six per cent) [i.e. Rs. 0.60/- (Rupees sixty paise only) per Equity Share of Face Value of Rs. 10/- (Rupees ten only)] for the Financial Year ended March 31, 2022.

3. RE-APPOINTMENT OF A DIRECTOR

To appoint a Director in place of Mr. Samuel Joseph J. who retires by rotation in terms of Section 152 (6) of the Companies Act, 2013 and being eligible seeks re-appointment.

4. APPOINTMENT OF AUDITORS AND FIXING THEIR REMUNERATION

To take note of the appointment of M/s. Shah Gupta and Co., Chartered Accountants as Statutory Auditors of the Company appointed by the Comptroller and Auditor General of India for the Financial Year 2022–23 and to approve the remuneration payable to the Statutory Auditors.

In this connection, to consider and if thought fit, to pass, with or without modifications(s) the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** appointment of M/s. Shah Gupta and Co., Chartered Accountants, as Statutory Auditors of the Company by the Comptroller and Auditor General of India pursuant to the provisions of Section 139(5) and other applicable provisions if any, of the Companies Act, 2013 for the Financial Year 2022–23, be and is hereby noted.

RESOLVED FURTHER THAT approval of the members of the Company is hereby accorded for payment of remuneration of Rs. 8,00,000/- (Rupees eight lakhs only) excluding GST to M/s. Shah Gupta and Co. Chartered Accountants, Statutory Auditors for the Financial Year 2022–23.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby authorized to revise the remuneration payable to the Statutory Auditors of the Company for the Financial Year 2022–23, subject to intimation to/approval of the Comptroller and Auditor General of India, as may be required."

B. SPECIAL BUSINESS:

5. REAPPOINTMENT OF MS. LALITHA RAMESWARAN (DIN: 02326309) AS INDEPENDENT DIRECTOR OF THE COMPANY

To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution.

"RESOLVED THAT pursuant to the provisions of Sections 149, 150(2), 152 and any other applicable provisions, if any, of the Companies Act, 2013 and the rules framed there under (including any statutory modification(s) or re-enactment thereof) read with Schedule IV to the Companies Act, 2013 as amended from time to time, Ms. Lalitha Rameswaran (DIN 02326309), Independent Director of the Company, whose first term as Independent Director expires on October 24, 2022, and who has submitted a declaration that she meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment for a second term under the provisions of the Companies Act, 2013 and rules made thereunder, be and is hereby re-appointed as an Independent Director of the Company (Not liable to retire by

RESOLVED FURTHER THAT the Company Secretary be and is hereby authorized to do all things and deeds required to give effect to this resolution including but not limited to informing the ROC/ MCA/ Competent Authority by filing applicable Statutory Forms with Regulators and updating relevant records."

6. RE-APPOINTMENT OF MR. ISWAR PADHAN (DIN 03560275) AS MD & CEO OF THE COMPANY

To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT in terms of Articles, 129 and 130 of the Articles of Association of the Company and in terms of sections 2(94), 196, 197, 198 and 203 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V to the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification/amendment or re-enactment thereon, if applicable) and as per the recommendation of the Nomination & Remuneration Committee of the Board, approval of the Members be and is hereby accorded to the Re-appointment of Mr. Iswar Padhan (DIN: 03560275) as Managing Director & CEO of the Company up to November 30, 2022, subject to further extension by IDBI Bank Ltd, on such terms and conditions including remuneration as contained in IDBI Bank intimation to this effect, who shall not be liable to retire by rotation."

RESOLVED FURTHER THAT Mr. Iswar Padhan (**DIN**: 03560275), shall not be entitled to receive any remuneration from the Company except for all pay, allowances, perquisites and superannuation contribution as per rules stipulated by IDBI Bank and other applicable policies of IDBI Bank/IDBI Capital subject to the ceilings prescribed by the Companies Act, 2013 and applicable rules there under.

RESOLVED FURTHER THAT where in any financial year during the tenure of Mr. Iswar Padhan (**DIN**: 03560275) as MD &CEO, the Company has no profits or the profits are inadequate, approval of the members of the Company be and is hereby accorded to pay him the maximum remuneration in accordance with the provisions of the Act.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to extend the period of appointment of Mr. Iswar Padhan (**DIN**: 03560275), if so desired by the Board, at the expiry of the period November 30, 2022.

RESOLVED FURTHER THAT that the Board of Directors of the Company be and is hereby authorized to vary the terms of appointment including remuneration within the overall limits prescribed under the Companies Act, 2013 and Schedules V of the Companies Act, 2013 thereto on the basis of advice given by IDBI Bank Limited from time to time and to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution without requiring the Board to secure any further consent or approval of the Members of the Company.

RESOLVED FURTHER THAT the Company Secretary be and is hereby authorized to do all things and deeds required to give effect to this resolution including but not limited to inform the ROC/MCA/ Competent Authority by filing applicable statutory Forms with Regulators and updating relevant records."

Place: Mumbai Date: September 27, 2022 By the Order of the Board of Directors IDBI Capital Markets & Securities Limited

> Sd/-Christina D'souza Company Secretary

Registered Office: 6th Floor, IDBI Tower, WTC Complex, Cuffe Parade, Mumbai – 400 005. Tel: 91 22 2217 1700 Fax: 91 22 2215 1787 CIN: U65990MH1993GOI075578 Website: http://www.idbicapital.com Email: cs@idbicapital.com

NOTES:

- i. The Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020, May 5, 2020 and clarification circular dated January 13, 2021, December 08, 2021, December 14, 2021, May 05, 2022 & circulated from time to time (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 with the provisions of the Companies Act, 2013 ("Act"), and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
- ii. Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at this AGM, is annexed.
- iii. Pursuant to the provisions of the Act, 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 pursuant to the MCA Circulars 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.
- iv. Corporate Members intending to send their authorized representatives to attend the AGM through VC / OAVM on its behalf and to vote are requested to send a certified copy of the Board Resolution to the Company, authorizing their representative to attend and vote on their behalf at the meeting.
- v. Relevant documents referred to in the Notice and the accompanying statement can be demanded by Members for inspection by sending an email to cs@idbicapital.com during business hours on all working days, up to the date of the Annual General Meeting.
- vi. The Quorum for the Annual General Meeting, as provided in section 103 of the Companies Act, 2013, is 5(five) members, attending the AGM through VC / OAVM at the commencement of business.
- vii. Section 20 of the Companies Act, 2013 permits service of documents on Members by a company through electronic mode. Therefore in accordance with the Companies Act, 2013 read with the Rules framed thereunder, the Annual Report 2021-22 is being sent through electronic mode to those Members whose email addresses are registered with the Company unless any Member has requested for a physical copy of the Report. For Members who have not registered their email addresses, physical copies of the Annual Report 2021-22 are being sent by the permitted mode.



Statement pursuant to Section 102(1) of the Companies Act, 2013

ITEM NO 5: RE-APPOINTMENT OF MS. LALITHA RAMESWARAN (DIN: 02326309) AS INDEPENDENT DIRECTOR OF THE COMPANY

Ms. Lalitha Rameswaran (**DIN: 02326309**) was appointed as an Independent Director by the shareholders of the Company vide Special Resolution passed in the Annual General Meeting held on December 22, 2020 for period of 3 years commencing October 25, 2019 upto October 24, 2022. Ms. Lalitha Rameswaran (**DIN: 02326309**) is eligible to hold office up to October 24, 2022 but is eligible for re-appointment as a Director.

The Board has also recommended re-appointment of Ms. Lalitha Rameswaran (DIN: 02326309) as Independent Director.

Ms. Lalitha Rameswaran (DIN: 02326309) being eligible has offered herself for re-appointment as Independent Director. The Nomination and Remuneration Committee has also recommended the re-appointment Ms. Lalitha Rameswaran (DIN: 02326309) as an Independent Director to hold office upto October 24, 2025.

Ms. Lalitha Rameswaran (**DIN: 02326309**) does not receive any remuneration, benefits, or commission from the Company apart from sitting fees of meetings attended. In the opinion of the Board, Ms. Lalitha Rameswaran (**DIN: 02326309**) fulfills the conditions specified in the Companies Act, 2013 and Rules made thereunder for re-appointment as an Independent Director of the Company and is independent of the management.

A copy of the draft letter of appointment to be issued to Ms. Lalitha Rameswaran (**DIN: 02326309**) setting out the terms and conditions of appointment would be available for inspection if demanded by the Members vide email to cs@idbicapital.com during normal business hours on any working day, excluding Saturday.

Accordingly, the Board recommends for approval the re-appointment of Ms. Lalitha Rameswaran (DIN: 02326309), as an Independent Director.

Except Ms. Lalitha Rameswaran (**DIN**: **02326309**) being an appointee, none of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

ITEM NO 6: RE-APPOINTMENT OF MR. ISWAR PADHAN (DIN: 03560275) AS MD & CEO OF THE COMPANY

IDBI Bank Ltd vide is office order no. 1134 dated September 22, 2021 had extended the deputation of Mr. Iswar Padhan (**DIN**: 03560275), as Managing Director & CEO of the Company for a period of 1 year till September 30, 2022 on existing terms and conditions.

Upon recommendation of the Board of Directors and the Nomination Remuneration Committee of the Board, the Members of the Company at the 28th Annual General Meeting held on November 17, 2021 had approved and confirmed the reappointment of Mr. Iswar Padhan (**DIN**: 03560275) as MD & CEO of the Company.

Further, IDBI Bank Ltd vide its office order no. 2540 dated September 22, 2022 has extended the deputation of Mr. Iswar Padhan (**DIN:** 03560275), as Managing Director & CEO of the Company till November 30, 2022 on existing terms and conditions.

Accordingly, upon recommendation of Nomination & Remuneration Committee, the Board of Directors at its Meeting held on September 26, 2022 has re-appointed Mr. Iswar Padhan (**DIN:** 03560275) as MD & CEO of the Company to hold office up to November 30, 2022 subject to the approval of Members.

A written Notice pursuant to Section 160 of the Companies Act, 2013, has been received from a member signifying intention to propose Mr. Iswar Padhan (**DIN**: 03560275) as a candidate for the office of Director of the Company.

Remuneration payable to Mr. Iswar Padhan shall be as per existing terms and shall be subject to the provisions of the Companies Act, 2013.

Mr. Iswar Padhan (DIN: 03560275) being eligible has offered himself for re-appointment as MD & CEO. The Nomination and Remuneration Committee has also recommended the appointment of Mr. Iswar Padhan (DIN: 03560275) as MD & CEO to hold office for a period upto November 30, 2022 with effect from October 1, 2022.

Accordingly, the Board recommends for approval of re-appointment Mr. Iswar Padhan (DIN: 03560275) as Managing Director and CEO of the Company upto November 30, 2022.

Memorandum and Articles of Association and the letter dated September 22, 2022 from IDBI Bank Ltd recommending reappointment of Mr. Iswar Padhan are available for inspection by the Members during the business hours i.e 11 a.m. to 1 p.m. at the registered office of the Company from Monday to Friday.

Except Mr. Iswar Padhan (DIN: 03560275) being an appointee, none of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 6.

Place: Mumbai Date: September 27, 2022 By the Order of the Board of Directors IDBI Capital Markets & Securities Limited

> Sd/-Christina D'souza Company Secretary

Registered Office:

6th Floor, IDBI Tower, WTC Complex, Cuffe Parade, Mumbai – 400 005. Tel: 91 22 2217 1700 Fax: 91 22 2215 1787 CIN: U65990MH1993GOI075578 Website: http://www.idbicapital.com Email: cs@idbicapital.com

Details of Directors (as on 31st March, 2022) seeking appointment/re-appointment as required under Secretarial Standards
on General Meetings:

Name	Mr. Samuel Joseph J	Ms. Lalitha Rameswaran	Mr. Iswar Padhan
DIN	02262530	02326309	03560275
Date of Birth	22nd June, 1968	09th December,1972	10th July, 1968
Age	54 years	50 years	54 years
Qualifications	BE (HONS), MBA	B.Com & CA	Master in Economics & Diplomas in CAIIB, JAIIB and PG Certificate in Productivity Research
Experience	Mr Samuel Joseph J has about 30 years of experience. During the 21 years at Exim Bank, he had handled almost all aspects of banking, viz. large corporate credit, SME financing, Agri export financing, Human Resource Management, Information Technology [In-charge during June 2014 to October 2017], Treasury, Accounts, Audit, Taxation, etc. He has also headed Regional Offices in India and overseas. He was Chief Finance Officer (CFO) of Exim Bank (June 2014 to October 2017) and was in- charge of raising rupee and foreign currency resources for the Bank. Post appointment as DMD in IDBI Bank, w.e.f. September 19, 2019, was in-charge of all the Verticals till January 14, 2020 and post that, is in-charge of Large & Mid- Corporate Group, NPA Group, Transaction Banking, Finance & Accounts, IT & Digital Banking and HR functions. He is a regular speaker on Banking, Trade Finance, Project Finance, SME Banking, etc. Mr. Samuel Joseph J has led various consultancy assignments for setting up a Commonwealth Exim Bank, Trade Finance Facility for Small Island States for the Commonwealth Secretariat in London, Introduction of Film Financing program for the Exim Bank of Nigeria, Setting up of an Exim Bank for the Kingdom of Saudi Arabia, etc.,	Ms. Lalitha Rameswaran is presently the Partner of M/s. Abarna & Ananthan, Chartered Accountants, Bangalore. Specialising in the field of Taxation (Income Tax, Service Tax & GST) and Banking Consultancy. In charge of Tax and Bank Audit practice of the firm. Handling the tax matters of various Nationlised and Private sector banks and appearing before Adjudicating Authorities, Appeal Commissioners, & Tax Tribunals. Ms. Lalitha Rameswaran has handled Statutory Central Audit of Private Sector Banks, Public Sector Undertakings and is experienced in handling Stock Audit, Income Audit & other assignments of Public Sector & Private Sector Banks.	Mr. Iswar Padhan has about 23 years of experience in the banking sector predominantly in Treasury, Retail Banking, Market Risk Management, ALM, FTP and Planning. He has experience in all major market segments viz., Money Market, Fixed Income, Forex, Derivatives and Equity. Prior to appointment at IDBI capital Mr. Padhan was heading the Bhopal region of IDBI Bank in 2016-18 managing retail banking and representing the Bank in State level Bankers Committee in Madhya Pradesh.

Date of first appointment on Board	25th October, 2019	25th October, 2019	1st October, 2020
Shareholding in the Company	Nil	Nil	Nil
Relationship with other Directors, Manager and Key Managerial Personnel	Nil	Nil	Nil
Number of Board Meetings attended during the year 2021-22	9 of 9	9 of 9	9 of 9
Directorships held in other Companies (except Foreign Companies)	 IDBI Bank Limited IDBI MF Trustee Company Limited (Chairman) IDBI Trusteeship Services Limited (Chairman) 	Nil	Nil
Chairmanship / Membership of Committees of other Companies	 IDBI Bank Limited: 1. Executive Committee Member 2. Stakeholders Relationship Committee – Member 3. Fraud Monitoring Committee – Member 3. Risk Management Committee – Member 4. Risk Management Committee – Member 5. Corporate Social Responsibility Committee Member 6. Customer Service Committee - Member 7. Information Technology Strategy Committee Member 8. HR Steering Committee Member 9. Recovery Review Committee Member 	Nil	Nil
Terms and conditions of appointment/ reappointment	Non-executive Director liable to retire by rotation	Independent Director not liable to retire by rotation for a period of 3 years	Managing Director and CEO for a further period upto November 30, 2022 not liable to retire by rotation

To The Members

Your Company's Board of Directors hereby presents its Report on the business and operations of the Company for the year ended March 31,2022.

1. FINANCIAL HIGHLIGHTS

Your Company has achieved gross revenue of Rs. 109.95 crore registering a growth of over 16.65% compared to previous financial year. The Company has reported a Profit After Tax (PAT) of Rs. 19.16 crore as against a profit of Rs. 9.11 crore in the previous financial year. All business groups of the Company reported operating profit during the year under report.

The financials for the year ended March 31, 2022 with comparative figures for the previous year are presented in the table below:

Destinution	Year ended March 31, 2022	Year ended March 31, 2021
Particulars	(Rs. in	ı lakhs)
Revenue from Operations	10405	8325
Other Income	590	839
Total Income	10995	9164
Expenses		
Finance Cost	102	115
Impairment of Financial Instruments	326	602
Operating expenses	2624	2326
Employee Benefit Expenses	3926	3334
Depreciation & Amortisation Expenses	905	908
Other expenses	712	716
Total expenses	8595	8001
Profit/ (Loss) before Exceptional items and Tax	2400	1163
Exceptional Items	-	-
Profit Before Tax	2400	1163
Total Tax Expenses	484	252
Profit / (Loss) for the year	1916	911
Total Other Comprehensive Income	-19	5
Total Comprehensive Income for the Year	1897	916

2. COMPANY'S AFFAIRS

Your Company offers a range of Financial Services ranging from Investment Banking, Corporate Advisory services, Retail and Institutional Stock Broking, distribution of Financial Products, Fund Management, Research services, PE Advisory and Debt Capital Market services. Your Company is registered with the Securities and Exchange Board of India (SEBI) as a Merchant Banker, Stock Broker, Depository Participant, Portfolio Manager, Research Entity and Investment Manager.

3. Transfer to Reserves

The Board of the Directors of your Company have decided not to transfer any amount to the Reserves for the year under review.

4. DIVIDENDS

The final dividend for the financial year ended March 31, 2022, is at the rate of Rs 0.60 per equity share of face value of Rs. 10 each. Total dividend amounted to Rs. 7.69 cr as recommended by the Board of Directors. As per Income Tax Act, 1961, as amended by the Finance Act, 2020, dividends paid or distributed by a Company after April 1, 2020 shall be taxable in the hands of shareholders. The Company is also required to deduct tax at source from dividend paid to shareholders at the prescribed rates @ 10% on dividend amount.

5. MATERIAL CHANGES AND COMMITMENTS, IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED DURING THE END OF FINANCIAL YEAR AND THE DATE OF THE BOARD'S REPORT

No material changes and commitments, affecting the financial position of the Company have occurred between the end of the financial year of the Company i.e. March 31, 2022 and the date of this Directors' Report.

6. PARTICULARS OF ASSOCIATE COMPANY

The Company has one Associate Company namely, IDBI Asset Management Ltd. The Company holds 33.33% of the share capital of IDBI Asset Management Ltd. A Statement containing salient features of the financial statement and all other requisite details of the said Associate Company in the format AOC-1 is appended as **Annexure A**.

7. FINANCIAL STATEMENTS

The Financial Statements of your Company for the Financial Year 2021 - 22 are prepared in compliance with applicable provisions of the Companies Act, 2013 read with the Rules issued thereunder and applicable Accounting Standards.

8. ECONOMIC REVIEW

Economic recovery from Covid-19 disruptions, Omicron, rising food prices and sticky inflation, the US Fed's much anticipated lift-off, and escalation of geopolitical tensions towards the end of the year flaring up into conflict in early 2022 defined the macroeconomic and financial landscape during Financial Year 2021-2022 (FY 21-22). According to the International Monetary Fund (IMF) in its World Economic Outlook of April 2022, world GDP expanded by 6.1 per cent in FY 2021 as against a contraction of 3.1 per cent in the previous year. After a sharp setback due to the virulent Delta variant of the coronavirus in the early part of 2021, the global recovery had regained some traction even as paths of growth were widely differentiated across jurisdictions by the size and durability of monetary and fiscal stimuli, and access to vaccines. Global growth lost pace in the second half of the year, beset by the highly transmissible but milder variant of COVID-19 – Omicron. Despite these waves being superimposed on global supply chain and logistics disruptions, global trade recovered in the second half of the year and grew by 10.1 per cent in 2021. Underpinning this upturn, global manufacturing accelerated to 9.4 per cent in FY 2021 from 4.2 per cent in FY 2020.

The recovery in domestic economic activity is gathering strength. Rural consumption should benefit from the likely normal south-west monsoon and the expected improvement in agricultural prospects. A rebound in contact-intensive services is likely to bolster urban consumption, going forward. Investment activity is expected to be supported by improving capacity utilisation, the government's capex push, and strengthening bank credit. Growth of merchandise and services exports is set to sustain the recent buoyancy. Spillovers from prolonged geopolitical tensions, elevated commodity prices, continued supply bottlenecks and tightening global financial conditions nevertheless weigh on the outlook. Taking all these factors into consideration, the real GDP growth projection for 2022-23 is retained by RBI at 7.2 per cent with Q1 at 16.2 per cent; Q2 at 6.2 per cent; Q3 at 4.1 per cent; and Q4 at 4.0 per cent, with risks broadly balanced.

The tense global geopolitical situation and the consequent elevated commodity prices impart considerable uncertainty to the domestic inflation outlook. The restrictions on wheat exports should improve the domestic supplies but the shortfall in the rabi production due to the heat wave could be an offsetting risk. The forecast of a normal south-west monsoon augurs well for the kharif agricultural production and the food price outlook. Edible oil prices remain under pressure on adverse global supply conditions, notwithstanding some recent correction due to the lifting of export ban by a major supplier. Consequent to the recent reduction in excise duties, domestic retail prices of petroleum products have moderated. International crude oil prices, however, remain elevated, with risks of further pass-through to domestic pump prices. There are also upside risks from revisions in the prices of electricity. RBI taking into account these factors, and on the assumption of a normal monsoon in 2022 and average crude oil price (Indian basket) of US\$ 105 per barrel, projected inflation at 6.7 per cent in 2022-23, with Q1 at 7.5 per cent, with Q1 at 16.2 per cent; Q2 at 6.2 per cent; Q3 at 4.1 per cent; and Q4 at 4.0 per cent, with risks broadly balanced.

