PRIMARY DEALERS' Association of India

ON THE JOURNEY TOWARDS A **NEW INDIA**

25TH ANNUAL REPORT 2021-22

BOARD OF DIRECTORS

Shri. Shailendra Jhingan
Managing Director & CEO
ICICI Securities Primary Dealership

Shri. Prasanna Patankar
Managing Director
STCI Primary Dealer

Shri. Srinivas Varadarajan
Head of FIC India
Deutsche Bank AG

Shri. Vikas Goel
Managing Director
PNB Gilts

Shri. Abhishek Sancheti
CEO
Morgan Stanley India
Primary Dealer

Shri. Vikas Jain
Managing Director & Head of FICC
Trading Global Markets Group
Bank of America N.A.

Shri. Pradeep Kumar Sehrawat
General Manager - Treasury
IDBI Bank

Shri. Kumar Viswanathan
(From 06.09.2022)
Managing Director & CEO
SBI DFHI

Shri. Ankit Maheshwari
(From 06.09.2022)
Director - Head of Rates Global Market, India
HSBC Bank

Shri. Sridhar Kolli
(Up to 05.09.2022)
Managing Director & CEO
SBI