9. INDIAN EQUITY MARKETS DURING F.Y. 2021 - 2022

Indian equity markets delivered a robust performance in Financial Year 2022 despite stronger returns witnessed in Financial Year 2021. This was driven by (1) strong earnings growth witnessed by many companies, (2) Government policy measures, and (3) global low interest rates prevalent during the year and robust investors interest from Domestic segment. BSE SENSEX appreciated by 18% YoY in Financial Year 2022 versus appreciation of 68% YoY in Financial Year 2021. US Indices appreciated by 14% in financial year 2022. However, equity markets lost their sheen in the first quarter of FY23, owing to geopolitical tensions and inflation concerns, especially in developed economies.

Foreign Institutional Investors (FIIs) net outflows in Indian market was Rs. 1.33 trillion in Financial Year 2022 vs net inflows of Rs. 2.76 trillion during Financial Year 2021. Nevertheless, DIIs saw net inflow of Rs. 2.23 trillion during the year compared to net sales of Rs. 1.37 trillion in Financial Year 2021.

Amongst indexes, all the indices showed a positive return during Financial Year 2022 as was seen in Financial year 2021. Indices which outperformed Sensex include Utilities, Telecom, IT, Capital Goods, Consumer Durables and Metals while the

					over last ar	Change o year's	
	Mar-21	Mar-22	Year's Low	YoY	%	YoY	%
Sensex	49,509	58,569	47,706	9,059	18.3	10,863	22.8
FMCG	12,875	13,335	12,402	459	3.6	932	7.5
Healthcare	21,328	24,304	21,529	2,976	14.0	2,775	12.9
IT	26,543	36,403	26,132	9,860	37.1	10,271	39.3
Telecom	1,296	1,839	1,303	543	41.9	535	41.1
S&P BSE Utilities	2,149	3,440	2,064	1,292	60.1	1,376	66.6
AUTO	22,252	24,050	21,224	1,798	8.1	2,826	13.3
BANKEX	37,548	41,754	34,968	4,206	11.2	6,786	19.4
CAPITAL GOODS	21,096	27,506	19,798	6,410	30.4	7,708	38.9
CONSUMER DURABLES	32,826	42,272	31,329	9,446	28.8	10,943	34.9
METAL	14,351	22,368	15,127	8,018	55.9	7,241	47.9
OIL & GAS	14,820	18,741	14,272	3,921	26.5	4,469	31.3
POWER	2,475	4,044	2,360	1,569	63.4	1,683	71.3
REALTY	2,670	3,682	2,385	1,012	37.9	1,297	54.4

indices where returns was lower than Sensex were Healthcare, FMCG and Auto.

	FII (INR bn)	DII (INR bn)	FII (USD Mn)	DII (USD Mn)
FY 2021	2761	-1,369	37,299	-18,562
FY 2022	-1,325	2,232	-17,469	29,735

10. PERFORMANCE OF THE COMPANY

During the past year, your Company has improved its performance and has made a turnaround with an overall profit. The performance of your Company has been detailed in the paragraphs below:

a) INVESTMENT BANKING

Financial Year 2021-22 started with the somber note, with FII seeking exits and rate tightening happening globally to tame the inflation. However the domestic money kept the indices fall limited and we believe that markets would stabilize and capital market activity pick up in second half of the financial year.

In the current year, ECM Vertical has procured 5 new mandates, including IPO and an FPO of a private sector company. We have also procured 3 mandates from Govt. Sector including 2 OFS and a prestigious advisory mandate on Telecom ondues resolution. The vertical is constantly striving towards closure of these mandates for revenue generation.

The vertical continues to strengthen the business development efforts and is in various stages of discussions with several companies for possible mandates for IPOs, QIPs, buybacks, Rights Issues etc.

In the M&A space, your Company raised capital for an International Exchange and a Clearing Corporation, and worked on a prestigious demerger. The group also led transactions for sale of distress debts.

In the private equity space, your Company was privileged to be an advisor for the private equity fund raises to a small finance bank for raising growth capital. We also had privilege to work on two separate universal exchanges in private equity raising mandates.

The Debt Syndication Vertical procured more than 20 new mandates for syndication assignments across diverse sectors

including transportation, healthcare, water, manufacturing, telecom, NBFC, IT, lifestyle & fashion cross private sector and government companies. We also procured multiple mandates for financial advisory and appraisal for several projects being implemented by top rated corporates & government corporations. Furthermore, the vertical also completed an advisory assignment for an Indian subsidiary of a global, multimodal transport group. The Vertical continues to complement the business development efforts of your Company by actively connecting to numerous companies for possible syndication mandates and regularly scanning various tenders for opportunities to offer services towards financial advisory, appraisal and fund raising.

During the FY2021-22, **Debt Resolution** vertical of your Company successfully advised the Consortium of Lenders for One Time Restructuring of their debt of Rs.5,315 Crore in a large retail company under the RBI's Resolution Framework for Covid-19 related Stress. Your company was also successful in acting as Process Advisors to the Consortium of Lenders of a large telecom company for sale of fixed assets. Further, your company was able to successfully advise a Paper company with regards to CDR exit. Apart from these, your company had been running various mandates as Process Advisor for sale of assets, Debt Restructuring advisory mandates, NCLT advisory mandates, etc.

During the FY 2021-2022, Debt Capital Markets (DCM) vertical has created a new benchmark and stood at number 14 in Prime League Table and arranger of 19 issues via Private Placement of Bonds of worth INR 28,000 Crore (including Senior, Subordinate and Perpetual Bonds of Banks/NBFC's). The DCM team is also very active in short term borrowing of the Corporates and has mobilized more than INR 11,000 Crs Commercial Paper for various prestigious manufacturing corporates. The vertical continues to strengthen the business development efforts and is in various stages of discussions with several companies for possible mandates.

During the FY 2021-22, your Company started a new vertical Structured Finance Advisory business which focuses on debt raising for mid-sized companies with viable business models, who are unable to access the bank loan market, on account of credit rating, purpose, security package, etc. For this business your Company is working with multiple clients across industries like Auto components, Renewable power, Industrials, Pharmaceuticals etc.

b) PORTFOLIO MANAGEMENT SERVICES

Your Company also continues to manage funds on the debt side with Assets under Management at the end of the Fiscal 2022 standing at Rs. 6,823.10 Crore. The returns on investments on these Funds during the F.Y. 2021-22 were 7.29% for retirement funds and 5.11% for the surplus funds. The respective benchmarks for the period stood at 6.33% and 4.00%.

c) INSTITUTIONAL EQUITIES

The Institutional Equities business saw a marked improvement in the FY 2021-22, on higher base of 20-21. The vertical has been able to reach out to more clients & improve execution efficiency. The team made significant inroads with empanelled clients that helped improve wallet share. The brokerage revenue stood at Rs. 8.02 Crore, a 25% improvement over the previous year FY 2020-21.

d) RETAIL BROKING

The Retail Brokerage business of your Company has grown by 5.5 % on YOY basis during the year. New client acquisition in Retail Broking was around 56000 clients which is a growth of 75% over the previous year. The Company continues to enhance the system capabilities by adding new features to the web trading portal and the Mobile App. This will help digital adoption of services by the clients.

e) FUND MANAGEMENT AND ADVISORY

Maharashtra Defence and Aerospace Venture Fund

The Company continues to act as Investment Manager of Maharashtra Defence & Aerospace Venture Fund (MDAVF), a Category II AIF, established with an investment objective to promote sustainable enterprises in the Defence, Aerospace and Allied sectors in the state of Maharashtra.

As on March 31, 2022, MDAVF has an aggregate commitment of ₹366.67 Crores. MDAVF has committed Investments of ₹279.36 Crores to 17 Companies out of which Investment of ₹202.49 Crores has already been made in 13 Companies.

Bharat Ratna Dr. Babasaheb Ambedkar Investment Fund for SC/ST

The Company continues to act as Advisor to the Bharat Ratna Dr. Babasaheb Ambedkar Fund for SC/ST (BRBASCST).

Till date, the fund has an aggregate commitment of ₹80.14 Crores from Department of Industries, Government of Maharashtra. BRBASCST has committed Investment of ₹37.29 Crores to 15 companies out of which Investment of ₹25.60 Crores has already been done in 8 companies.

Maharashtra Innovation and Technological Development Fund

The Company is also acting Investment Manager of Maharashtra Innovation and Technological Development Fund (MITDF), a SEBI registered Category I AIF. The primary investment objective is to invest at an early stage in promising, innovative and high impact startups and MSMEs, which are incorporated in Maharashtra and having innovative and scalable business model, which work towards development or improvement of a product, process or service and/or have scalable business model with high potential for creation of wealth & employment.

MITDF is a sector agnostic fund which strives to generate high returns by investing in a judicious mix of growth investments opportunities and early / start up stage opportunities and is focused to attain the objective of maximizing the return on the investments. The maximum investment per Portfolio Company is expected to be in the range of ₹5 to ₹15 Crores or 10% of the effective drawable corpus, whichever is lower and the number of investments is expected to be in the range of 10 to 15 companies approximately. The target corpus of the Fund is ₹200 Crores.

11. FUTURE PLANS

Your Company continuously endeavours to scale new heights. All verticals have demonstrated renewed commitment and purpose. With the markets opening up and stability being restored your Company will keep exploring new avenues for scaling its business.

12. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The CSR Policy of the Company covers areas across healthcare, education, rural development, livelihood generation and socio economic empowerment.

The CSR Policy of the Company is available on the following web link: https://idbicapital.com/csr_page.asp

During the FY 2021 - 22, your Company undertook the following as part of its CSR initiatives:

- i. Aiding in education of students from marginalized sections of society by providing DESKIT bags with portable desks
- ii. Contribution to PM Cares Fund and Maharashtra State Disaster Management Authority for any kind of emergency or distress situation, like posed by the COVID-19 pandemic, and to provide relief to the affected.
- iii. Contribution to the Swacch Bharat Kosh towards the national mission for clean India in line with the vision of our Hon'ble Prime Minister for Clean India.

The Report on Corporate Social Responsibility (CSR) as required under the Companies, (Corporate Social Responsibility Policy) Rules, 2014 is annexed to this Report as **Annexure -B**.

13. PREVENTION OF INSIDER TRADING

In accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has instituted and implemented a Code of Conduct for Trading in Securities by Employees and Directors. The Company periodically monitors trading by its employees and ensures strict compliance with the Regulations.

14. RISK MANAGEMENT

Your Company has adopted a Risk Management Policy which provides an integrated framework for managing risks. The Policy has a holistic approach and encompasses all stages of risk management viz. Identification, Measurement, Management and Control.

The Internal Risk Management Committee of the Company supervises and monitors the Risk Management function of the Company.

15. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

As your Company is not a manufacturing company, there are no particulars to disclose pertaining to Conservation of Energy

and Technology Absorption.

Further, the details of foreign exchange earnings and outgo are provided at Note No. 37 in the Notes to the Accounts. Your Company uses information technology extensively in its day-to-day operations

16. CHANGE IN THE NATURE OF BUSINESS, IF ANY;

During the period of review, the Company continued to carry on the business of Investment Banking, Stock broking and Fund Management. There was no adverse change in the nature of its business.

17. DIRECTORS

Your Company's Board of Directors is broad-based and its constitution is governed by the provisions of the Companies Act, 2013 and the Articles of Association of your Company. The Board functions directly as well as through various Board-level Committees constituted to provide focused governance in the important functional areas of your Company.

As on the date of this report, the Board comprises of six Directors, which includes the Managing Director & CEO and five Non-Executive Directors out of which three are Independent Directors.

In accordance with the requirements of the Companies Act, 2013 and the Articles of Association of the Company, one of your Directors, viz. Mr. Samuel Joseph J. retires by rotation at the ensuing Annual General Meeting.

18. APPOINTMENT AND RESIGNATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL DURING F.Y. 2021 – 22

The following table describes the changes in the Board of Directors & Key Managerial Personnel during F.Y. 2021 - 22.

Name of Directors	DIN	Appointment / Resignation / Cessation	Effective Date
Mr. Venkat Nageswar Chalasani	07234179	Appointed as an Additional Director (Independent category)	May 31, 2021
Mr. Venkat Nageswar Chalasani	07234179	Appointed as an Independent Director	November 17, 202
Mr. Iswar Padhan	03560275	Re-appointed as MD & CEO	October 01, 2021
Mr. V. Gopinath	NA	Ceased to be Chief Financial Officer	May 31, 2021
Mr. Dattatraya Bhosale	NA	Appointed as Chief Financial Officer	June 1, 2021

19. BOARD MEETINGS AND ATTENDANCE OF DIRECTORS

During the financial year 2021 – 22,9 (Nine) meetings of the Board of Directors were held. Details of the attendance of Directors are given below:

Sr. No.	Date of Meeting	Number of Directors Present	Number of Directors to whom Leave of absence was granted
1.	April 26 , 2021	5/5	Nil
2.	May 31,2021	6/6	Nil
3.	July 23, 2021	6/6	Nil
4.	September 23, 2021	6/6	Nil
5.	October 18, 2021	6/6	Nil
6.	December 30, 2021	6/6	Nil
7.	January 15, 2022	6/6	Nil
8.	March 8, 2022	6/6	Nil
9.	March 23, 2022	6/6	Nil

20. INDEPENDENT DIRECTORS

Pursuant to Section 149(4) of the Companies Act, 2013 read with Rule 4 of The Companies (Appointment and Qualifications of Directors) Rules, 2014, your Company is required to have minimum two Independent Directors.

Sr. No.	Name of the Independent Director	DIN
1.	Ms. Lalitha Rameswaran	02326309
2.	Ms. Uma Shankar	07165728
3.	Mr. Venkat Chalasani	07234179

As on March 31, 2022, your Company had the following 3 (Three) Independent Directors:

All the Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV of the Companies Act, 2013.

The Independent Directors of the Company met the criteria of 'independence' prescribed under section 149(6) of the Companies Act, 2013 and have also submitted a declaration to that effect.

21. COMMITTEES OF THE BOARD

The Board has 3 Committees to oversee various functional aspects of your Company's business and operations:

- Audit Committee
- Nomination & Remuneration Committee
- Corporate Social Responsibility Committee

A) Audit Committee

The Audit Committee of the Board (ACB) provides direction, monitors the functioning of the Internal Auditors, reviews financial statements and recommends appointment of auditors and their remuneration. The names of the members of the Audit Committee as on March 31, 2022 are as under:

Sr. No.	Name of the Director	Status
1.	Ms. Lalitha Rameswaran	Chairperson of the Committee
2. Ms. Uma Shankar		Member
3. Mr. Samuel Joseph J.		Member

Dates & Attendance of Directors at Meetings of ACB held during F.Y. 2021-22

During the financial year 2021 - 2022, 7 (seven) meetings of the Audit Committee of the Board were held.

Details of attendance of the Committee Members are given herein below:

Sr. No. Date of Meeting		Number of Directors Present	Number of Directors to whom Leave of absence was granted		
1.	April 26 , 2021	3/3	Nil		
2.	May 31,2021	3/3	Nil		
3.	July 23, 2021	3/3	Nil		
4.	September 23, 2021	3/3	Nil		
5.	October 18, 2021	3/3	Nil		
б.	December 30, 2021	3/3	Nil		
7.	January 15, 2022	3/3	Nil		

B) Nomination and Remuneration Committee (NRC)

The Nomination and Remuneration Committee of the Board was constituted as per the provisions of section 178 and other

applicable provisions of the Companies Act, 2013. As on March 31, 2022, it comprised of three members who are appointed by your Board.

The names of the members of the Nomination and Remuneration Committee as on March 31, 2022 are as under:

Sr. No.	Name of the Director	Status
1.	Mr. Venkat Nageswar Chalasani	Chairman of the Committee
2.	Ms. Lalitha Rameswaran	Member
3.	Mr. Samuel Joseph J.	Member

Dates & Attendance of Directors at Meetings of NRC held during FY 2021-22

During the financial year 2021-22, 4 (Four) meetings of the Nomination and Remuneration Committee of the Board were held. Details of attendance of the Committee Members are given herein below:

Sr. No. Date of Meeting		Date of Meeting Number of Directors Present	
1.	April 26 , 2021	3/3	NIL
2.	May 31, 2021	3/3	NIL
3.	September 23, 2021	3/3	NIL
4.	December 30, 2021	3/3	NIL

C) Corporate Social Responsibility (CSR) Committee

The Corporate Social Responsibility Committee of the Board (CSR) was constituted as per the provisions of section 135 and other applicable provisions of the Companies Act, 2013. As on March 31, 2022, the CSR Committee comprised of three members appointed by your Board.

The names of the members of the CSR Committee as on March 31, 2022 are as under:

Sr. No.	Name of the Director	Status
1.	Ms. Uma Shankar	Chairperson of the Committee
2.	Ms. Venkat Chalasani	Member
3.	Mr. Iswar Padhan (MD & CEO)	Member

The Committee provides advice, directions and monitors the functioning of the CSR activities of the Company as per the Companies Act, 2013.

Dates & Attendance of Directors at Meetings of CSR Committee held during F.Y. 2021 - 22

During the Financial Year 2021 - 22, 1 (one) meeting of the CSR Committee of the Board was held.

Details of attendance of the Committee Members are given herein below:-

Sr. No.	Date of Meeting	Number of Directors Present	Number of Directors to whom Leave of absence was granted
1.	May 31 , 2021	3/3	Nil

22. COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Board has adopted Directors' Appointment and Evaluation Policy in terms of Section 178(3) and (4) of the Companies Act, 2013, describing the criteria for determining the qualifications, positive attributes and independence of a Director, Review and Evaluation of the performance of Directors etc.

The Company also has a Remuneration Policy for Directors, Key Managerial Personnel and other employees.

The key features of the Policies are given hereunder:

1. DETAILS OF DIRECTORS APPOINTMENT AND EVALUATION POLICY

Mode of Appointment of Directors

Directors shall be appointed either by the Board or by Shareholders in a General Meeting.

The MD & CEO may be nominated by IDBI Bank Ltd and may be on deputation from IDBI Bank Ltd or as advised by IDBI Bank Ltd or may be selected from the market based on criteria specified by the Board from time to time. Such appointment shall be subject to approval by the Company's Board of Directors.

(a) The non-rotational Independent Directors to be identified by the Board of Directors shall be appointed by the shareholders at the General Meeting. While identifying the persons to be appointed as Independent Directors, the Board will ensure that such persons possess the qualifications prescribed under Section 149(6) of the Companies Act, 2013 and are also not disqualified to be a Director under the relevant provisions of the Companies Act, 2013.

An Independent Director can hold office only for two consecutive terms, not exceeding a period of five years each. The appointment of the Director for the second terns is subject to the approval based on a Special resolution passed at the General Meeting. Further, an Independent Director who has served two consecutive terms, if otherwise eligible, may be considered for reappointment only after completion of a three year cooling period from the date of his retirement.

The vacancy of an Independent Director shall be filled up by the Board at the earliest but not later than immediate next Board Meeting or 3 months from the date of such vacancy, whichever is later.

After approval of Independent Directors' appointment, a formal appointment letter with contents prescribed under Schedule IV of the Companies Act, 2013 will be issued to the Independent Directors so appointed.

Qualification of Directors

The candidates to be appointed on the Board should possess relevant experience as deemed fit by the Board in order to be able to guide the management of the Company.

Directors should not be disqualified in terms of section 164 of the Companies Act.

Directors should have leadership and management experience.

Positive Attributes of Directors

Directors appointed on the Board should inter alia have the following positive attributes: Highest levels of personal and professional ethical standards and honesty.

- 1. Vision, imagination and foresight
- 2. Good interpersonal skills and the ability to communicate clearly
- 3. Strategic perspective and the ability to identify opportunities and threats
- 4. Commitment to the mission of the Company
- 5. Critical analysis and judgment
- 6. Motivation to achieve objectives and make an impact

Independence of Directors

Independent Directors should possess the criteria for independence as stated in section 149(6) of the Companies Act, 2013.

Independent Directors shall submit a declaration to the Company stating that they meet the prescribed criteria for independence. Further in case the Director fails to meet the criteria of Independence, such Director shall immediately

inform the Company of such event.

Independent Directors shall abide by the Code for Independent Directors as stated in Schedule IV of the Companies Act, 2013.

Independent directors are required to register themselves with the Databank & shall be required to pass the online proficiency self-assessment test as applicable under(Appointment & Qualification of Directors) Rules, 2014 or any other amendments as applicable time to time.

Appointment of Senior Management Personnel

"Senior Management" means Personnel of the Company who are members of its core management team (excluding Board of Directors), comprising all members of management one level below the Board of Directors, including the functional heads.

Senior Management Personnel shall be appointed in accordance with the HR Policy of the Company or may be appointed on deputation from IDBI Bank Limited.

The Senior Management Personnel shall possess qualifications and/or experience relevant to their functions.

Performance Evaluation of Directors by the Board

- (I) In terms of the provisions of Schedule IV (Para VIII) and Section 134 of the Companies Act, 2013, performance evaluation of the Independent Directors and all other individual directors shall be done annually by the Board of Directors in the last month of the Financial Year.
- (ii) On the basis of the performance evaluation, it will be determined whether to extend or continue the term of appointment of Independent Directors.
- (iii) The performance evaluation of individual directors by the Board shall be done on the evaluation sheet as per the format given at Annexure I to this policy.

Performance Review of Non Independent Directors and the Chairperson by Independent Directors

- (i) In terms of the provisions of Schedule IV (Para VII) of the Companies Act, 2013, Independent Directors shall hold an Annual Meeting in a year without the attendance of Non Independent Directors and members of the Management for the following purpose:
 - a. review the performance of the non independent directors and the Board as a whole
 - b. review the performance of the Chairperson of the Company, taking into account the views of the Executive Directors and Non-Executive Directors.
 - c. assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively perform its functions.
- ii) The performance review of Non Independent Directors by Independent Directors shall be done on the review sheet as per the format given at Annexure II and that of Chairperson of the Company will be done on the format given at Annexure III.

Performance Evaluation of the Board as a whole and Committees of the Board:

The Board shall evaluate its own performance as per the format given at Annexure-IV and that of its Committee as per the Annexure-V, VI and VII.

2. DETAILS OF REMUNERATION POLICY

Directors' Remuneration

The Managing Director and CEO of the Company may be appointed based on the recommendations and nomination of the parent company i.e. IDBI Bank Ltd or may be selected from the market based on criteria specified by the Board from time to time. The pay scales and Remuneration structure would be as decided by IDBI Bank Ltd or as approved by the

Board/Shareholders from time to time. Provided that the same shall be subject to the applicable provisions of the Companies Act, 2013 and rules made thereunder.

Further, in terms of Article 128 of the Articles of Association of the Company, if any Director, is called upon to perform extra services or special exertion or efforts, the Board may arrange with such Director for such special remuneration for such special services or special exertions or efforts either by a fixed sum otherwise as may be determined by the Board and subject to the provisions of the Act.

Apart from the above, no other Remuneration would be payable to any other Director on the Board of IDBI Capital except the payment of sitting fees to Directors as may be determined by the Board from time to time. These rates shall be subject to the ceilings prescribed by the Act and or Rules made thereunder from time to time. Apart from the sitting fees, the expenses on Travel, Transportation and Stay of Directors attending the Board and Board Committee Meetings would be borne or reimbursed by IDBI Capital.

Remuneration of Key Managerial Personnel

In terms of section 2(51) of the Companies Act, 2013, Key Managerial Personnel, in relation to the company means:

- (i) The CEO or Managing Director or the Manager;
- (ii) The Whole Time Director;
- (iii) The Company Secretary;
- (iv) The Chief Financial Officer (CFO);
- (v) Such other officer, not more than one level below the Directors who is in whole-time employment, designated as key managerial personnel by the Board; and
- (vi) Such other officer as may be prescribed

The provisions related to remuneration for the Managing Director and CEO of the Company is covered under Para II of this Policy. As regards CFO and the Company Secretary, the positions are held by employees of the Company and their Pay Scales and Remuneration structure would be determined in line with the HR Policy of the Company.

Remuneration of Key Managerial Personnel and Employees

The Pay Scales and Remuneration structure of Employees of the Company would be finalized by the Company, in accordance with the HR Policy of the Company and would be market driven and based on the overall evaluation of the candidate on various criteria like position, roles and responsibility, qualifications, experience, suitability to the organization etc. as assessed by the Company.

Further, Remuneration structure to Officers on deputation from IDBI Bank Ltd (other than the Managing Director & CEO) would be as advised by IDBI Bank Ltd from time to time and would be reimbursed to IDBI Bank Ltd upon receipt of intimation from IDBI Bank.

23. STATEMENT INDICATING THE MANNER OF FORMAL ANNUAL EVALUATION OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

In terms of Section 134(3) (p) of the Companies Act, 2013 read with Rule 8(4) of the Companies (Accounts) Rules, 2014, the details on the captioned matter are furnished herein below:

- (i) Independent Directors, at their meeting held on March 31, 2022 evaluated the performance of all Non-Independent Directors including the Chairman of the Board as well as the performance of the Board as a whole.
- (ii) The Board at its meeting held on March 8, 2022 evaluated the performance of all Directors on the Board, its own performance as well as the performance of Committees of the Board.

The feedback of the Directors was sought by way of a structured questionnaire which covered the functions and performance of Directors. The Directors were satisfied with the evaluation conducted. The Director concerned being evaluated by the Board, did not participate in the meeting during the process of his/her own evaluation.

24. STATUTORY AUDITORS

Your Company falls within the purview of the provisions of Section 139 (5) of the Companies Act, 2013. Statutory Auditors are

therefore appointed by the Comptroller and Auditor General of India. M/s. Shah Gupta & Co., Chartered Accountants, Mumbai, were appointed as Statutory Auditors for the F.Y. 2021 - 2022.

25. COMMENTS OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA

Comments of the Comptroller & Auditor General of India of the Companies Act, 2013 as per report dated September 14, 2022 submitted under section 143 of the Companies Act, 2013 on the accounts of the Company The Comptroller & Auditor General of India vide letter dated September 14, 2022 has inter-alia advised as follows:

"On behalf of the Comptroller & Auditor General of India, have conducted a supplementary audit of the financial statements of IDBI Capital Markets and Securities Limited for the year ended 31st March,2022 under under section 143(6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and Company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6) (b) of the Act."

26. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has adhered to the following secretarial standards:-

- SS1-Secretarial standards on Board Meeting
- SS2-Secretarial standards on General Meeting
- SS4-Secretarial standards on Report of Board of Directors

27. SECRETARIAL AUDIT

In terms of the provisions of Section 204 of the Companies Act, 2013, M/s. Alwyn Jay & Co., Company Secretaries have been appointed as Secretarial Auditors of your Company. The Secretarial Audit Report dated July 15, 2022, is annexed to the Board's Report. The Secretarial Audit Report of the Company submitted by the Secretarial Auditors M/s. Alwyn Jay & Co. does not contain any adverse remark.

28. EXTRACT OF THE ANNUAL RETURN:

Pursuant to section 134(3)(a), the extract of the Annual Return as provided under section 92(3) of the Companies Act, 2013 is annexed herewith in Form No. MGT-9 as **Annexure-C**.

29. INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY:

The Company has established and maintained adequate internal financial controls with reference to financial statements. Such controls have been designed to provide reasonable assurance with regard to providing reliable financial and operational information. During the financial year 2021-22, such controls were operating effectively and no material weaknesses were observed.

30. DETAILS OF FRAUD, IF ANY

There has been no instances of fraud detected during FY 2021-22.

31. PREVENTION OF SEXUAL HARRASMENT OF WOMEN AT WORKPLACE:

In line with the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has necessary policies on prohibition of sexual harassment at workplace and has constituted an Internal Committee as required under the Act. There was 1 case filed with regards to allegations of sexual harassment by an employee during the financial year ended March 31, 2022, which has been appropriately resolved.

32. PUBLIC DEPOSITS

Your Company has not invited/accepted any deposits, from the public/shareholders.

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33. BOARD'S COMMENTS ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE BY THE AUDITORS OR SECRETARIAL AUDITORS IN THEIR REPORT:

There are no qualifications, reservation or adverse remarks or disclaimers either in the Statutory Auditors' Report, Reports of the Comptroller and Auditor General of India or in the Secretarial Auditors' Report which require the Board's comments thereon in terms of Section 134(3)(f) of the Companies Act, 2013.

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

Your Company has not given/taken any Loans, Guarantees under Section 186 of the Companies Act, 2013.

35. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES ON THE PRESCRIBED FORM

In terms of Section 134(3)(h) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, the particulars of contracts or arrangements if any, with Related Parties are given in the prescribed Form AOC -2 forming part of this Report as **Annexure – D**.

36. <u>RECOMMENDATIONS MADE BY THE COMMITTEE ON PAPERS LAID ON THE TABLE (RAJYA SABHA) IN ITS 150TH</u> <u>REPORT – DETAILS TO BE PROVIDED IN THE ANNUAL REPORT.</u>

Details to be provided in the Annual Report in terms of recommendations made by the Committee on Papers laid on the Table (Rajya Sabha) in its 150th Report is enclosed at **Annexure-E**.

37. WHISTLE BLOWERS POLICY

The Company has established a Whistle Blower Policy for Directors and Employees to report their genuine concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. As a requirement of Code of Conduct, all stake-holders are provided access to Whistle Blower mechanism.

38. DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory and Secretarial Auditors including audit of Internal Financial Controls over financial reporting by the Statutory Auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's Internal Financial Controls were adequate and effective during the financial year 2021-22.

Accordingly, pursuant to the provisions of Section 134(5) of the Act, your Directors, to the best of their knowledge and belief and according to information and explanation obtained by them, confirm that:

- · In the preparation of annual accounts, the applicable accounting standards have been followed
- Appropriate accounting policies have been selected and applied consistently, and judgments and estimates made 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 of the Company for that period;
- Sufficient and proper care has been taken for the maintenance of adequate accounting records in accordance with the
 provisions of the Companies Act, 2013 for safeguarding the Company's assets and for preventing and detecting fraud and
 other irregularities; and
- · Annual accounts have been prepared on a going concern basis.
- · The internal financial controls as laid dawn are adequate and were operating effectively.
- Proper system has been devised to ensure compliance with the provisions of all applicable laws and such systems were
 adequate and operating effectively.

39. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS WHICH IMPACTS THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE.

During the period under review, there are no orders passed by the Regulators or Courts or Tribunals against the Company impacting its status as a going concern and its operations.

40. ACKNOWLEDGEMENTS

Your Directors are thankful to the Company's retail, institutional and corporate clients, Banks, Financial Institutions, Foreign

Institutional Investors, Mutual Funds, and others for their continued patronage and association.

Your Directors are thankful to IDBI Bank Ltd. for the support and co-operation extended and RBI, SEBI, NSE, BSE, NSDL, CDSL and the Company's bankers for their continued support. Finally the Directors appreciate the noteworthy contribution made by the employees of the Company.

On behalf of the Board of Directors of IDBI Capital Markets & Securities Ltd.

Sd/-Iswar Padhan Managing Director and CEO DIN: 03560275 Sd/-Rakesh Sharma Chairman DIN: 06846594

Date: 26 September 2022 Place: Mumbai

ANNEXURE 'A' TO BOARD'S REPORT

Form AOC-I

(Pursuant to first provision to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures.

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

1.	CIN	
2.	Name of the subsidiary	
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	
5.	Share capital	
6.	Reserves & surplus	NOT APPLICABLE
7.	Total assets	NOT APPLICABLE
8.	Total Liabilities	
9.	Investments	
10.	Turnover	
11.	Profit before taxation	
12.	Provision for taxation	
13.	Profit after taxation	
14.	Proposed Dividend	
15.	% of shareholding	
	Note:	
	1. Names of subsidiaries which are yet to commence operations	N.A.
	 Names of subsidiaries which have been liquidated or sold during the year. 	N.A.

Part "B": Associates and Joint Ventures Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Nam	e of Associates/Joint Ventures	IDBI ASSET MANAGEMENT LIMITED (ASSOCIATE COMPANY)	
1.	Latest audited Balance Sheet Date	March 31, 2022	
2.	Shares of Associate held by the company on the year end		
	Number of Equity Shares	66660000	
	Amount of Investment in Associates (Rs. in lacs)	6666	
	Extent of Holding %	33.33%	
3.	Description of how there is significant influence	The Company has significant influence through holding more than 20% of the Equity Shares in the investee company in terms of Accounting Standards 23 issued by ICAI	
4.	Reason why the associate is not Consolidated	Exemption under MCA notification dated July 27, 2016- Companies (Accounts) Amendment Rules, 2016	
5.	Networth attributable to Shareholding as per latest audited Balance Sheet (Rs. in lacs)	N.A	
6.	Profit / Loss for the year (Rs. in lacs)	N.A	
	i. Considered in Consolidation	N.A	
	ii. Not Considered in Consolidation	N.A	
	Note:		
	1. Names of associates which are yet to commence operations.	N.A	
	2. Names of associates which have been liquidated or sold during the year.	N.A	

For and on behalf of the Board

Sd/-Iswar Padhan Managing Director and CEO DIN: 03560275

Sd/-Christina D'souza Company Secretary

Place: Mumbai Date: July 15, 2022 Sd/-Rakesh Sharma Chairman DIN: 06846594

Sd/-Dattatraya Bhosale Chief Financial Officer

ANNEXURE 'B' TO THE BOARD'S REPORT ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES {Pursuant to Section 135 of the Companies Act 2013}

1. A brief outline of the company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programmes:

The key areas identified under the CSR Policy for making strategic interventions are rural infrastructure, social empowerment, education, environment, community welfare, healthcare, etc. These include, but are not limited to, collaborative long-term funding for projects designed to promote income-generating activities for tribal and the underprivileged, particularly women, across various states; infrastructure support to schools & youth training centers, rural electrification through solar street lights; financial aid for socio-economic empowerment of the blind, disabled and other under-privileged sections of society.

2. Composition of the CSR Committee as on March 31, 2022:

The Corporate Social Responsibility Committee of the Board (CSR) was constituted as per the provision of the section 135 and other applicable provisions of the Companies Act, 2013. It comprises of three members who are appointed by the Board. The names of the members of the CSR Committee as on March 31, 2022 are as under:

Sr. No.	Name of Director	DIN	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. Uma Shankar	07165728	Chairperson (Independent Director)	1	1	
2.	Mr. Venkat Chalasani	07234179	Member (Independent Director)	1	1	
3.	Mr. Iswar Padhan	03560275	Member (MD & CEO)	1	1	

3. <u>The web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company:</u>

https://idbicapital.com/csr_page.asp

4. <u>The details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies</u> (Corporate Social Responsibility Policy) Rules, 2014:

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:

Not Applicable

6. Average net profit of the Company for last three financial years:

Year	Profit before Tax (Rs in lakhs)
2018-19	5
2019-20	-1,051
2020-21	1,246
Total	200
Average Net profit	67

7.	(a)	Two percent of average net profit of the company as per section 135 (5)	Rs 1.38 Lakhs
	(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	Nil
	(d)	Total CSR obligation for the financial year (7a+7b-7c)	Rs 1.38 Lakhs

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

Total Amount	Amount Unspent (in Rs.)						
Spent for the Financial Year.		transferred to Unspent is per section 135(6).	Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)				
(in Rs.)	Amount	Date of transfer.	Name of the Fund	Amount	Date of transfer.		
7,75,000/-	Not applicable		Contribution to the PM Cares Fund	2,00,000/-	24.02.2022		
			Contribution to the Maharashtra State Disaster Management Authority for COVID 19 relief	1,00,000/-	24.02.2022		
			Contribution to Swachh Bharat Kosh	2,00,000/-	24.02.2022		
			Procurement of 500 DESKIT bags and distribution to needy students	2,75,000/-	29.03.2022		

(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 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 Rs.).	implementation- Direct (Yes/No).	Throu	mentation - Igh menting
				State & District			Name	CSR registration number.
1	Contribution to the PM Cares Fund	Healthcare		National	2,00,000/-	Direct	-	-
2	Contribution to the Maharashtra State Disaster Management Authority for COVID 19 relief	Healthcare		Maharashtra	1,00,000/-	Direct	-	-

3	Contribution to Swachh Bharat Kosh	Preventive Healthcare, Water and Sanitation		National	2,00,000/-	Direct	-	-
4	Procurement of 500 DESKIT bags and distribution to needy students	Education	Yes	Mumbai	2,75,000/-	Direct	-	-
	Total				7,75,000/-			

- (d) Amount spent in Administrative Overheads: Nil
- (e) Amount spent on Impact Assessment, if applicable: Not applicable
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e): 7.75 Lakh
- (g) Excess amount for set off, if any Nil
- 9. (a) Details of Unspent CSR amount for the preceding three financial years: Not applicable
 (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Nil

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

(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	Not Applicable
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Not Applicable
(d)	Details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	Not Applicable

11. In case the Company has failed to spend the 2% of the average net profits of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report - Not Applicable

The Company has spent the 2% of the average net profit for the FY 2021-22.

Sd/-Iswar Padhan Managing Director and CEO DIN: 03560275

Sd/-Uma Shankar Chairperson of CSR Committee DIN: 07165728

Date: September 26, 2022 Place: Mumbai

Annexure C

FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN As on financial year ended on 31.03.2022 {Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014}

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U65990MH1993GOI075578
2.	Registration Date	14 th December, 1993
3.	Name of the Company	IDBI CAPITAL MARKETS & SECURITIES LIMITED
4.	Category/Sub-category of the Company	Company Limited by Shares
5.	Address of the Registered office & contact details	6 th Foor ,IDBI Tower, WTC Complex, Cuffe Parade, Colaba, Mumbai-400 005 TEL: +91-22-2217 1700 FAX: +91-22-2215 1787 EMAIL : <u>info@idbicapital.com</u> Website: www.idbicapital.com
6.	Whether listed company yes/no	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	NSDL Database Management Limited 4 th floor, Trade World, A Wing, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400013 Board Line – 0224914 2700

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Brokerage Commission and the fees	6612	90%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	NAMEAND ADDRESSOF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY /ASSOCIATE	%of shares held	Applicable Section
1	IDBI BANK LIMITED	L65190MH2004G0I148838	HOLDING	100%	2(46)
2.	IDBI ASSET MANAGEMENT LTD.	U65100MH2010PLC199319	ASSOCIATE	33.33%	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Category of Shareholders	ry-wise Share No. of Shar		e beginning of 1arch-2021]	No. of Shares held at the end of the year [As on 31-March-2022]				% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF			-	Â	-		-	-	÷
b) Central Govt	1		120	-	123		1	12	1
c) State Govt(s)	· ·		-	*		(+))	-	-	-
d) Bodies Corp.	-	-	-	i.	-	-	-	-	-
e) Banks / Fl	128099994	6	128100000	100%	128099994	6	128100000	100%	-
f) Any other			-		-	100	1.5	-	
Sub-total (A)(1):	128099994	6	128100000	100%	128099994	6	128100000	100%	3
(2) Foreign									
a) NRI- Individuals	-	-	-	2005	-	-	-	i.	2
b)Other– Individuals	-	-	-	-	-	-	-	-	-
c)Bodies Corp.	-	-	-	-	-	-	-	-	-
d)Banks/Fl	-			-	-	sh	1.5	-	-
e) Any other	-	.*	~	-	-		-		-
Sub-total	-	-		-	-		-	-	-
(A) (2):-									
Total shareholding of promoters (A)=(A)(1)+(A)(2)	128099994	6	128100000	100%	128099994	6	128100000	100%	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	121		1 1 1	120	1	-		7 ¥
b) Banks / FI	1 1	1.51		-					-
c) Central Govt	-	-	-		-			-	-
d) State Govt(s)		-	(42)	-			се ^с	-	-
e) Venture Capital Funds	-	-	-		-				5

I) Category-wise Share Holding

IDBI Capital Markets & Securities Ltd. 35

Total Public Shareholding (B)=(B)(1)+ (B)(2)	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-									
NRI DR	14	-	-	-		-	~~ ~~		~
Foreign Bodies – D R	12	-	-	2			12		-
Trusts	×	-		*		*	-	8	
Clearing Members	8 11	-	-	-	•	-	-	~	
Foreign Nationals	1	-	-	-	-	•	-		-
Overseas Corporate Bodies	17		-	2		(A).	-	-	
Non-Resident Indians	-	-	-	-	•	-	-	-	-
Directors and their relatives resident	~	-	-	-	-	-	-	-	
c) Others (specify)									
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	й л -	15.						in and a second se	
 i) Individual shareholders holding nominal share capital upto Rs. 1 lakh ii) Individual 	-		-		-	-	-		-
b) Individuals		1000	(n)	5	-	100	1.00		57
ii) Overseas	15	×.	-	-				-	8.7.1
i) Indian	10 J	050	1723		-	170	1.77	27	1270
Institutions a) Bodies Corp.	-	-	-		-	-	-		-
2. Non-									
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds i) Others (specify)	-	-		-	-	-	-	-	-
g) FIIs	3	-	-	-			-		-
f) Insurance Companies	-	-	-	×	*	-	-	-	-

C. Shares held by Custodian for GDRs & ADRs	-	-			-		-		-
Grand Total (A+B+C)	128099994	6	128100000	100%	128099994	6	128100000	100%	-

ii) Shareholding of Promoters

Sr. No	Shareholder's Name	Ys Shareholding at the beginning of the year			Sharehol	% change in shareholdin		
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	g during the year
1	IDBI Bank Ltd	128100000	100%	0	128100000	100%		0

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Particulars		olding at the g of the year	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year		- C		
2.	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):		NO CH	HANGE	
3.	At the end of the year				

iv) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For Each of the Top 10 Shareholders		ling at the beginning of the year	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year				
2.	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):		NOT	APPLICABLE	E
3.	At the end of the year	-			

v) Shareholding of Directors and Key Managerial Personnel:-

Directors and Key Managerial Personnel do not hold any share in the Company.

V) INDEBTEDNESS -

Loan outstanding as on March 31, 2022 – Nil Bank guarantee as on March 31, 2022 – 25 Cr

VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager per Annum (FY 21-22):

Particulars of Remuneration	Name of MD / WTD / Manager	Total Amount
-	Mr. Iswar Padhan# MD & CEO DIN: 03560275	(In Rs.)
Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (Including Pension)	51,27,323/-	51,27,323/-
(b) Value of perquisites u/s 17(2) Income- tax Act, 1961	1,76,243/-	1,76,243/-
(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0/-	0/-
Stock Option	0/-	0/-
Sweat Equity	0/-	0/-
Commission - as % of profit - others, specify	0/-	0/-
Others, please specify (Performance Linked Variable Pay)	0/-	0/-
Total (A)	53,03,566/-	53,03,566/-

Accommodation separately provided by IDBI Bank and reimbursed by the Company.

B. Remuneration to other directors

Sr. No.	Particulars	Name of the Direc	Total amount		
1	Independent Directors	Ms. Uma Shankar	Ms. Lalitha Rameswaran	Mr. Venkat Chalasani	
2	Fee for attending board committee meetings	5,75,000/-	6,35,000/-	3,70,000/-	1 5,80,000/-
3	Commission	Nil	Nil	Nil	Nil
4	Others, please specify	Nil	Nil	Nil	Nil
5	Total (1)	5,75,000/-	6,35,000/-	3,70,000/-	15,80,000/-
б	Other Non-Executive Directors	Mr. Rakesh Sharma - Chairman (IDBI Bank)	Mr. Samuel Joseph (IDBI Bank)		
7	Fee for attending board committee meetings	4,50,000/-	5,80,000/-	-	10,30,000/-
8	Commission	Nil	Nil	÷.	Nil
9	Others, please specify	Nil	Nil	-	Nil
	Total (1)	4,50,000/-	5,80,000/-		10,30,000/-

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sr. No.	Particulars of Remuneration		Key Managerial Personnel		
		Mr. V Gopinath (Up to May 31, 2021)	Mr. Dattatraya Bhosale (CFO) (Appointed w.e.f June 01, 2021)	Ms. Christina D'souza (Company Secretary & Compliance officer)	Total Amt. (in Rs.)
	 (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 	15,08,337/-	28,41,138/-	26,08,988/-	
	Total	15,08,337/-	28,41,138/-	26,08,988/-	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0/-	0/-	0/-	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0/-	0/-	0/-	
	Stock Option	0/-	0/-	0/-	
	Sweat Equity	0/-	0/-	0/-	
	Commission	0/-	0/-	0/-	
	- as % of profit	0/-	0/-	0/-	
	Others specify	0/-	0/-	0/-	
	Others, please specify- (Gratuity payment on retirement)	13,32,372/-	0/-	0/-	
	Total	28,40,709/-	28,41,138/-	26,08,988/-	

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Туре	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY	2				
Penalty	1		Nil		
Punishment			Nil		
Compounding			Nil		
B. DIRECTORS					
Penalty	1		Nil		
Punishment			Nil		
Compounding			Nil		
C. OTHER OFFICE	ERS IN DEFAULT				
Penalty	1		Nil		
Punishment			Nil		
Compounding			Nil		

Sd/-Iswar Padhan Managing Director and CEO DIN: 03560275

Date: September 26, 2022 Place: Mumbai Sd/-Rakesh Sharma Chairman DIN: 06846594

Annexure - D to Board's Report

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 arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis for F.Y. 2021-2022.

Nil 2. Details of contracts or arrangements or transactions at Arm's length basis for			section
	EV 2020.	- 2021	
Name (s) of the related party & nature of relationshipNature of ngements/tran sactionDuration of the contracts/arra ngements/tran sactionSalient terms of the contracts/arra or transaction including to or transaction value, if any	Dat nts app the by	te of An	nount paid as vances, if any
Nil	- La		

Sd/-Iswar Padhan Managing Director and CEO DIN: 03560275

Date: September 26, 2022 Place: Mumbai Sd/-Rakesh Sharma Chairman DIN: 06846594

Annexure – E to Board's Report

RECOMMENDATIONS MADE BY THE COMMITTEE ON PAPERS LAID ON THE TABLE (RAJYA SABHA) IN ITS 150TH REPORT – DETAILS TO BE PROVIDED IN THE ANNUAL REPORT.

I. Details to be provided in the Annual Report in terms of recommendations made by the Committee on Papers laid on the Table (Rajya Sabha) in its 150th Report are as under:-

Details of the vigilance cases for the FY 2021-22

Opening balance as on 01.04.2021	Vigilance cases received during 01.04.2021 to 31.03.2022	Disposed off	Balance
NIL	NIL	NIL	NIL

II. Status of Pending CAG Paras and Management Replies:

SL Name of the No. Audit Para	Brief of the Para	Reporting status
 3) Part II B of C& AG Inspection Report of 2014-15 to 2015-16 Para 3: Absence of effective system of fee recovery for services rendered resulting in written off towards Bad Debts 	4) Observations: The measures taken by the management in finalizing & implementing the recovery procedure and impact of the same on the receivables may be furnished to this office	 Management Response: The Board of IDBI Capital Markets & Securities Ltd has been reviewing the position of receivables at period intervals and in the past had advised the company ta aggressively focus on recoveries and to bring the strategies adopted for reducing the receivables. Th Company has constituted an Internal Committee to oversee Recovery of Receivables where strategy for recovery and brief of the action taken is monitored or regular intervals. The Company has introduced the following practices the streamline the recovery of Investment Bankin Receivables. i. Mandates are accepted only where there is reasonable assurance of fee recoverability. ii. Payments of milestone based invoices are insisted before completing the subsequent milestones. iii. A monthly position of receivables of respective vertical are sent to them for follow-up with the client. iv. Senior officials are directly monitoring the recover and meeting the clients to prevail upon them for recovery of dues. v. We seek the support of respective verticals of IDE Bank to help us in the process of recovery wherever the amounts were due from clients having IDBI Ban relation. vi. Acknowledgments of authorized signatories on Invoices raised are insisted wherever possible. viii. For clients under stress, we have been requesting/insisting them to remit the dues in sma amounts at regular intervals. This process has helped in reviving some of the old cases where the have been paying in small amounts ix. We have resorted to legal recourse wherever possible to put pressure on the clients to pay up th dues.

			current year (FY 2021-22) billing till date.
2	Part II B of C&AG Inspection Report of 2016-17 to 2020-21 Letter no: GA /CA-I/ IR / IDBI CMSL/ 2016- 17 to 2020-21 / 2021-22 / 808 Dated 04/02/2022: Para 1: Bad	 The audit observed that: During 2018-19 the company has withdrawn the case before NCLT for Rs. 22.47 lakh due to non-production of claim documents before NCLT as stated by the Company. Thus the recovery chance of the same is remote. The reasons for nonproduction of claim documents before NCLT may please be stated. Though the company has written of the Bad Debts of Rs. 26.20 crore the company has initiated legal action for recovery only arginst the 	Management Response: In Investment Banking, transaction comprising of advisory services income is recognized in the books as and when milestones are completed as per the agreement executed with the client (as and when the service is provided). In certain cases fee is actually received on a much later date though the payment becomes due as and when the milestone /assignment gets completed and invoices are raised. Due to this there would be receivables in the books of the company at any given point of time. There have been inordinate delays in certain cases for actual collection of fees particularly in case of advisory services offered in respect of corporate debt
	Para 1: Bad Debts Written off Rs. 3.91 crore without action for recovery	 action for recovery only against the claims of Rs. 24.29 crore the outcome may be stated. 3. In respect of claim of Rs.3.91 crore the company has not initiated any action to recover the amount. The reasons for non-initiating an action may be stated. 	restructuring/debt resolution. Most of these cases were advisory assignments for restructuring of debt. IDBI Capital raises invoices based on the milestones agreed upon with the clients as per the mandate. Milestone may include commencement fees / submission of restructuring proposal, grant of sanction letter etc. In many cases restructuring proposal did not reach a conclusion due to non-disbursement, failure of consensus between bankers etc. Business verticals which carried out the assignments had followed up persistently with the clients for recovery of dues in respect of invoices raised. However most the companies were facing severe financial stress and the financial lenders of such companies have also proceeded legally for recovery of their dues. IDBI Capital has also resorted to legal recourse for recovery of its dues from such companies. Majority of these cases are at various stages of the NCLT proceedings. IDBI Capital has submitted its claim wherever public notice has been issued by IRP/Liquidator.
			Case-to-case review of all receivables outstanding is carried out at the end of every quarter to analyse receivable which are difficult to recover. In case the chances of recovery do not exist in any of the debts/receivable, and if the dues are not forthcoming
			despite best efforts and the debtor is willing to arrive at settlement due to genuine issues, Company may explore possibility of one time settlement by complying the broad guidelines set out in the policy.
			The amounts which were non-recoverable over and above the amount of settlement have been technically written off in the books, however follow-up / action for recovery is in process and claims have not been relinquished.
2	Para 2 :- Providing financial advisory services to M/s Lanco Infratech Ltd. despite non receipt of outstanding payment of Rs.398.74 lakh and poor follow up of	 The audit observed that: The client has defaulted of commencement fees of 1st mandate itself and for 2nd and 3rd Mandate entire feed including commencement feed also was not paid. Thus, despite knowing default the company has entered into 2nd and 3rd mandate and provides the services to the clients, is not justifiable. The reasons for the same may be stated. The mandate entered with client contains the clause regarding; 	Management Response: IDBI Capital initially signed a mandate with the company in August, 2013 towards Corporate Debt Restructuring (CDR) advisory. The said assignment was completed in December 2013 and the total bill amounting to Rs. 452 lacs plus applicable tax was raised as per milestones agreed upon and the payment of the entire amount was made by the company to IDBI Capital. Continuing the relationship developed during CDR advisory, Lanco had given a second mandate to IDBI Capital dated 27 th May 2015 to provide the financial advisory services towards Rectification under JLF route in terms of applicable RBI guidelines. The said assignment was also executed and completed by 31 st March 2016 and invoice of Rs. 200 lacs

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	recovery	 Dispute Resolution, stipulated that, 'In all cases of dispute or disagreement between the parties hereto as to any matter arising out of or relating to engagement under this proposal and provided no understanding between the parties can be reached for the settlement of the difference, the matter shall be finally settled by arbitration as per the provision of the Indian Arbitration and conciliation act, 1996'. However, the correspondence file revealed that the company has neither exercise the Arbitration option nor initiated any legal proceeding against the client on their own, except sending payment to the client. Finally the said amount was recommended for write off. Has the Company initiated the arbitration or initiated legal action the company could have recovered the amount. The reasons for the same may be stated. 3. The Company has come to know about the appointment of liquidator dispose of assets of the clients through advertisement published in newspaper. Vide advertisement, the last date of submission of the application by the operational creditors was August 22, 2017, whereas the company has applied to the said liquidator only on 26.09.2018 for Rs. 398.74 lakh (including interest) receivable from the client, however no correspondence regarding, whether the said application was accepted by the Liquidator was not placed in the file. Also the progress of recovery may be stated. 4. As per the Mandate, the Company was to be receive Out of Pocket expenses, however no claim has been preferred towards the same. The Out of pocket expenses if any, whether the same has been 	 as per the milestones agreed upon was raised out of which IDBI capital had received commencement fee of Rs. 60 Lacs and the remaining fee couldn't be realized. The matter was discussed with company officials and the company informed that there were cash flow issues. However, it was assured to us verbally that the payment would be made in due course. In the meanwhile, the company also approached us and requested for providing services towards business reorganization advisory services and thus signed the new mandate on 23rd March 2016. While finalizing this mandate it was agreed upon that the payment outstanding towards the earlier mandates would also be made along with the execution of the new mandate, although there may be delay in payment of earlier mandate because of cash flow mismatches. Accordingly, IDBI Capital, in good faith and continued satisfactory relationship, accepted the new mandate and delivered the requisite services as per the scope of work agreed upon. However, because of the continued financial constraints, the payments from Lanco were not realized. With regards to the filing of claim before the filling of claim before the liquidator, it is submitted that the IRP had made a public announcement was made by liquidator on 27.08.2018 towards which claim was submitted by IDBI Capital on 22.08.2017. Further Public Announcement was made by liquidator on 27.08.2018 towards which claim was partially accepted. Attached a copy herewith in Annexure 4(a) It may be noted here that, regular follow-ups were first done with the Company for recovery of the dues and subsequently the legal recourse has been initiated. As per the Liquidator's List dated 5.03.2019 on the website, IDBI Capital's claim was partially accepted. Attached a copy herewith in Annexure 4(b) Out of Pocket expenses (OPE) - Out of Pocket expenses (OPE) generally comprises of travel tickets, accommodation and halting allowance. Cost towards travel tickets and lodging constitutes major/substantial part of OP
		claimed and recovered may be stated.	
3	Para 3 :-	The audit observed that:	Management Response:
	Entering into 2nd Advisory Services agreement despite non- payment of 1st Advisory	 The client has defaulted after the payment of inception fees and did not paid the balance advisory fees for the mandate No. 1 itself, however still the company had entered into the 2nd mandate. The reasons for entering into 2nd 	1st Mandate with Sai Wardha was entered into during Nov- 2015 for flexible structuring to realign its debt obligations and the first invoice was raised on Feb-2016. It may please be noted that, in debt restructuring advisory normally there will be delay in recovery of dues as the companies are under financial stress.
	Service and Poor follow up	mandate despite non-receipt of 1 st mandate fees may be stated.	IDBI Capital had signed a mandate with Sai Wardha on 13 th November 2015 to provide the financial advisory services

	of outstanding of M/s Sai Wardha Power Limited for Rs. 70.53 lakh	 The mandate entered with client contains vide clause 11.9 Dispute Resolution, stipulated that, 'In all cases of dispute or disagreement between the parties hereto as to any matter arising out of or relating to engagement under this proposal and provided no understanding between the parties can be reached for the settlement of the difference, the matter shall be finally settled by arbitration as per the provision of the Indian Arbitration and condition act, 1996'. However, the correspondence file revealed that the company has neither exercise the Arbitration option nor initiated any legal proceeding against the client on their own, except sending the notices for demanding payment to the client. Finally the said amount was recommended for write off. Has the Company initiated the arbitration or initiated legal action the company could have recovered the amount. The reasons for the same may be stated. As per the Mandate the Company was to be received the Out of Pocket expenses, however no claim has been made towards the same. The Out of packet expenses if any, whether the same has been claimed and recovered may be stated. Further, Company has applied to Interim Resolution Professional, Secunderabad, dated 22.11.2018 for recovery of Rs. 70.53 lakh including interest thereon. The outcome is awaited. The further progress of the same may be intimated to the audit. 	towards Flexible Restructuring. The said assignment was executed and completed by 03 rd March 2017 and invoices of Rs. 80 lacs plus taxes as per the milestones were raised out of which IDBI capital had received commencement fee of Rs. 20 Lacs plus taxes on April 07, 2016 and part payment of Rs. 6.48 out of Rs. 30 Lacs plus taxes was received on January 17, 2018. Further the matter was discussed with company officials for remaining dues and the company requested for extension. However, it was assured to us verbally that the payment would be made in due course. In the meanwhile, Sai Wardha approached IDBI Capital and requested for providing services towards SDR/Outside SDR advisory services and thus signed the new mandate on 19 th August, 2017. While finalizing this mandate it was verbally agreed upon that the payment outstanding towards the earlier mandate would also be made along with the execution of the new mandate. Out of Pocket expenses (OPE) - Out of Pocket expenses (OPE) generally comprises of travel tickets, accommodation and halting allowance. Cost towards travel tickets and lodging constitutes major/substantial part of OPE. The cost of air tickets and hotel accommodation are booked directly by the client, whenever outstation service is required. Regular follow-ups were first done with the Company for recovery of the dues and then subsequently the legal recourse has been initiated. As per the IRP's List dated 31st October 2019, IDBI Capital's claim was accepted.
4	Para 4 :- Non recovery of	The audit observed that: 1. Out of the total outstanding	Managment Response: Most of these cases were advisory assignments for
	long	receivables of Rs.46.61 crore,	restructuring of debt. IDBI Capital raises invoices based
	outstanding receivables	ranging between 2012 to 2021 of Rs.23.72 crore is outstanding for	on the milestones agreed upon with the clients as per the mandate. Milestone may include commencement fees /
		more than 3 years and out of that Rs.22.42 crore have been provided	submission of restructuring proposal, grant of sanction letter etc. In many cases restructuring proposal did not
		for the year 2020-21.	reach a conclusion due to non-disbursement, failure of
		 Out of the provision made of Rs.22.42 crore, out of that Rs. 	consensus between bankers etc. Business verticals which carried out the assignments had followed up persistently
		14.89 crore which comes to 62.77	with the clients for recovery of dues in respect of invoices
		 per cent are still to be recovered. The unrecovered Rs. 14.89 crore 	raised. However most the companies were facing severe financial stress and the financial lenders of such
		includes of Rs. 5.98 crore which	companies have also proceeded legally for recovery of
		are outstanding ranging between 2014 to 2020, are recommended	their dues. IDBI Capital has also resorted to legal recourse for recovery of its dues from such companies. Majority of
		to write off. This indicates lacuna	these cases are at various stages of the NCLT
		of recovery efforts. 4. The unrecovered amount includes	proceedings. IDBI Capital has submitted its claim wherever public notice has been issued by IRP/Liquidator.

Rs. 1.69 are outstanding for ranging between 2014 to 2016, pertains to the IDBI Bank limited itself, which is parent organization of the company. 5. The reasons for the same and recovery status of may be stated.	In the past IDBI Capital also entered into mandates with IDBI Bank for advising banks customers for restucturing / syndication of debts. As per the mandate, Invoices were raised on IDBI Bank on reaching the milestones. IDBI Bank in turn collects the invoice amount from the clients and pass it over to IDBI Capital. In few instances clients account turned NPA and further recovery of invoices raised by IDBI Capital could not be made by Bank which has resulted in outstanding dues in IDBI Capital books. We are regularly following up with IDBI Bank for recovery. As soon as IDBI Bank receives fund from the respective clients due credit is given to IDBI Capital. As on 31.03.2021 outstanding amount receivable from IDBI Bank was Rs.4.35 cr towards which an amount of Rs 2.76 cr has been recovered from IDBI Bank and balance outstanding as on date is Rs 1.58 cr, which is also expected to be resolved in this financial year.
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Form No. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 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, IDBI Capital Markets & Securities Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **IDBI Capital Markets & Securities Limited** (CIN: U65990MH1993GOI075578) (hereinafter called "the Company").

Subject to limitation of physical interaction and verification of records caused by COVID-19 Pandemic restrictions, the Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts and statutory compliances to express our opinion thereon.

Based on our verification of the Company's statutory registers, books, papers, minute books, forms and returns filed and other records maintained by the Company and the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March**, **2022** complied with the statutory provisions listed hereunder and also that the Company has followed proper Board-processes and has required compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March**, **2022** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder for compliance to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, as applicable;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBIAct') as amended from time to time: -
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 -Not Applicable to the Company;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 -Not Applicable to the Company;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 - Not Applicable to the Company;
 - (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **Not Applicable to the Company**;
 - (f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 Not Applicable to the Company;
 - (h) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 -Not Applicable to the Company;
 - (i) The Securities and Exchange Board of India (Stock Brokers) Regulations, 1992;
 - (j) The Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020;
 - (k) The Securities and Exchange Board of India (Research Analysts) Regulations, 2014;
 - (I) The Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992;
 - (m) The Securities and Exchange Board of India (Underwriters) (Repeal) Regulations, 2021;
 - (n) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
- (vi) The Company has complied with the provisions of the applicable general laws, rules, regulations and guidelines.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India; and
- (ii) SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 Not Applicable to the Company

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for a meaningful participation at the meeting.

The minutes of the Board Meetings and Committee Meetings have not identified any dissent by members of the Board/Committee of the Board, hence we have no reason to believe that the decisions by the Board were not approved by all the directors present. The Minutes of the Board Meetings and Committee Meetings were duly approved at the meeting by the Chairman of the Meeting. However, due to COVID-19 Pandemic restrictions, the minutes of the Board Meetings and Committee Meetings were physically signed at a later date.

We further report that there are adequate systems and processes in the Company commensurate with its size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. As informed, the Company has responded appropriately to communication received from various statutory / regulatory authorities including initiating actions for corrective measures, wherever found necessary.

We further report that during the audit period, following specific events/actions have taken place, having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards:

 Approval of the Board of Directors of the Company at its meeting held on 8th March, 2022 was obtained for acting as Sponsor & Investment Manager to the proposed Alternative Investment Fund (AIF) of the Government of Maharashtra i.e. Maharashtra Startup Venture Fund to be registered with SEBI as a category I AIF & contribute to the said fund of an amount not exceeding Rs.10 Crores subject to appointment as Investment Manager.

> ALWYN JAY & Co. Company Secretaries

Place : Mumbai Date : 15th July, 2022

Office Address : Annex-103, Dimple Arcade, Asha Nagar, Kandivali (East), Mumbai 400101. [Alwyn D'Souza, FCS.5559] [Partner] [Certificate of Practice No.5137] [UDIN : F005559D000629743]

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

Annexure A

To The Members, IDBI Capital Markets & Securities Limited

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

- The compliance of provisions of all laws, rules, regulations, standards applicable to IDBI Capital Markets & Securities Limited (hereinafter called 'the Company') is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
- 2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.
- 3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. Further part of the verification was done on the basis of electronic data provided to us by the Company due to COVID-19 Pandemic restrictions and on test check basis to ensure that correct facts as reflected in secretarial and other records produced to us. We believe that the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.
- 4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- 5. Wherever required, we have obtained the management representation about list of applicable laws, compliance of laws, rules and regulations and major events during the audit period.
- 6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : Mumbai Date : 15th July, 2022

Office Address : Annex-103, Dimple Arcade, Asha Nagar, Kandivali (East), Mumbai 400101.

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ALWYN JAY & Co. Company Secretaries

[Alwyn D'Souza, FCS.5559] [Partner] [Certificate of Practice No.5137] [UDIN : F005559D000629743]



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF IDBI CAPITAL MARKETS & SECURITIES LIMITED FOR THE YEAR ENDED 31 MARCH 2022

The preparation of financial statements of IDBI Capital Markets & Securities 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 15 July 2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of IDBI Capital Markets & Securities Limited for the year ended 31 March 2022 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

For and on behalf of the Comptroller & Auditor General of India

-/Sd (P V Hari Krishna) Principal Director of Audit (Shipping), Mumbai

Place: Mumbai Date: 14.09.2022

To the Members of IDBI Capital Markets & Securities Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of IDBI Capital Markets & Securities Limited ("the Company"), which comprise the balance sheet as at March 31, 2022, the statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

The Company's Board of Directors is responsible for the other information. The other information comprises the 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. The Management Overview, Board's Report including Annexures to Board's report thereon. The Management Overview, Board's Report and Shareholder's Information is expected to be made available to us after the date of this auditor's report.

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 identified above when it becomes available 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.

When we read the Management Overview, Board's Report including Annexures to Board's Report and Shareholder's Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of the Management for the Standalone Financial statements

The Company's Board of Directors is responsible for the matters stated in sub-section (5) of Section 134 of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance This responsibility also includes maintenance of adequate accounting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the

accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial statements

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

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

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

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

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

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

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 Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2. As required by sub-section (3) of Section 143 of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash 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 Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e. On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, 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 of the Company and the operating effectiveness of such controls, with reference to these standalone financial statements refer to our separate Report in **"Annexure B"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of subsection (16) of Section 197 of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under sub-section (16) of Section 197 which are required to be commented upon by us; and
 - With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at March 31, 2022 in its standalone financial statements. Refer Note-36 to the standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. Based on such audit procedures considered reasonable and appropriate in the circumstances, nothing has come to our notice that:
 - A) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall,
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; or
 - · provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
 - B) The Management has represented that, to the best of its knowledge and belief, no funds (which are either material either individually or in aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall,
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
 - C) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (A) and (B) contain any material misstatement.
 - v. The Company has not declared or paid any dividend during the financial year.
- 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 IDBI Capital Markets & Securities limited, we report that:

a) 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?

During the financial year 2019-20, pursuant to the notification dated March 30, 2016 issued by the Ministry of Corporate Affairs for applicability of Indian Accounting Standards ('Ind AS') to Non-banking Financial Companies, the Company's books of account have been converged by applying principles of the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS'). Transition to the Ind AS has impact on various accounting and operational functions. This requires design of appropriate controls in operational procedure as well as IT systems. Accordingly, we recommend design for controls in operational procedure and IT controls in respect of Following:

- Generation of Trial Balance as per new accounting presentation framework (i.e. Ind AS) through IT System.

 Various calculations in accordance with the requirements of Ind AS such Amortised cost using effective interest rate, fair value of financial instruments and computation of expected credit loss (ECL) matrix needs to be processed through IT System.

Presently, said working have been maintained manually and verified by us.

b) 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.

The Company does not have any loans and hence there are no cases of waiver/ write off of loans/ interest etc. However, the company has written off old book debts/ receivables amounting to Rs. 71.94 Lakhs as the payments were not forthcoming from them.

c) Whether funds received/receivable for specific schemes from central/state agencies were properly accounted for/ utilized as per its term and conditions? List cases of deviation.

The Company has not received funds from specific schemes from central/state agencies during the year.

For **SHAH GUPTA & Co.** Chartered Accountants Firm Registration No.: 109574W

Sd/-Vedula Prabhakar Sharma Partner Membership No.: 123088 UDIN: 22123088ANIDZF4044

Place: Mumbai Date: July 15, 2022

APPENDIX A TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to

the standalone financial statements of the Company for the year ended March 31, 2022:

- (I) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
 - (B) According to the information and explanations given to us and the records of the Company examined by us, the Company has maintained proper records showing full particulars of intangible assets.
 - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its property, plant and equipment so as to cover all the assets once every three years which, in our opinion, is reasonable having regard to size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment were physically verified by the Management during the year. No material discrepancies were noticed on such verification.
 - (c) In our opinion and according to information and explanations given to us and on the basis of an examination of the records of the Company, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 12 to the standalone financial statements, are held in the name of the Company.
 - (d) According to the information and explanations given to us and the records examined by us, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Consequently, the provisions of clause 1 (d) of the Order are not applicable to the Company.
 - (e) Based on the information and explanations furnished to us, no proceedings have been initiated or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 and Rules made thereunder. Consequently, the provisions of clause 1 (e) of the Order are not applicable to the Company.
- ii. The Companies business does not involve inventories. Accordingly, reporting under paragraph 3(ii) of the Order is not applicable to the Company.
- iii. (a) (A) During the year the Company has not granted any loans, advances in nature of loans and guarantees or security to subsidiaries, joint ventures and associates.
 - (B) The Company is in the business of providing loans which are called as margin trading funding (MTF). According to the explanations and representations given to us by the Company, this is one of the principal business of the Company which is also described in its object clause specified in Memorandum of Association. the Company has granted loans in nature of MTF as below:
 (B) The Company is in the business of providing loans which are called as margin trading funding (MTF). According to the explanations and representations given to us by the Company, this is one of the principal business of the Company which is also described in its object clause specified in Memorandum of Association. The Company has granted loans in nature of MTF as below:

Sr.	Loans in nature of MTF	to Subsidiaries, Jvs and Associates	to Other parties
1	Aggregate amount granted during the year		655*
2	Balance outstanding as at balance sheet date	-	3583

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the terms and conditions of the unsecured loans granted during the year are, prima facie, not prejudicial to the Company interest.
- (c) According to the information and explanations given to us, in case of loans given in the nature of margin trading funding MTF, the schedule of payment of interest has been stipulated but the schedule of repayment of such loans are not stipulated. Further, the Company has not given any advances in the nature of loans to any party during theyear.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, details of overdue amount for more than ninety days in respect of 77 loans which are MTF is amounting to Rs. 27.62 Lakhs which comprises of principal and interest amount. Reasonable steps have been taken by the Company to recover the overdue amount.
- (e) The Company is in the business of providing loans which are MTF. According to the explanations and representations given to us by the Company, this is one of the principal business of the Company which is also described in its object clause specified in Memorandum of Association. Accordingly, clause (iii)(e) is not applicable to the Company.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment
- iv. According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013. The Company has complied with the provisions of Sections 186 of the Act in respect of grant of loans and making investments. The Company has not provided any guarantees and securities. Accordingly, para 3(iv) of the Order is not applicable to that extent.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit or amounts which are deemed to be deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the services provided by it. Accordingly, clause 3(vi)

*The amount represnts difference between amount outstanding at March 31, 2022 and March 31, 2021. (Refer Note 7)

of the Order is not applicable.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the books of account and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Goods and Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other material statutory dues applicable to the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2022 for a period of more than six months from the date on which they become payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Provident Fund, Employees. State Insurance, Income-Tax, Cess, Goods and Service Tax, Value Added Tax, Excise Duty, Custom Duty and other material statutory dues which have not been deposited as at March 31, 2022 on account of any dispute, except as mentioned below:

Name of the Statute	Nature of the Dues	Amount (Rs. in Lakhs)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income tax	1079.10	FY 2012-13	Commissioner of Income Tax
		25.03	FY 2013-14	Appeals, Mumbai
		257.62	FY 2017-18	
Finance Act, 1994	Service tax	920.44	FY 2012-13 to FY 2017-18	Commissioner of Central Excise (Appeals)

- viii. According to the information and explanations given to us and the records of the Company examined by us, there is no income surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- ix. (a) According to information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
 - (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared a Wilful Defaulter by any bank or financial institution or government or any government authority.
 - (c) The Company has not availed any term loans accordingly, reporting under paragraph 3(ix)© of the Order is not applicable to the Company.
 - (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
 - (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
 - (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its associate company (as defined under the Act). The Company does not hold any investment in any subsidiary, or joint venture (as defined in the Act) during the year ended March 31, 2022. Accordingly, clause 3(ix)(f) of the Order is not applicable.
- x. (a) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company.
 - (b) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable t o the Company.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
 - (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, was not required to be filed. Accordingly, the reporting under clause 3(xiv) of the Order is not applicable to the Company.
 - (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the

Company. Accordingly, the reporting under clause 3(xi) of the Order is not applicable to the Company.

- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company Consequently, the provisions of clause 4(xii) of the Order are not applicable to the Company.
- xiii. Transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone financial statements as required by applicable accounting standards.
- xiv. (a) Based on the information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
 (b) The superstant of the later of
 - (b) The reports of the Internal Auditor for the period under audit have been considered by us.
- xv. Based upon the audit procedures performed and the information and explanations given by the management, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.
 - (b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
 - (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)© of the Order is not applicable to the Company.
 - (d) The Company is a part of a group in which there are no CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable to the Company.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.
- xx. (a) There are no unspent amount towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable.
 - (b) In respect of ongoing projects, the Company has transferred unspent CSR amounts as at the end of the previous financial year, to a Special account within a period of 30 days from the end of said financial year in compliance with the provisions of sub-section (6) of section 135 of the Act.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For **SHAH GUPTA & CO.**, Chartered Accountants Firm Registration No.: 109574W

Sd/-Vedula Prabhakar Sharma Partner Membership No.: 123088 UDIN: 22123088ANIDZF4044

Place: Mumbai Date: July 15, 2022

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls with reference to standalone financial statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

(The Annexure referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls over financial reporting with reference to standalone financial statements of **IDBI Capital Markets & Securities Limited** ("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.

In our opinion, to the best 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 with reference to standalone financial statements 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 issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

For **SHAH GUPTA & CO.**, Chartered Accountants Firm Registration No.: 109574W

Sd/-Vedula Prabhakar Sharma Partner Membership No.: 123088 UDIN: 22123088ANIDZF4044

Place: Mumbai Date: July 15, 2022

IDBI Capital Markets & Securities Limited Standalone Balance Sheet as at March 31, 2022

			(Amount in INR lakhs, unless otherwise stated
Particulars	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
(1) Financial Assets			
(a) Cash and cash equivalents	4	9,831	7,965
b) Bank balances other than cash and cash equivalents	5	7,697	7,719
c) Receivables			
(i) Trade receivables	6	1,915	2,509
d) Loans	7	3,583	2,928
e) Investments	8	9,522	8,486
f) Other financial assets	9	344	1,503
Total Financial Assets		32,892	31,110
(2) Non-Financial assets			
(a) Current tax assets (net)	10	3,345	3,117
b) Deferred tax asset (net)	11	160	75
c) Property, plant and equipment	12	3,525	3,629
d) Right-of-use assets	13	1,152	1,695
e) Intangible assets under development	12	47	47
f) Other Intangible assets	12	93	104
g) Other non-financial assets	14	447	1,365
Fotal Non-Financial Assets		8,769	10,032
Total Assets		41,661	41,142
LIABILITIES AND EQUITY			
Liabilities			
(1) Financial Liabilities			
(a) Pavables			
Trade payables			
(i) Total outstanding dues of micro enterprises and small enterprises		2	1
(ii) Total outstanding dues of creditors other than micro enterprises and small	15		
enterprises		2,890	3,490
b) Borrowings	16	0	951
c) Deposits	17	127	123
d) Lease liabilities	18	1,281	1,822
e) Other financial liabilities	19	430	101
Fotal Financial Liabilities		4,730	6,488
(2) Non-Financial Liabilities			
a) Provisions	20	574	254
b) Other non-financial liabilities	21	398	338
Total Non-Financial Liabilities		972	592
Total Liabilities		5,702	7,080

Equity			
(a) Equity share capital	22	12,810	12,810
(b) Other equity	23	23,149	21,252
Total Equity		35,959	34,062
Total Liabilities and Equity	_	41,661	41,142
Company Overview and significant accounting policies	1-3		

The accompanying notes are an integral part of the standalone financial statements. 30-45

As per our report of even date

For and on behalf of the Board of Directors

For Shah Gupta & Co Chartered Accountants Firm Registration No: 109574W

sd/-Vedula Prabhakar Sharma Partner Membership No. 123088 UDIN: 22123088ANIDZF4044

Place: Mumbai Date: July 15, 2022 sd/-Rakesh Sharma Chairman DIN: 06846594

sd/-Dattatraya Bhosale Chief Financial Officer sd/-Iswar Padhan Managing Director & CEO DIN: 03560275

sd/-Christina D'souza Company Secretary M.No. : ACS18781

IDBI Capital Markets & Securities Limited Standalone Statement of Profit and Loss for the year ended March 31, 2022

	Particulars	Notes	Year ended March 31, 2022	akhs, unless otherwise stated Year ended March 31, 202
A.	Revenue from Operations			
(i)	Dividend income		12	12
(ii)	Fees and commission income			
	-Brokerage Income		4,970	4,596
	-Income from Services		4,379	3,310
(iii)	Interest on Margin Trade Funding		601	403
(iv)	Net gain on fair value changes	10	443	4
	Total Revenue from Operations	2 .	10,405	8,325
в.	Other income	24	590	839
	Total Other income	10 - 17-	590	839
c.	Total income (A+B)	-	10,995	9,164
D.	Expenses			
(i)	Finance cost		102	115
(ii)	Impairment on financial instruments	25	326	602
(iii)	Operating expenses	26	2,624	2,326
(iv)	Employee benefits expense	27	3,926	3,334
(v)	Depreciation & amortisation expenses	28	905	908
(vi)	Other expenses	29	712	716
	Total expenses	-	8,595	8,001
	Profit /(Loss) before exceptional items and tax (C-D)	12	2,400	1,163
	Exceptional items			(M)
	Profit /(Loss) before tax	- 	2,400	1,163
	Tax expense			
	Current tax		562	190
	Deferred tax asset / (liability)	-	(78)	62
	Total Tax expense		484	252
	Profit/(Loss) for the year	5 <u>-</u> 19-	1,916	911
	Other comprehensive income			
	Items that will not be reclassified to profit or loss			
	Re-measurement gains/ (losses) on defined benefit plans		(26)	7
	Income tax relating to item that will not be reclassified to profit or loss		7	(2
	Total Other comprehensive income for the year	-	(19)	5
	Total comprehensive income for the year	8 <u>-</u>	1,897	916
		107		

Earnings per share (Face Value INR. 10/-per share)			
Basic		1.50	
Diluted		1.50	
Company Overview and significant accounting policies	1-3		
The accompanying notes are an integral part of the standalone			
financial statements.	30-45		

As per our report of even date

For Shah Gupta & Co Chartered Accountants Firm Registration No: 109574W sd/-Rakesh Sharma Chairman DIN: 06846594 sd/-Iswar Padhan Managing Director & CEO DIN: 03560275

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sd/-Vedula Prabhakar Sharma Partner Membership No. 123088 UDIN: 22123088ANIDZF4044

Place: Mumbai Date: July 15, 2022 sd/-Dattatraya Bhosale Chief Financial Officer sd/-Christina D'souza Company Secretary M.No. : ACS18781

IDBI Capital Markets & Securities Limited Standalone Statement of Cash Flow for the year ended March 31, 2022

	(Amount in INR lakhs, un	
Particulars	Year ended March 31,2022	Year ended March 31,2021
Cash flow from operating activities		
Profit/ (loss) before exceptional items and tax	2,400	1,163
Adjustments for:	2,400	1,100
Non-Operating Items		
Income from mutual fund redemptions	(80)	(103
Profit on sale of investments	(117)	(155
Interest received on bonds/fixed deposits	(376)	(494
Interest received on income tax refund	(370)	(494
Depreciation and amortization expenses	905	908
Recovery from written off accounts	900	12
Net loss on fair value changes	(443)	(4
Expected credit loss on trade receivables	326	602
Bad debts written off	72	69
Finance cost	102	
Operating loss before working capital changes	2,789	115 2,048
Changes in working capital	(500)	4 003
(Decrease) / increase in trade payables	(599)	1,397
(Decrease) / increase in other financial liabilities	334	75
(Decrease) / increase in provisions	320	113
(Decrease) / increase in other non-financial liabilities	34	132
Decrease / (increase) in trade receivables	197	(237
Decrease / (increase) in Loans	(655)	(1,175
Decrease / (increase) in other financial assets	1,159	(924
Decrease / (increase) in other non financial assets	917	(248
Net change in working capital	1,707	(867
Cash generated used in operations	4,496	1,181
Income tax paid	(789)	(368
Net cash flows used in operating activities (A)	3,707	813
Cash flow from Investing activities		
Payment for property, plant and equipment and intangible assets	(143)	(76
Proceeds from sale of property, plant and equipment	6	1
Intangible asset under development	0	(31
Investment in fixed deposits	22	(3,440
Investments	(594)	(178
Interest received on fixed deposits	376	494
Interest received on income tax refund	19	65
Profit on sale of investments	117	155
Income from mutual fund redemptions	80	103
Net cash flow from investing activities (B)	(136)	(2,907
Cash flow from Financing activities		
Borrowing in OD	(951)	951
Repayment of lease liabilities	(754)	(727
Net cash flow from financing activities (C)	(1,705)	224
Net increase in cash and cash equivalents (A+B+C)	1,866	(1,870
Cash and cash equivalents at the beginning of the year	7,965	9,835
Cash and cash equivalents at the end of the year	9,831	7,965
		7,905
Cash and cash equivalents comprise (Refer note 4)	-	
Cash on hand	8	2
Balances with banks		
On current accounts	5,521	4,463
Fixed deposits with maturity of less than 3 months		
Current investments (Highly Liquid)	4,302	3,500
Total cash and bank balances at end of the year	9,831	7,965

Reconciliation forming part of cash flow statement

Particulars	31st March 2021	Cash flows (net)	Deletion	New leases	31st March 2022
Lease Liabilities	1,822	(652)	1	112	1,281
Particulars	31st March 2020	Cash flows (net)	Deletion	New leases	31st March 2021

sd/-

Chairman

Rakesh Sharma

DIN: 06846594

1. The above cash flow statement has been prepared under the 'indirect method' as set out in Ind AS-7 "Statement of cash flows".

2. Figures in brackets indicate cash outflow

3. Previous year figures have been regrouped or reclassified wherever required

Company Overview and significant accounting policies

The accompanying notes are an integral part of the

standalone financial statements.

30-45

1-3

For and on behalf of the Board of Directors

As per our report of even date

For Shah Gupta & Co Chartered Accountants Firm Registration No: 109574W

> sd/-Dattatraya Bhosale Chief Financial Officer

sd/-Iswar Padhan Managing Director & CEO DIN: 03560275

sd/-Christina D'souza Company Secretary M.No. : ACS18781

sd/-Vedula Prabhakar Sharma Partner Membership No. 123088 UDIN: 22123088ANIDZF4044

Place: Mumbai Date: July 15, 2022

IDBI Capital Markets & Securities Limited

Statement of changes in equity for the year ended March 31, 2022

		(Amount in INR lakhs, unl	less otherwise stated)
As at March 3	1, 2022	As at March 31	, 2021
No. of shares	Amount	No. of shares	Amount
12,81,00,000	12,810	12,81,00,000	12,810
12,81,00,000	12,810	12,81,00,000	12,810
	No. of shares	12,81,00,000 12,810	As at March 31, 2022 As at March 31 No. of shares Amount No. of shares 12,81,00,000 12,810 12,81,00,000

Current reporting period

Balance at the beginning of the current reporting period	Changes in Equity Share	Restated balance at the	Changes in equity share	Balance at the end of
	Capital due to prior period	beginning of the current	capital during the current	the current reporting
	errors	reporting period	year	period
12810	0	12810	0	12810

Previous reporting period

Balance at the beginning of the previous reporting period	Changes in Equity Share	Restated balance at the	Changes in equity share	Balance at the end of
	Capital due to prior period	beginning of the previous	capital during the	the previous reporting
	errors	reporting period	previous year	period
12810	0	12810	0	12810

(B) Other equity

		Reserve and surplus			
Particulars	Capital Redemption Reserve	General reserve	Retained earnings	Total	
Balance as at April 1, 2020	7,190	11,250	1,896	20,336	
Impact Ind AS 116	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		77	·	
	7,190	11,250	1,896	20,336	
Profit for the year			911	911	
Items of other comprehensive income for the year, net of tax					
Remeasurement benefit of Defined Benefit Plans			5	5	
Total comprehensive income for the year	(0)	(*)	916	916	
Balance as at March 31, 2021	7,190	11,250	2,812	21,252	

		Reserve and surplus		
Particulars	Capital Redemption Reserve	General reserve	Retained earnings	Total
Balance as at April 1, 2021	7,190	11,250	2,812	21,252
	7,190	11,250	2,812	21,252
Profit for the year Items of other comprehensive income for the year, net of tax			1,916	1,916
Remeasurement benefit of Defined Benefit Plans			(19)	(19)
Total comprehensive income for the year			1,897	1,897
Balance as at March 31, 2022	7,190	11,250	4,709	23,149

Company Overview and significant accounting policies The accompanying notes are an integral part of the standalone financial statements. 1-3 30-45

For and on behalf of the Board of Directors

As per our report of even date

For Shah Gupta & Co Chartered Accountants Firm Registration No: 109574W

sd/-Vedula Prabhakar Sharma Partner Membership No. 123088 UDIN: 22123088ANIDZF4044

Place: Mumbai Date: July 15, 2022 sd/-Rakesh Sharma Chairman DIN: 06846594

sd/-Dattatraya Bhosale Chief Financial Officer sd/-Iswar Padhan Managing Director & CEO DIN: 03560275

sd/-Christina D'souza Company Secretary M.No. : ACS18781

IDBI Capital Markets & Securities Limited Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

1 General Information

IDBI Capital Markets & Securities Limited (IDBI Capital) ("the Company") was incorporated on December 14, 1993 and is a wholly owned subsidiary of IDBI Bank Limited. The company is registered as a merchant banker, stock broker, depository participant, portfolio manager and research entity with the Securities and Exchange Board of India (SEBI). The company offers to its client's services ranging from investment banking, corporate advisory services, retail and institutional stock broking, distribution of financial products, portfolio management and research services.

2 Significant accounting policies

Significant accounting policies adopted by the company are as under:

2.1 Basis of Preparation of Financial Statements

(a) Statement of Compliance with Ind AS

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015. For all periods up to and including the year ended 31 March 2019, the Company prepared its standalone financial statements in accordance with requirements of the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP"). The company drawn its financial statement as per Division III to Schedule III to the Companies Act, 2013 being applicable to Non-Banking Financial Company (NBFC) having Merchant Banking operations in pursuance to MCA notification GSR 365(E) dated October 10, 2018

(b) Basis of preparation

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its Standalone Financial Statements as per the Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended with effect from April 01, 2018. Accordingly, the Company has prepared these Standalone Financial Statements, which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss, the Statements of Cash Flows and the Statement of Changes in Equity for the year ended March 31, 2022, and accounting policies and other explanatory information (together hereinafter referred to as "Standalone Financial Statements").

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

i) Certain financial assets and liabilities measured at fair value (refer accounting policy 2.7 on financial instruments)

ii) Derivative financial instruments

iii) Defined benefit and other long-term employee benefits

Fair value is the price that would be received on sell of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability

if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116 and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36

In addition, for financial reporting purposes, fair value measurements are categorized within the fair value hierarchy into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- · Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the
- · measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- · Level 3 inputs are unobservable inputs for the asset or liability.

The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest Lakhs except when otherwise stated

(c) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are

reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years if the revision effects such periods. Also key sources of estimation uncertainty is mentioned below:

i. Useful lives of property, plant and equipment and intangible assets:

As described in the significant accounting policy, the Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period.

ii. The fair value measurements and valuation processes:

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or liability, the Company uses market-observable data to the extent it is available. Where level 1 input are not available, the Company engages third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs, used in determining the fair value of various assets and liabilities are disclosed in notes to financial statements.

iii. Actuarial valuation:

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognized in the statement of profit or loss and in other comprehensive income. Such valuation depends upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to financial statements

2.2 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable taking into account contractually defined terms. Amounts disclosed as revenue are excluding taxes collected on behalf of government, net of trade allowances, rebates and cash discount The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the company and specific criteria have been met for each of the company activities as described below.

(a) Fee based Income

Revenue from a contract to provide services is recognized as follows:

Revenue from issue management, debt syndication, financial advisory services etc is recognised based on the stage of completion of assignments and terms of agreement with the client.

(b) Interest Income

Interest income from financial assets is recognized when it is probable that economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

Interest income is recognized using the effective interest rate method.

Interest is recognised on delayed payments from customers on a time proportion basis in relation to the loans relating to the Margin Trading Funding provided to customers taking into account the amount outstanding from customers and the rates applicable.

c) Brokerage income

Brokerage income in relation to stock broking activity is recognized on a trade date basis

(d) Sale of Securities

Gains and losses on the sale of securities are recognized on trade date. The cost of Securities is taken on weighted average method.

(e) Commission Income

Commission income in relation to public issues / other financial products is recognized based on mobilization and intimation received from clients / intermediaries or over the period of service as applicable.

(f) Dividend Income

Dividend income from investments is recognized when the shareholder's right to receive payment has been established.

The Company recognizes revenue on accrual basis when the significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured. The method of recognizing the revenues depends on the nature of the services rendered. Revenue is recognized when no significant uncertainty exists as to its realization or collection.

The amount recognized as revenue in its Statement of Total Comprehensive Income is exclusive of Service Tax and Goods and Services Tax (GST) since they are amount collected on the behalf on third parties.

2.3 Property, Plant and Equipment

Property, Plant and Equipment are stated at cost of acquisition less accumulated depreciation and impairment losses, if any. The cost thereof comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost for bringing the asset to its working condition for its intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the Statement of Profit or Loss. Property, plant and equipment are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation methods, estimated useful lives

Depreciation provided on property, plant and equipment is calculated on a straight-line basis using the rates arrived at as per the useful life prescribed in the Schedule II to the Companies Act, 2013, except in respect following assets:

Property, plant and equipment	Useful Life
Buildings	60 years
Computers	3 years
Furniture & Fixtures	10 years
Office Equipment's	5 years
Vehicles	5 years

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

All Property plant and equipment having individual value of less than Rs.5,000, in the year of acquisition and assets retired from active use are fully depreciated.

Transition to Ind AS

The Company has elected to measure items of property, plant and equipment and intangible assets at its carrying value at the transition date except for certain class of assets (i.e. Buildings) which are measured at fair value as deemed cost.

· Optional Exemptions in FTA-Accounting Policy:-

a.) Fair value as deemed cost exemption

The Company has elected to measure items of property, plant and equipment and intangible assets at its carrying value at the transition date except for certain class of assets (i.e. Buildings) which are measured at fair value as deemed cost.

b.) Investments in subsidiaries, associates and joint ventures:-

The management has elected to measure all of its investments in associates at deemed cost i.e. their Indian GAAP carrying value at the date of transition.

2.4 Intangible assets and amortization

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost of acquisition less accumulated amortization and impairment, if any.

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

Intangible Assets	Useful Life
Computer Software	3 years
Web Trading Portal	3 years
Bombay Stock Exchange Card	21 years

Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of schedule II of the Companies Act, 2013.

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Company has an intention and ability to complete and use or sell the software and the costs can be measured reliably. The costs which can be capitalized include the cost of material, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use. Research and development costs and software development costs incurred under contractual arrangements with customers are accounted as expenses in the Statement of Profit and Loss.

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with effect of any changes in estimate being accounted for on a prospective basis.

2.5 Taxation

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

(a) Current tax

Current income tax is the amount of expected tax payable based on taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of Income Tax Act, 1961.

(b) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary difference can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a

transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting year 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 recovered.

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and Deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they are relating to items that are recognised in the other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

2.6 Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each Balance Sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole: Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

- Level 1-Guoted (unagusted) market precisin active markets for identical assets of natificant.
 Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The management determines the policies and procedures for both recurring fair value measurement. For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.7 Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in Statement of Profit and Loss

A. Financial Assets:

a) a. Recognition and initial measureme

The Company initially recognises loans and advances, deposits and debt securities purchased on the date on which they originate. Purchases and sale of financial assets are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument.

All financial assets are recognised initially at fair value. In the case of financial assets not recorded at FVTPL, transaction costs that are directly attributable to its acquisition of financial assets are included therein.

b. Classification of financial assets

On initial recognition, a financial asset is classified to be measured at -

- Amortised cost; or

- Fair Value through Other Comprehensive Income (FVTOCI) debt investment; or
- Fair Value through Other Comprehensive Income (FVTOCI) equity investment; or
- Fair Value through Profit or Loss (FVTPL)

I. Financial assets at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met:

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

Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

ii. Debt instruments at FVTOCI

- A debt instrument is measured at fair value through other comprehensive income if both of the following conditions are met:
- > the objective of the business model is achieved by both collecting contractual cash flows and selling financial assets and
- the asset's contractual cash flow represents solely payments of principal and interest (SPPI) on the principle amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the Other Comprehensive Income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

iii. Equity instruments at FVTOCI

All equity instruments in scope of Ind AS 109 are measured at fair value. Equity instruments held for trading is classified as FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividend are recognized in OCI which is not subsequently recycled to statement of profit and loss.

iv. Financial assets at FVTPL

FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL.

In addition, the Company may elect to designate the financial asset, which otherwise meets amortized cost or FVTOCI criteria, as FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency. The Company has not designated any financial asset as FVTPL. Financial assets included within the FVTPL category are measured at fair values with all changes in the statement of profit and loss.

b) De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the company balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
- When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognize the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.
- Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

c) Impairment of Financial Assets

The company recognizes impairment loss applying the expected credit loss (ECL) model on the financial assets measured at amortized cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual right to receive cash or other financial asset and financial guarantee not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights.

The company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12 months expected credit losses.

For trade receivables or any contractual right to receive cash or another financial assets that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the company applies 'simplified approach' permitted by Ind AS 109 Financial Instruments. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

d) Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and 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 points 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 and Interest income is recognized in profit or loss.

e) Reclassification of financial assets

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	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
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.

B. Financial Liabilities:

Financial liabilities are classified as measured at amortised cost or 'FVTPL'.

A Financial Liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
 the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the Statement of Profit and Loss.

Other financial liabilities:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities:

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The debtor is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently

enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

2.8 Leases

As a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the company changes its assessment if whether it will exercise an extension or a termination option.

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

2.9 Provisions and contingent liabilities

Provisions involving substantial degree of estimation in measurement are recognised when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A Contingent Liability is a possible obligation that arises from past events and 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 that may, but probably will not, require an outflow of resources.

Both provisions and contingent liabilities are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognized but are disclosed in the notes. A contingent asset is disclosed in the Financial Statements, where an inflow of economic benefits is probable.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

2.10 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, Current investments which are highly liquid and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effect of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associate with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

2.11 Employee benefits

a) Short-term obligations

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized in the year during which the employee rendered the services. These benefits comprise compensated absences such as paid annual leave and performance incentives

b) Other long-term employee benefit obligations

i. Defined contribution plan

The Company has defined contribution plans for post-employment benefits in the form of provident fund, pension fund (NPS) and superannuation fund in India which are administered through Government of India and/or Life Insurance Corporation of India (LIC).

ii. Defined benefit plans

Gratuity: The Company has defined benefit plans for post-employment benefits in the form of gratuity for its employees in India. The gratuity scheme of the Company is administered through Life Insurance Corporation of India (LIC). Liability for defined benefit plans is provided on the basis of actuarial valuations, as at the Balance Sheet date, carried out by an independent actuary. The actuarial valuation method used by independent actuary for measuring the liability is the projected unit credit method. Actuarial gains and losses are recognized immediately in the Other Comprehensive Income (OCI) as income or expense (net of taxes).

Compensated absences: The employees of the Company are also entitled for other long-term benefit in the form of compensated absences as per the policy of the Company. Leave encashment vests to employees on an annual basis for leave balance above the upper limit as per the Company's policy. At the time of retirement, death while in employment or on termination of employment leave encashment vests equivalent to salary payable for number of days of accumulated leave balance subject to an upper limit as per the Company's policy. Liability for such benefit is provided on the basis of actuarial valuations, as at the Balance Sheet date, carried out by an independent actuary. The leave encashment scheme of the company is administered through Life Insurance Company (LIC). The actuarial valuation method used by independent actuary for measuring the liability is the projected unit credit method. Actuarial gains and losses are recognized immediately in the Profit and Loss Statement as income or expense.

2.12 Segment Reporting

The company identifies operating segments based on the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

2.13 Earnings per share (EPS)

Basic earnings per share (EPS) are calculated by dividing the net loss / profit after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by adjusting the number of shares used for basic EPS with the weighted average number of shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. The diluted potential equity shares have been adjusted for the proceeds receivable had the shares been actually issued at fair value i.e. average market value of outstanding shares.

The number of shares and potentially dilutive shares are adjusted for share splits and bonus shares, as appropriate. In calculating diluted earnings per share, the effects of anti-dilutive potential equity shares are ignored. Potential equity shares are anti-dilutive when their conversion to equity shares would increase earnings per share or decrease loss per share.

2.14 Cash Flow Statement

The Cash Flow Statement is prepared by the indirect method set out in Indian Accounting Standard 7 on Cash Flow Statements and presents the cash flows by operating, investing and financing activities of the Company.

Cash and Cash equivalents presented in the Cash Flow Statement consist of cash on hand and demand deposits with banks.

2.15 Foreign currency transactions

The financial statements are prepared in Indian Rupees. The Indian Rupee is the functional currency of the Company. Translation of foreign currency into Indian Rupees has been carried out as under:

- Both monetary and non-monetary foreign currency assets and liabilities including contingent liabilities are translated at closing exchange rates as at the Balance Sheet date.
- Income and expenditure of transactions are translated at the rate on the date of transaction.
- All resulting exchange differences on translation are taken directly to the Statement of Profit and Loss.

2.16 Contributed equity

- Equity shares are classified as equity share capital.
- Incremental costs directly attributable to the issue of new shares are shown in other equity under securities premium as a deduction, net of tax,

2.17 Cash flow hedge or Transactions in future, Options and Interest rate swaps

The company designates certain foreign exchange forward and options contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of derivative is recognized immediately in the net profit in the statement of profit and loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective, remains in the cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the net profit in the statement of profit and loss upon the occurrence of the related forecasted transactions.

If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified to net profit in the statement of profit and loss.

Derivatives are carried at fair value. Derivatives includes foreign currency forward contracts and interest rate swaps. Fair valued of foreign currency forward contracts are determined using the fair value reports provided by respective merchant bankers. Fair value of interest rate swaps are determined with respect to current market rate of interest.

2.18 Rounding off amounts

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

2.19 Standards (including amendments) issued but not yet effective

As at the date of issue of financial statements, there are no new standards or amendments which have been notified by the MCA but not yet adopted by the Company. Hence, the disclosure is not applicable.

3. Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting

3.1 Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below:

(i) Ind AS 16 - Property Plant and equipment -

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022.

(ii) Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets -

The amendment specifies that the cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted.

(iii) Ind AS 103 - Business Combinations -

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date.

The Company is in the process of evaluating the impact of these amendments

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

	As at	As at
	March 31, 2022	March 31, 2021
cial Assets :		
Cash and cash equivalents:		
Cash and cash equivalents consists of:		
Cash on hand	8	3
Balances with banks		
On current accounts	5,521	4,46
Fixed deposits with maturity of less than 3 months	320	1.56
Current Investments (Highly Liquid)		
IDBI Liquid Fund - Growth - Direct	4,302	3,500
Units C.Y.187886.424 (P.Y.158150.385)	~	
Total cash and cash equivalents	9,831	7,96
Bank balances other than Cash and cash equivalent:		
In Fixed deposit with maturity for more than 3 months (Refer Note 5.1)	7,697	7,719
	7,697	7,719
As at March 31, 2022 and March 31, 2021 Fixed deposits of INR. 5,131 lakhs, INR 4,605 lakhs		
respectively were under pledge with the stock exchanges for margin		
Trade receivables:		
Secured, considered good		
Unsecured		
-Considered good	1,825	2,450
-Considered doubtful	2,770	2,55
Impairment allowance (Refer note 25)	(2,680)	(2,49)
Total	1,915	2,50
Further classified as:		10,000,000
Receivable from related parties (Refer note 34)	163	430
Receivable from others	1,752	2,07
Total	1,915	2,509
* Trade Receivables are subject to confirmations		
	Cash and cash equivalents: Cash and cash equivalents consists of: Cash on hand Balances with banks On current accounts Fixed deposits with maturity of less than 3 months Current Investments (Highly Liquid) IDBI Liquid Fund - Growth - Direct Units C.Y.187886.424 (P.Y.158150.385) Total cash and cash equivalents Bank balances other than Cash and cash equivalent: In Fixed deposit with maturity for more than 3 months (Refer Note 5.1) As at March 31, 2022 and March 31, 2021 Fixed deposits of INR. 5,131 lakhs, INR 4,605 lakhs respectively were under pledge with the stock exchanges for margin Trade receivables: Secured, considered good -Considered good -Considered good -Considered doubtful Impairment allowance (Refer note 25) Total Further classified as: Receivable from related parties (Refer note 34) Receivable from others	March 31, 2022 ial Assets : Cash and cash equivalents: Cash and cash equivalents consists of: Cash and cash equivalents consists of: Cash and cash equivalents: Cash and cash equivalents: Cash and cash equivalents: Cash and cash equivalents 0n current accounts Fixed deposits with maturity of less than 3 months - Current Investments (Highly Liquid) IDBI Liquid Fund - Growth - Direct Units C.Y.187886.424 (P.Y.158150.385) Total cash and cash equivalents In Fixed deposit with maturity for more than 3 months (Refer Note 5.1) 7.697 As at March 31, 2022 and March 31, 2021 Fixed deposits of INR. 5,131 lakhs, INR 4,605 lakhs respectively were under pledge with the stock exchanges for margin Trade receivables: Secured, considered good Unsecured -Considered good -Considered good Unsecured -Considered good -Considered good Impairment allowance (Refer note 25) (Zessified as: Further classified as: Receivable from related parties (Refer n

No trade or other receivable are due from directors of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Credit risk management regarding trade receivables has been described in note number 40.4

Trade receivable ageing schedule for the year ended on March 31,2022

Particulars	Less than 6 months	6 month to 1 year	1-2 years	2-3 years	More than 3 Years	Total
Undisputed Trade receivables- considered good	1,177	214	135	109	190	1,825
Undisputed Trade Receivables- which have significant increase in credit risk	7	43	196	269	338	853
Undisputed Trade Receivables- credit impaired	(*)		-	-	(e)	
Disputed Trade Receivables considered good	(1 47)	-		~	(a)	2
Disputed Trade Receivables - which have significant increase in credit risk	2	47	28	30	1,810	1,917
Disputed Trade Receivables - credit impaired	() =(140		×		÷
TOTAL	1,186	304	359	408	2,338	4,595

Trade receivable ageing schedule for the year ended on March 31,2021

Particulars	Less than 6 months	6 month to 1 year	1-2 years	2-3 years	More than 3 Years	Total
Undisputed Trade receivables- considered good	1,151	459	104	114	384	2,212
Undisputed Trade Receivables- which have significant increase in credit risk	10	64	137	371	369	952
Undisputed Trade Receivables- credit impaired	12	(L)		S	14	2
Disputed Trade Receivables considered good			-	. ÷		-
Disputed Trade Receivables - which have significant increase in credit risk	3	91	12	112	1,624	1,843
Disputed Trade Receivables - credit impaired	125	123		2	22	2
TOTAL	1,164	614	254	597	2,378	5,007

(Amount in INR lakhs, unless otherwise stated)

6.1	Movement of impairment loss allowance		
	Balance at the beginning of the year	2,498	1,923
	Impairement loss recognized/(reversed)	(182)	(575)
	Balance at the end of the year	2,680	2,498
7	Loans:		
	Amortised Cost		
	Margin Trading Funding*	3,754	2,955
	Less: Allowance for Impairment Loss	(171)	(27)
	Total	3,583	2,928

* This represent the margin trading facility extended to broking customers which are fully secured against cash and / or collateral of approved securities

IDBI Capital Markets & Securities Limited Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

				(Amount in INR lakhs, unl As at	ess otherwise stated As at
_				March 31, 2022	March 31, 2021
5		estments			
Α.	Inve	estment in Associate Company - Unquoted(Investments mea	sured at deemed cost)		
		In equity shares - fully paid-up			
		IDBI Asset Management Limited			
		6,66,60,000 (31 March 2021: 6,66,60,000) equity shares of I	NR 10 each	6,666	6,660
		Extent of holding: Current year 33.33% (31 March 2021: 33.3	33%)		
B.	Othe	er investments quoted			
	SI.	Equity Shares - Quoted, Fully paid up(At fair value through	profit and		
	No	loss (fully paid))			
	1	Bajaj Hindustan Sugar Ltd		1	
	2	BSE Ltd		284	5
	3	DLF Ltd		65	5
	4	NHPC Ltd		139	12
	5	NTPC Ltd		24	1
	6	Opal Luxury Time Products Ltd			-
	7	Reliance ETF Nifty BeES*		-	-
	8	Reliance Infrastructure Ltd		7	
	9	The India Cements Ltd		81	6
	10	VTX Industries Ltd		-	-
	11	Chennai Super Kings Cricket Ltd*			-
	12	Arshiya Ltd		3	ç
		Investments in Debentures or Bonds , Quoted, Fully paid up	o(At		
		amortized cost (fully paid))			
	1	NTPC Limited Sr - 54 8.49 NCD 25MR25 FVRS 12.5		2	
		Investments in Alternative Investment Fund , Unquoted, Fu	lly paid up		
		(at fair value through profit and loss ,fully paid)			
	1	Maharashtra Defence and Aerospace Venture Fund		2,250	1,40
		Investment in Equity Instruments, Quoted, Fully paid up(At	fair value		
	1	through profit and loss (fully paid)) Opal Luxury Time Products Ltd			
		Total	3	9,522	8,48
		*The following table represents the absolute figures for the	value above	9,522	0,40
		Reliance ETF Nifty BeES	value above	43	4
		Chennai Super Kings Cricket Ltd		3,883	3,88
		Cheminal Super Kings Cheker Liu		3,005	3,00
B.B	.1. De	etails of Quoted Investments measured at FVTPL: Particulars	Face Value (Rs)	Number of units	Number of uni
		Equity Shares - Quoted, Fully paid up	Face value (RS)	Number of units	Number of um
	4		1	0 750	8,7
		1 Bajaj Hindustan Sugar Ltd		8,758	
		2 BSE Ltd	2	30,141	10,04
		3 DLF Ltd		17,140	17,1
		4 NHPC Ltd	10	5,00,000	5,00,0
		5 NTPC Ltd	10	18,000	18,00
		6 Opal Luxury Time Products Ltd	10	3,01,000	3,01,0
		7 Reliance ETF Nifty BeES	10	0	50
	-	8 Reliance Infrastructure Ltd	10	5,964	5,9
		9 The India Cements Ltd	10	38,825	38,8
		0 VTX Industries Ltd	10	29,92,850	29,92,8
		L'honnoi Nunor Kingo Uriokot I te	0.1	38,825	38,8
	11	1 Chennai Super Kings Cricket Ltd			
	11	2 Arshiya Ltd	2	8,858	2,91,2
	11 12	2 Arshiya Ltd Investment in Equity Instruments, Quoted, Fully paid up			
	11	Arshiya Ltd Investment in Equity Instruments, Quoted, Fully paid up Opal Luxury Time Products Ltd	2 10	8,858	2,91,2
	11 12 1	2 Arshiya Ltd Investment in Equity Instruments, Quoted, Fully paid up			

4,079 6,666	4,164 6,666
6,666	6,666
606	415
6,666	6,666



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Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

		As at	As at
		March 31, 2022	March 31, 2021
9	Other Financial Assets	14. 	02
	Unsecured, considered good		
	ii) Sundry Deposits	112	132
	iii) Deposits with Exchanges*	232	1,371
	Total	344	1,503
	* Initial margin placed with the exchanges towards capital in the form of cash INR 213.63 lakhs (P.Y. Mar'21 INR 1304.39 lakhs)		
lon-F	inancial Assets:		
10	Current tax assets		
	Advance income tax (net of income tax provision amounting	3,345	3,11
	(31 March 2022: INR 1,528.52, 31 March 2021: INR 966.87))	0,010	0,11
	Total	3,345	3,11
11	Deferred Tax:		
(a)	Deferred tax relates to the following:		
	Deferred tax assets		
	On impairment of trade receivables	397	35
	On Inadmissable expenses u/s 43B of I.T. Act	69	6
	On fair valuation of Investments	466	41
	On Depreciation on expired assets	11.12.13.14	164
	On fair valuation of leases	32	3
	On fair valuation of Buildings	(771)	(75
		193	11
	Deferred tax liabilities	722	
	On timing differences - Depreciation	33	4
	Defend the event and	33	4
	Deferred tax asset, net	160	7
(b)	Reconciliation of deferred tax assets/ (liabilities) (net):		
	Opening balance	75	140
	Tax (liability)/asset recognized in Statement of Profit and Loss	78	(63
	Tax (liability) on Ind AS 116 adjustment	0.000	1.
	Tax (liability)/asset recognized in OCI		
	On re-measurements gain/(losses) of post-employment benefit obligations	7	(:
	Closing balance	160	7
(c)	Income tax expense		
	- Current tax taxes	562	19
	- Deferred tax charge / (income)	(78)	63
	Total	484	252
(d)	Reconciliation of tax charge		
(-)	Profit before tax	2,400	1,16
	Income tax expense at tax rates applicable	604	293
	Tax effects of:		
	- Expenses not deductible for tax	117	24
	 Income Taxed at different rates (Long term capital gain) Different rates taken for DTA of Provision for long term Provision 		-
	 Impact of change deferred tax due to rate change Impact of deferred tax not created at taxable business loss 		
	-Impact of reclassification of employee benefit liabilities	7	(;
	- Others	(244)	(6)
		(244)	(0

IDBI Capital Markets & Securities Limited Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

(Amount in INR lakhs, unless otherwise stated)

			Tangit	Tangible Assets				Intangi	Intangible Assets		Total C
Particulars	Buildings	Computers	Furniture & Fixtures	Vehicles	Office Equipments	Total (A)	Web Trading Portal	Software	Stock Exchange Membership Card	Total (B)	C= (A)+(B)
Gross Carrying amount (At Cost or deemed cost)											
At April 1, 2020	3,672	311	108	31	88	4,210		261	8	269	4,479
Additions		23	0	10	2			41		41	76
Sales/ Adjustments		2	9 34	,	0	2				,	2
At March 31, 2021	3,672	332	108	41	06	4,243		302	8	310	4,553
Additions		70	~	3	10	81		62		62	143
Sales/ Adjustments				8		80				•	8
At March 31, 2022	3,672	402	109	33	100	4,316		364	8	372	4,688
Depreciation/ Amortisation											
At April 1, 2020	170	171	26	8	33	408		127	8	135	543
Depreciation for the year	85	88	6	2	18	207		12		71	278
Sales/ Adjustments		-	c	E	ŝ	-				i	-
At March 31, 2021	255	258	35	15	51	614		198	8	206	820
Depreciation for the year	85	60	11	7	16	179		73		73	252
Sales/ Adjustments				2		2				1	2
At March 31, 2022	340	318	46	20	67	161		271	8	279	1,070
Carrying amounts (net)											
Balance at March 31, 2021	3,417	74	73	26	39	3,629		104	0	104	3,733
Balance at March 31, 2022	3,332	84	63	13	33	3.525		63	0	93	3.618

Note: i) The company confirms that the title deed of immovable properties are held in the name of the company. ii) Intangible assets under development:



(a) Intangible Asset under development ageing schedule for the year ended on March 31, 2022

	Amount in intang	Total			
Intangible Asset under development	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	47	-	-	47
Projects temporarily suspended	-		-		-

Intangible Asset under development ageing schedule for the year ended on March 31,2021

Intangible Asset under development	Amount in intang	Amount in intangible asset under development for a period o				
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
Projects in progress	47	•	-	-	47	
Projects temporarily suspended	-	3=3	-	-	(: - :	

(b) Intangible Asset under development completion schedule for the year ended on March 31,2022

	To be completed	in		
Intangible Asset under development	Less than 1 year	1-2 years	2-3 years	More than 3 years
Project 1	-	47		-
Project 2	-	-	-	-

Intangible Asset under development completion schedule for the year ended on March 31,2021

1	To be completed	in		
Intangible Asset under development	Less than 1 year	1-2 years	2-3 years	More than 3 years
Project 1	47	-	-	
Project 2	-	1	-	-

-

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

		(Amount in INR lakhs, u	inless otherwise stated)
		As at	As at
		March 31, 2022	March 31, 2021
13	Right of Use Assets		
	Building		
	Cost as at March 31, 2021	3,164	3,171
	Addition during year	110	154
	Deduction during year	(0)	(161)
	As at the end of the year	3,274	3,164
	Accumulated Depreciation	1,469	879
	Depreciation for the year	653	629
	Deduction during year		(39)
	As at the end of the year	2,122	1,469
	Net Block at the end of the year	1,152	1,695
14	Other Non-Financial assets		
	Advance recoverable in kind		
	Advances to Service providers	18	48
	Prepaid Expenses	110	104
	Others	319	1,213
	Total	447	1,365

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

	(A)	nount in INR lakhs, unles	ount in INR lakhs, unless otherwise stated		
		As at	As at		
		March 31, 2022	March 31, 2021		
Fina	ncial Liabilities :	ale -			
15	Payables				
	Trade payables				
	i) Total outstanding dues of micro enterprises and small enterprises	2	1		
	ii) Total outstanding dues of creditors other than micro enterprises and				
	small enterprises*	2,890	3,490		
	Total Trade Payables	2,892	3,491		

Refer note 30 (information required under MSMED Act 2006)

Trade Payables ageing schedule for the year ended on March 31,2022

Particulars	Unbilled	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
MSME	-	2		-	-	2
Others	298	2,558	4	19	11	2,890
Disputed Dues- MSME			-		-	7
Disputed Dues- Others	62	522	<u> </u>	- 21	12	14 A
Total	298	2,560	. 4	19	11	2,892

Trade Payables ageing schedule for the year ended on March 31,2021

Particulars	Unbilled	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
MSME	-	1				1
Others	62	3,410	5	5	8	3,490
Disputed Dues- MSME			-			111
Disputed Dues- Others	1.93	2 4	-	. *	242	-
Total	62	3,411	5	5	8	3,491

16	Borrowings		
	Overdraft Facility	0	951
		0	951
17	Deposits		
	At amortised cost		
	i) Sundry Deposits	111	94
	ii) Margin Money Deposits	16	29
	Total Deposits	127	123
18	Lease liability		
	Balance at the beginning	1,822	2,402
	Additions	112	154
	Finance cost accrued during the period	102	135
	Deletions	(1)	(142)
	Payment of lease liabilities	(754)	(727)

Total Lease liabilities	1,281	1,822
Other Financial Liabilities		
i) Employee related payables	337	70
ii) Client's settlement dues	93	31
Total Other Financial Liabilities	430	101
ancial Liabilities :		
Provisions		
i) Provision for employees benefit (Refer note 32)	276	191
ii) Other Provisions	298	63
Total Provisions	574	254
Other Non-Financial Liabilities		
i) Statutory Dues	398	338
Total Other Non-Financial Liabilities	398	338
	Other Financial Liabilities i) Employee related payables ii) Client's settlement dues Total Other Financial Liabilities mancial Liabilities : Provisions i) Provision for employees benefit (Refer note 32) ii) Other Provisions Total Provisions Other Non-Financial Liabilities i) Statutory Dues	Other Financial Liabilitiesi) Employee related payables337ii) Client's settlement dues93Total Other Financial Liabilities430mancial Liabilities :430Provisions276i) Provision for employees benefit (Refer note 32)276ii) Other Provisions298Total Provisions574Other Non-Financial Liabilities398

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

			(Amou	nt in INR lakhs, unless o	therwise stated)
			March 31,		As at
			2022	1	March 31, 2021
22	Equity share capital				
	The Company has only one class of equity share capital hav INR 10 per share, referred to herein as equity shares.	ing a par value of			
	Authorized				
	20,00,00,000 (31 March 2021:20,00,00,000) Equity Shares of	INR 10 each.	20,000		20,000
			20,000	-	20,000
	Issued, subscribed and paid up				
	12,81,00,000 (31 March 2021: 12,81,00,000) Equity shares of	NR 10 each fully paid	12,810		12,810
	Total	,	12,810		12,810
(-)	Reconciliation of equity shares outstanding at the	As at		As at	
(a)	beginning and at the end of the year	March 31, 2	022	March 31,	2021
		Number of shares	Amount	Number of shares	Amount
	Outstanding at the beginning of the year	12,81,00,000	12,810	12,81,00,000	12,810
	Add: Issued during the year				
	Less: Bought Back during the year				
	Outstanding at the end of the year	12,81,00,000	12,810	12,81,00,000	12,810

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

IDBI Bank Ltd (Holding Company) along with its nominees

12,81,00,000 (31 March 2021: 12,81,00,000) Equity shares of INR 10 each fully paid

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

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Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

ī.	205 8	(Amount in INR lakhs	s, unless otherwise stated)
		As at	As at
		March 31, 2022	March 31, 2021
23	Other equity		
	Reserves & Surplus		
(a)	Capital Redemption Reserve		
	Opening Balance	7,190	7,190
	Add: Current Year Transfer		9 9
	Less: Written Back in Current Year		÷
	Closing Balance	7,190	7,190
(b)	General reserve		
	Opening Balance	11,250	11,250
	Add: Current Year Transfer	-	-
	Less: Written Back in Current Year	-	-
	Closing Balance	11,250	11,250
(c)	Retained Earnings		
	Balance at the beginning of the year	2,812	1,896
	Add: Net Profit For the current year	1,916	911
	Add: Remeasurement gains/ losses on gratuity	(19)	5
	Add: Ind AS 116 Impacts		
	Less: Appropriations		-
	Interim Dividend		-
	Tax on Interim Dividend		-
	Proposed Dividend	17.1	
	Tax on Proposed Dividend	-	¥
	Transfer to Reserves		R
	Balance at the end of the year	4,709	2,812
	Total other equity	23,149	21,252

Nature and purpose of reserves

(i) **Capital redemption reserve**: The Company has recognised Capital redemption reserve on buy back of equity shares from its general reserve. The amount in capital redemption reserve is equal to nominal amount of equity shares bought back.

(ii) General reserve: This represents accumulation of profits retained by Company to meet future (known/ unknown) obligations.
 (iii) Retained earnings: Retained earnings are profits that Company has earned till date, less transfer to general reserve, dividends (incl. dividend distribution tax) or other distributions paid to shareholders.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

		(Amount in INR lakhs, unless otherwise stated			
		Year ended March 31,2022	Year ended March 31,2021		
4	Other income	51,2022	51,2021		
	Income from Mutual fund redemptions	80	10		
	Profit on Sale of Investments	117	15		
	Profit on Sale of Assets	0			
	Other Non-operating Income:				
	Interest Received on Bonds/Fixed Deposits	376	49		
	Interest Received on Income Tax Refund	54 S	6		
	Recovery from Written off Accounts		1		
	Recovery from Error Trade	(2)			
	Miscellaneous Income	19			
	Total other income	590	83		
25	Impairment on financial instruments				
	(A) On financial instruments measured atfair value through OCI:	-			
	(B) On financial instruments measured at amortised cost:				
	(a) Loans	144	2		
	(b) Others		_		
	-On trade receivables	182	58		
		326	60		
26	Operating expanses				
20	Operating expenses Brokerage Paid	565	51		
	(a) A second and the second se Second second se	279	37		
	Operating Charges Computer Maintenance Expenses	305	27		
	Marketing Expenses	164	9		
	Professional Charges	564	47		
	Franking/Stamp Expenses	32	3		
	Manpower Hire Charges Total Operating expenses	715 2,624	54 2,32		
27	Employee benefit expenses				
	Salaries, Wages & Allowances	3,543	2,98		
	Contribution to Provident and other funds(Refer Note 32)	245	25		
	Provision for Gratuity and Leave Encashment (Refer Note 32)	85	6		
	Other benefits	53	3		
	Total Employee benefit expenses	3,926	3,33		
28	Depreciation & Amortisation Expenses				
	Depreciation on Property Plant equipment	179	20		
	Amortisation of Intangible assets	73	7		
	Depreciation & Amortisation of Right of Use	653	63		
	Total Depreciation & Amortisation expenses	905	90		
29	Other Expenses	3			
29	Rent (Refer note 33)	31	6		
	Electricty Charges	15	1		
	Rates & taxes	91	8		
	Insurance	13	8		
		84	6		
	Repairs & Maintenance Travelling & Conveyance	84 81	5		
		149	18		
	Communication Expenses Printing & Stationery	37			
			2		
	Sitting fees to directors Legal Expenses	26 4	2		
	Logal Evpances				

8	3
72	69
8	8
1	1
4	5
1	43
87	63
712	716
	8 1 4 1 87

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

(Amount in INR lakhs, unless otherwise stated)

30

Disclosure pertaining to Micro, Small and Medium Enterprises (as per information available with the Company): Based on the intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and on the basis of the information and records available with the management, the following disclosures are made for the amounts due to the Micro, Small and Medium enterprises, which have registered with the competent authorities.

Sr. No.	Particulars	As at March 31, 2022	As at March 31, 2021
1	Principal amount due outstanding as at 31 st March	2	1
2	Interest due on (1) above and unpaid as at 31 st March	-	-
3	Interest paid to the supplier	-	
4	Payments made to the supplier beyond the appointed day during the year	-	2
5	Interest due and payable for the period of delay	5. 19	
6	Interest accrued and remaining unpaid as at 31 st March	. 19 8 .	÷
7	Amount of further interest remaining due and payable in succeeding year	62)	2

31 Earnings/ Loss per share

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Profit/(Loss) attributable to Equity shareholders (INR in lakhs)(A)	1,916	911
Weighted average number of Equity shares for basic EPS (B)	12,81,00,000	12,81,00,000
Effect of Dilution :		
Weighted average number of Equity shares adjusted for the effect of dilution (C)		
Basic EPS (Amount in INR) (A/B)	1.50	0.71
Diluted EPS(Amount in INR) (A/C)	1.50	0.71

32 Employee Benefits

		As at March 31, 2022	As at March 31, 2021
(A)	Defined Contribution Plans		
	During the year, the Company has recognized the following amounts in the Statement of Profit and		
	Loss - (Refer note 27)		
	Contribution to provident fund	107	9
	Contibution to national pension scheme	45	4
	Contribution to group mediclaim insurance	19	4
	Contribution to superannuation fund	0	
	Contibution to employees state insurance	1	
	Contibution to labour welfare fund		
	Total	173	18
(B)	Defined benefit plans		
	a) Gratuity payable to employees		
	b) Compensated absences for Employees		
i)	Actuarial assumptions		
20	Discount rate (per annum)	6.06%	6.06
	Rate of increase in Salary	5%	5
	Attrition rate	15%	15
	Employee's gratuity fund		
ii)	Changes in the present value of defined benefit obligation		
	Present value of obligation at the beginning of the year	267	23
	Interest cost	16	1
	Current service cost	35	3
	Benefits paid	(57)	(1
	Actuarial (gain)/ loss on obligations	26	(
	Present value of obligation at the end of the year*	286	26
iii)	Change in fair value of assets		
	Fair value of plan assets - opening	263	20
	Interest income	16	1
	Remeasurement due to actual return on planned assets less interest on planned assets		
	Benefits paid from the fund	(57)	(1
	Employer's contribution	55	6
	Actuarial gain/(loss)	0	
	Fair value of plan assets - closing	276	26
iv)	Expense recognized as Employee benefits expense in the Statement of Profit and Loss		
	Current Service Cost	35	3
	Past Service Cost		
	Administrative Expenses		
	Interest on net defined benefit Liability / (Asset)	0	
	(Gains) / losses on settlement		
	Total expenses recognized in the Statement Profit and Loss	35	3
v)	Expense / (income) recognized as OCI in the Statement of Profit and Loss		
-52	Remeasurements during the year due to:		
	Acturial (gains) / Losses on obligation for the period	26	
	Return on planned assets, excluding interest income	(0)	(1
	Change in Asset ceiling		
	Total	26	

vi	Assets and liabilities recognized in the Balance Sheet:		
	Present value of funded obligation as at the end of the year	(286)	(267)
	Fair value of plan assets	276	263
	Net asset / (liability) recognized in Balance Sheet*	(10)	(4)
	*Included in provision for employee benefits (Refer note 19)		- ANC
vii)	Expected contribution to the fund in the next year		
	Gratuity	51	39
	Total		
viii)	Sensitivity Analysis		
	Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to s		
	actuarial assumptions to which the benefit obligation results are particularly sensitive to are disco	ount rate and future escalation rate. A	quantitative
	sensitivity analysis for significant assumption is as shown below:		or and the second second
	Impact on defined benefit obligation		
	Discount rate		
	1% increase	(12)	(11)
	1% decrease	13	12
	Rate of increase in salary		
	1% increase	13	12
	1% decrease	(12)	(11)
ix)	Maturity profile of defined benefit obligation		26 52
	Year from the date of reporting		
	1st Following Year	48	58
	2nd Following Year	37	32
	3rd Following Year	36	30
	4th Following Year	34	29
	5th Following Year	30	27
	Sum of Years 6 To 10	127	108
	Sum of Years 11 and above	83	76
(C)	Defined benefit plans - leave encashment		
i)	Changes in the present value of defined benefit obligation		
	Present value of obligation at the beginning of the year	393	329
	Interest cost	24	21
	Current service cost	62	64
	Benefits paid	(65)	(37)
	Actuarial (gain)/ loss on obligations	31	17
	Present value of obligation at the end of the year*	444	393
ii)	Expense recognized as Employee benefits expense in the Statement of Profit and Loss		
13	Current service cost	62	64
	Interest on net defined benefit liability / (asset)	11	21
	Actuarial (gain) / loss on obligations	31	2
	(Gains) / losses on settlement		
	Total expenses recognized in the Statement Profit and Loss	105	86
iii)	Liabilities recognized in the Balance Sheet:		
	Opening Balance	187	102
	Expenses Recognised	105	86
	Contribution/Benefit paid by the company	(26)	-1
	Net liability recognised in Balance Sheet	266	187
iv)	Assets and liabilities recognized in the Balance Sheet:		
0.02	Present value of funded obligation as at the end of the year	(444)	(393)
	Fair value of plan assets	178	206
	Net asset / (liability) recognized in Balance Sheet*	(266)	(187)

33 Leases

Lease Labilities The Company has entered into lease transactions mainly for leasing of office premise for a period between 3 to 9 years. The terms of lease include terms of renewal, increase in rents in future periods, which are in line with general inflation, and terms of cancellation. The details of the right-of-use asset held by the Company is as follows

Particulars	
	As at March 31, 2022
Right-Of-Use Asset recognised in Balance Sheet	3,274
Total	3,274

Depreciation on right-of-use asset is as follows

Particulars	Year ended March 31, 2022
Depreciation on Right-of-Use Asset	2,122
Total	2,122

 Lease Liability is as follows
 As at March 31, 2022

 Lease Liability recognised in Balance Sheet
 1,281

 Total
 1,281

 Finance Cost
 Year ended March 31, 2022

real enueu March 51,
2022
102
102

The Company incurred INR 31 lakhs for the year ended March 31, 2022 towards expenses relating to short-term leases and leases of low-value assets. The total cash outflow for leases is INR 754 lakhs for the year ended March 31, 2022, including cash outflow for short term and low value leases. The Company has lease term extension options that are not reflected in the measurement of lease liabilities. Lease contracts entered by the Company majorly pertains for buildings taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

34 Related Party Disclosures:

(A) Names of related parties and description of relationship as identified and certified by the Company:

Name of the Related Party

Life Insurance Corporation of India IDBI Bank Limited IDBI Intech Limited upto 31.12.2020 IDBI Asset Management Limited IDBI Trusteeship Services Limited IDBI Federal Life Insurance Co Limited LIC Mutual Fund Asset Management Limited LIC Mutual Fund Trustee Private Limited LIC Pension Fund Ltd

Relationship

Promoter of Holding Company Holding Company Fellow Subsidiary Associate company Fellow Subsidiary Entity under common control of the holding company Entity under common control of the promoter of holding company Entity under common control of the promoter of holding company Entity under common control of the promoter of holding company

(B) Other related parties with whom the Company had transactions during the year

List of key management personnel: Iswar Padhan (Managing Director & CEO) V. Gopinath (Chief Financial Officer) - upto 31.05.2021 Christina D'souza (Company Secretary) Dattatraya Bhosale (Chief Financial Officer) - from 01.06.2021

Details of transactions with related party in the ordinary		the year	Outstanding during the year	
Holding Company:IDBI Bank Limited	Year ended	Year ended	As at	As at
	March 31, 2022	March 31, 2021	March 31, 2021	March 31, 2021
Interest received	87.95	65.96	20.65	55.28
Brokerage earned	8.94	2.51		1
Advisory Fees Income	8.50	164.01	162.53	429.61
Rent paid	692.60	699.11	7.62	5.7
Electricity Charges paid	1.28	1.65	148 J	1
Professional Charges paid		4.00		2
Repairs & maintenance	0.46		-	
Brokerage Paid	282.43	255.38	34.77	17.6
Sitting Fees	10.30	7.50	-	
Other Expenses	3.70	37.03	(*)	34.4
Staff on deputation (in IDBI Rolls)	53.20	84.34	5.30	3.7
Fixed Deposit		1,441.99	1,068.59	1,441.9
Overdraft Facility			-	950.6
Bank Balances	-		4,978.85	3,771.2
Share Capital held by IDBI Bank		•	12,810.00	12,810.0
Entity under common control*	Í			
a) IDBI Intech Limited	5	8		
Professional Charges	219.84	230.11	1.29	3.0
Advisory Fees Income	5			
b) IDBI Trusteeship Services Limited				
Brokerage earned	86.28	39.51		
Brokerage Paid	0.12		2.75	
Professional charges paid	2.55			
c) IDBI Federal Life Insurance Co Limited				
Brokerage earned	0	5.71	[
d) IDBI Asset Management Limited				

Investment in Equity Share Capital *			6666	6666
e) Life Insurance Corporation of India		2		
Advisory Fees Income		3.50	15.05	15.05
Brokerage earned	180.43	192.40		
f) LIC Mutual Fund Asset Management Limited				
Brokerage earned	7.37	4.09		
g) LIC Pension Fund Ltd				
Brokerage earned	2.29	1.45		

(iii) Key Management Personnel (KMP) Compensation of key management personnel Remuneration to Key Management Personnel 101.94 90.24 (includes pay, allowances and reimbursements) Perquisites & benefits 1.76 10.28 Pension scheme contribution & Provident Fund 6.90 5.35 4.75 Leave encashment 1.43 13.61 1.40 16.48 Gratuity

*In IDBI Asset Management Ltd, a subsidiary of IDBI Bank Ltd, the total holding of the company as on 31.03.2022 is 33.33 % (P.Y.31 March 2021: 33.33%). (Refer Note 7)

(D) Terms and conditions of transactions with related parties The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest free. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2021: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

35. Segment reporting

The Company follows Ind AS 108, 'Segment Reporting' which requires disclosure of segment information for the operating segments of the Company. The Company has identified geographic segments as its operating segments viz. Investment Banking, Institutional Banking, retail broking and others. Hence no separate segment information has been furnished herewith.

Segment Revenue	Year ended March 31, 2022	Year ended March 31, 2021
Investment Banking	4,254	3,173
Institutional Broking	804	659
Retail Broking	4,953	4,491
Others*	984	841
Total	10,995	9,164
Segment Result		
Investment Banking	1,173	45
Institutional Broking	167	106
Retail Broking	473	620
Others*	588	391
Total	2,400	1,163
Income Taxes	484	252
Net Profit	1,916	911

Segment Assets	As at March 31, 2022	As at March 31, 2021
Investment Banking	1,760	2,350
Institutional Broking	27	22
Retail Broking	3,712	3,065
Others*	21,323	19,338
Unallocated Assets	14,840	16,367
Total	41,661	41,142
Segment Liabilities		
Investment Banking	-	
Institutional Broking	-	5
Retail Broking	3,931	3,213
Others*		-
Unallocated Liabilities	1,771	3,868
Total	5,702	7,081

There are no significant non-cash expenses, included in segment expenses, other than depreciation and amortization expenses in respect of segment assets. *Figures shown in others includes non-operative income and exceptional items

Information about Major customers:

No customer individually accounted for more than 10% of the revenues in the year ended March 31,2021 and March 31,2022.

Secondary Segment (Geographical)

The Company's operations are located in India, and its overseas operations does not meet the criteria required of reportable segment, and hence has not been disclosed. All other assets and liabilities of the Company are located in India.

36 Contingent Liability Claims against the company not acknowledged as debt

Commitments	20.84	14.13
Estimated amount of contracts remaining to be executed on capital account and not provided for	106.97	17.90

Note:

a) Disputed Income Tax Matter

Disputed Income Tax matters are pending before various Appellate Authorities. The company has also been advised by its legal counsel that the tax demand against the company is untenable and likelihood of demand being upheld is low. Accordingly no provision in respect thereof has been made.

In respect of Assessment Years 2006-07 and 2008-09, the Income Tax Dept. has gone in appeal before High court pertaining to some of the expenses allowed to the Company in appellate proceedings. However there was no tax demands on the company due to adjustments of carried forward losses/admitted tax under MAT. In respect of Assessment Year 2012-13 (Financial Year 2011-12) Dept. has filed an appeal in High Court against the order of ITAT. This appeal before the High Court is in lodgment stage only as on March 31, 2022 and Company has taken necessary steps to defend its position. Similarly Company is in appeal in respect of Assessment Years 2016-17, 2017-18 and 2018-19 relating to certain disallowances made during the assessment proceedings though there have been no demands raised by the Dept. for the respective assessment years. The management is confident that its position is likely to be upheld in the appeals pending before appellate authorities and no liability could arise on the Company.

	Disputed Tax Amount (Rs in lakhs)		
Assessment Year			
	As on March 31, 2022	As on March 31, 2021	
2013-14	1,079.10	25.23	
2014-15	25.03	21.56	
2018-19	257.62	-	

b) Disputed Service Tax Matter

A show cause notice has been issued by the Service Tax Department for financial year 2012-13 on 07.05.2015 citing non-compliance of provisions of Rule 6(3) and Rule 6(3B) of Cenvat Credit Rules 2004 and asked the company to remit INR 159.56 lakhs along with interest though IDBI Capital do not fall within the meaning of a banking company and financial institution including a non-banking company as mentioned in Rule 6(3B) of Cenvat Credit Rules 2004. The matter has been heard and order has been received by the company on 02.02.2021. The company has filed the appeal against the order on 25.03.2021. The matter now pending before The Commissioner of CGST & C.Ex. (Appeals-I). The Company has also been advised by its counsel that the service tax demand against the company is untenable and likelihood of demand being upheld is low. Accordingly no provision in respect thereof has been made.

Further, show cause notices have been raised by the Service Tax Department for the following financial year based on the findings during the Service Tax Audit conducted by the Department. All the show cause notices have been contested by the Company and are pending before the respective authorities and no demands have been raised on the Company by the Dept.

ria a la Vara	Disputed Service Tax Amount			
Financial Year	(Rs in lakhs)			
	As on March 31,2022	As on March 31, 2021		
2012-13	319.22	319.22		
2013-14	177.98	177.98		
2014-15	186.92	186.92		
2015-16	176.54	176.54		
2016-17	65.6	65.6		
2017-18	11.65	11.65		
TOTAL	937.91	937.91		

Pending receipt of order giving effect to Appellate Decisions in favour of the Company for earlier assessment years, effect of adjustments/reversals if any, in respect of Income Tax provision of those years has not been reflected during the year. (Refer Note 9)

37. Expenditure towards Corporate Social Responsibility (CSR) Activities -

Prosoc Innovators - School bags

Total

As per section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A CSR committee has been formed by the Company as per the Act. Year ended March 31, 2022 Year ended March 31, 2021

			-		
Amount	required to be spent u/s 135 of the Companies A	Act, 2013		1.38	10.00
Total exp	enditure towards CSR Activities				
a)	Construction/acquisition of any asset	Nil	Nil		
b)	On purpose other than (a) above	7.75	3.00		
c)	The amount of shortfall at the end of the yea the Company during the year	Nil	Nil		
d)	 d) The total of previous years' shortfall amount 			Nil	Nil
e)	Reason for above shortfall			NA	NA
f)	The nature of CSR activities undertaken by th	ie Company -			
	Particulars	Amount (Rs in lakhs)	Date of Payment		
	PM Care funds	2.00	24.02.22		
	Maharashtra State Disaster Mgmt Authority	1.00	24.02.22		
	Swatchh Bharat Kosh	2.00	24.02.22		

2.75

7.75

29.03.22

As at March 31, 2021

As at March 31, 2022

38	Earnings and expenditure in foreign currency	Year ended March 31, 2022	Year ended March 31, 2021
	(i) Earnings in foreign currency Advisory Services	32.94	40.07
	(ii) Expenditure in foreign currency Travelling	4.05	NIL

39 There has been no material change in the controls or processes followed in the closing of the financial statements of the Company. The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on its operations and its assets including the value of its investments and trade receivables as at March 31, 2022. Changes in market conditions due to on-going pandemic may have an impact on the operations of the Company. SEBI regulated entities have been declared as an essential service and accordingly, the Company has been in operation consistently with permitted staff. Accordingly, as of March 31, 2022, based on the facts and circumstances existing as of that date, the Company does not anticipate any material uncertainties which affect its liquidity position. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration.

40. Financial Instruments

40.1 Capital Management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholders value.

The Company's objective, when managing Capital, is to safeguard the ability of the Company to continue as a going concern. The Company's capital management strategy is to effectively determine, raise and deploy capital so as to maximize the shareholder's value.

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board. The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity, operating cash flows generated and short term debt. The Company is not subject to any externally imposed capital requirements.

40.2 Categories of Financial Instruments:

Particulars		As at March 31, 2022			
	Amortised Cost	At Fair Value Through Profit	Total		
		& Loss			
Financial Assets					
(a) Cash and cash equivalents	9,831		9,831		
(b) Bank balances other than cash and cash equivalents	7,697		7,697		
(c) Receivables					
(i) Trade receivables	1,915		1,915		
(d) Investments	6,666	2,856	9,522		
(e) Other financial assets	344		344		
Total Assets	26,453	2,856	29,309		
Financial Liabilities			7.9		
(a) Trade Payables	2,892		2,892		
(b) Borrowings	0		0		
(c) Deposits	127		127		
(d) Other financial liabilities	1,281		1,281		
(e) Lease liabilities	430		430		
Total Liabilities	4,730		4,730		

Particulars	As at March 31, 2021				
5-0-0_10000_940000_0	Amortised Cost	At Fair Value Through Profit & Loss	Total		
Financial Assets			- 2		
(a) Cash and cash equivalents	7,965		7,965		
(b) Bank balances other than cash and cash equivalents	7,719		7,719		
(c) Receivables			7.		
(i) Trade receivables	2,509		2,509		
(d) Investments	6,666	1,820	8,486		
(e) Other financial assets	1,503		1,503		
Total Assets	26,362	1,820	28,182		
Financial Liabilities					
(a) Trade Payables	3,491		3,491		
(b) Deposits	1,074		1,074		
(c) Other Financial Liabilities	1,822		1,822		
(d) Lease Liabilities	101		101		
Total Liabilities	6,488	-	6,488		

40.3 Fair Value Measurement

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. The Company evaluates the significance of financial instruments and material accuracy of the valuations incorporated in the financial statements as they involve a high degree of judgement and estimation uncertainty in determining the carrying values of financial lastets at the balance sheet date. Fair value of financial instruments is determined using valuation techniques and estimates which, to the extent possible, use market observable inputs, but in some cases use nonmarket observable inputs. Changes in the observability of significant valuation inputs can materially affect the fair values of financial instruments. In determining the valuation of financial instruments, the Company makes judgements on the amounts reserved to cater for model and valuation risks, which cover both Level 2 and Level 3 instruments, and the significant valuation judgements in respect of Level 3 instruments.

Fair Value Hierarchy

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as explained below. Assets and liabilities carried at fair value or for which fair values are disclosed have been classified into three levels according to the observability of the significant inputs used to determine the fair values. Changes in the observability of significant valuation inputs during the reporting period may result in a transfer of assets and liabilities within the fair value hierarchy. The Company recognises transfers between levels of the fair value hierarchy when there is a significant change in either its principal market or the level of observability of the inputs to the valuation techniques as at the end of the reporting period.

Level 1: Fair value measurements are those derived from unadjusted quoted prices in active markets for identical assets or liabilities

Level 2: Fair value measurements are those with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable

Level 3: Fair value measurements are those where at least one input which could have a significant effect on the instrument's valuation is not based on observable market data

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

Particulars	As at 31, March 2022	As at 31, March 2021	As at 31, March 2020	Fair Value Hierarchy
Financial Assets				
Liquid fund	4,302	3,500		Level 1
Equity Shares - Quoted	604	414	685	Level 1
Equity Index Funds	•		176	Level 1
Investments in Alternative Investment Fund	2 2 50	1.404	774	Level 2

There were no transfers between Level 1, Level 2 and Level 3 during the year

Valuation Techniques

Equity instruments

The equity instruments that are actively traded on public stock exchanges are valued at readily available active prices on a regular basis. Such instruments are classified as Level 1.

Units held in funds having quoted market price are fair valued at Level 1. Others which are measured based on their net asset value (NAV) as on reporting date, taking into account redemption and/or other restrictions. Such instruments are generally Level 3.

Equity instruments in non-listed entities included investment in private equity funds are initially recognised at transaction price and re-measured (to the extent information is available) and valued on a case-by-case basis and classified as Level 2.

Valuation adjustments and other inputs and considerations

A one percentage point change in the unobservable inputs used in fair valuation of Level 3 financial assets does not have a significant impact in its value

No valuation adjustments have been made to the prices/yields provided for valuation.

Other Financial Assets and Liabilities

With respect to Bank Balances and Cash and Cash Equivalents, Other Financial Assets, Trade Payables and Other Financial Liabilities, the carrying value approximates the fair value.

The fair value of other current financial assets, cash and cash equivalents, trade receivables investments trade payables and other financial liabilities approximate the carrying amounts because of the short term nature of these financial instruments. The amortized cost using effective interest rate (EIR) of non-current financial assets consisting of security and term deposits are valued considering present value of expected payments and discounted using an appropriate discounting rate. Financial assets that are neither past due nor impaired include cash and cash equivalents, security deposits, term deposits, and other financial assets.

40.4 Financial Risk Management

Whilst risk is inherent in the Company's activities, it is managed through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating, regulatory and competition risks.

Risk Management Framework

The Company has a formal risk assessment program to proactively identify the risks and ensure all possible strategies to control & mitigate in pursuit of achieving the Company's objective. Every department is responsible for identification of their risks and putting it in their Risk Registers. The consolidated Risk Register is analyzed at a Committee Level.

At present, the risks faced by the Company are broadly categorized as below:-

Credit Risk Liquidity Risk Market Risk

A) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of our investments. Thus, our exposure to market risk is a function of investing and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

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. 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.

B) Liquidity risk

The Company's current assets aggregate to INR 17,528 (March 31, 2021 - INR 15,685) including current investments, cash and cash equivalents and bank balances against aggregate current liability INR 3,449 (March 31, 2021 INR 4,665) and non current liabilities amounting to INR 1,281 (March 31, 2021 INR 1,822) on the reporting date. While the Company's total equity stands at INR 35,959 (March 31, 2021 INR 34,062), it has borrowing amounting to Nil (March 31, 2021 INR 951). Hence liquidity risk or risk that the Company may not be able to settle or meet its obligations as they become due does not exist.

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at March 31, 2022

Particulars	Less than 3 Months	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years	Total carrying Value
Financial Assets						
(a) Cash and cash equivalents	9,831					9,831
(b) Bank balances other than cash and cash equivalents	2,093	2,398	2,703	503		7,697
(c) Receivables						
(i) Trade receivables	3,628	650	150	-2,513		1,915
(d) Investments			6,666	604	2,251	9,522
(e) Other financial assets					344	344
Total	15,553	3,048	9,519	-1,406	2,595	29,309
Financial Liability					-	
(a) Trade payables	2		2,890			2,892
(b) Borrowings	0					0
(c) Deposits			127			127
(d) Lease liabilities	1,281					1,281
(e) Other financial liabilities					430	430
Total	1,283	83 8 3	3,017) <u></u>	430	4,730

C) Creditrisk

Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash and cash equivalents, time deposits, and accounts receivables. The Company maintains its cash and cash equivalents, time deposits, with banks having good reputation, good past track record, and who meet the minimum threshold requirements under the counterparty risk assessment process, and reviews their credit-worthiness on a periodic basis. Accounts receivables of the Company are typically unsecured. As there is no independent credit rating of the customer available with the Company perform ongoing credit evaluations of their customers' financial condition and monitor the creditworthiness of their customers to which they grant credit terms in the normal course of business.

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of dealing with creditworthy counter parties as a means of mitigating the risk of financial loss from defaults. The exposure is continuously monitored.

Impairment Assessment

The references below show where the Company's impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the Summary of significant accounting policies. The Company has followed simplified method of ECL in case of Trade receivables and the Company recognises lifetime expected losses for all trade receivables that do not constitute a financing transaction. At each reporting date, the Company assesses the impairment requirements

The Company recognised lifetime expected credit losses for financial instruments for which there have been significant increase in credit risk since initial recognition considering all reasonable and supportable information, including that of forward looking.

Definition of default

Based on the industry practices and business environment in which the entity operates, management considers that the trade receivables are in default if the payment is 180 days overdue

Probability of Default

Probability of Default (PD) is an estimate of the likelihood of a default over a given time horizon

Exposure at Default (EAD)

Exposure at Default (EAD) is the expected outstanding balance of the receivable at the point of default.

Loss given default

Loss given Default (LGD) is the amount that would be lost in the event of a default

Forward looking information

Considering this fact, and also considering that the inflation seems to be on the decline, the Company has assumed three scenarios as follows with the respective weights.

Scenario	As at 31, March 2022	Fair Value Hierarchy
1	2%	2%
2	0%	0%
З	10%	10%

Scenario 1: For each and every receivables all the buckets are bumped down by 2% and the ECL is computed as mentioned in the previous sections to arrive at the ECL. This scenario is given a weight of 10%

Scenario 2: ECL computed without any change in any of the buckets. This scenario is given a weight of 50%

Scenario 3: For each and every receivables all the buckets are bumped up by 5%/10% and the ECL is computed as mentioned in the previous sections to arrive at the ECL. This scenario is given a weight of 40%

Expected credit loss is then computed based on all the three scenarios. ECL is adjusted with the appropriate weights assigned for each scenario and the weighted average ECL is arrived at as the ECL for the year. The company has adopted a policy of not providing for expected credit losses on group company debtors.

Write off policy Financial Assets are written off either partially or in their entirety only when the company has no reasonable expectation of recovery

Movement of Gross Exposures and impairment provision of the Financial Instruments

Particulars	Gross debtors	Provision
As at 31, March 2021	4,220	2,182
As at 31, March 2022	4,095	2,334

41. Maturity Analysis of Assets and Liabilities: The Table below shows an analysis of assets and liabilities according to when they are expected to be recovered or settled: As at March 31,2022

Particulars	Upto 12 Months	More than 12 Months	Total
Financial Assets			
(a) Cash and cash equivalents	9,831		9,831
(b) Bank balances other than cash and cash equivalents	7,697		7,697
(c) Receivables	-34		
(i) Trade receivables	1,187	728	1,915
(d) Investments		9,522	9,522
(e) Other financial assets		344	344
Non Financial Assets			
(a) Current tax assets (net)		3,345	3,345
(b) Deferred tax asset (net)		160	160
(c) Property, plant and equipment		3,525	3,525
(d) Right of use		1,152	1,152
(e) Intangible assets under development		47	47
(f) Other Intangible assets		93	93
(g) Other non-financial assets	3,583	-3,136	447
Total Assets	22,298	15,779	38,078
Financial Liabilities			
(a) Trade Payables	2,892		2,892
(b) Borrowings	0		0
(c) Deposits		127	127
(d) Other financial liabilities		1,281	1,281
(e) Lease liabilities	337	93	430
Non Financial Liabilities			
(a) Provisions	298	277	574
(b) Other non-financial liabilities	398	-	398
Total Liabilities	1,033	1,778	5,702
Net	21,265	14,002	32,376
As at March 31, 2021			
Particulars	Upto 12 Months	More than 12 Months	

Particulars	Upto 12 Months	More than 12 Months	
		-	Total
Financial Assets			
(a) Cash and cash equivalents	7,965		7,965
(b) Bank balances other than cash and cash equivalents	7,719		7,719
(c) Receivables			
(i) Trade receivables	1,363	1,146	2,509
(d) Investments	10	8,486	8,486
(e) Other financial assets		1,503	1,503
Non Financial Assets			
(a) Current tax assets (net)		3,117	3,117
(b) Deferred tax asset (net)		75	75
(c) Property, plant and equipment		3,629	3,629
(d) Right of use		1,695	1,695
(e) Intangible assets under development		47	47
(f) Other Intangible assets		104	104
(g) Other non-financial assets	2,947	-1,582	1,365
Total Assets	19,995	18,219	38,214
Financial Liabilities			
(a) Trade Payables	3,491	-	3,491
(b) Borrowings	951		951
(c) Deposits	-	123	123

Net	15,081	15,919	37,876
Total Liabilities	4,914	2,301	6,849
(b) Other non-financial liabilities	338	14	338
(a) Provisions	63	254	
Non Financial Liabilities			
(e) Lease liabilities	70	101	1,822
(d) Other financial liabilities	111110	1,822	123

42. Struck off companies details

42. Struck off companies details			(Rs. In lakhs)
Name of the Struck off Company	Nature of transactions with Stuck off Company	Balance Outstanding as on 31.03.2022	Relationship with the struck off company, if any, to be disclosed
BP FOODS PRODUCTS PVT LTD	Receivables	6.8	-

With regard to the new amendments under "Division III of Schedule III" under "Part I - Balance Sheet - General Instructions for preparation of 43. Balance Sheet" clauses WA, WB (i),(ii),(iii),(iv),(v),(vi),(viii),(ix),(x),(xiii),(xiii),(xv),(xv) and (xvi), the Company does not have any data/ information to disclose.

44. Code on Social Security, 2020 :

The Code on Social Security, 2020 ('the Code') received presidential assent on 28th September, 2020. The Ministry of Labour and Employment, released the draft rules of the Code on 13th November, 2020, however, the date on which the Code will come into effect has not yet been notified. The Company will assess and record the financial impact of the Code in the period(s) when it becomes effective.

Previous year figures have been regrouped/reclassified to confirm presentation as per Ind AS as required by Schedule III of the Act. 45.

For and on behalf of the Board of Directors

As per our report of even date

For Shah Gupta & Co **Chartered Accountants** Firm Registration No: 109574W

sd/-Vedula Prabhakar Sharma Partner Membership No. 123088 UDIN: 22123088ANIDZF4044

Place: Mumbai Date: July 15, 2022 sd/-**Rakesh Sharma** Chairman DIN: 06846594

Iswar Padhan **Managing Director & CEO** DIN: 03560275

sd/-

sd/-**Dattatraya Bhosale Chief Financial Officer** sd/-Christina D'souza **Company Secretary** M.No. : ACS18781



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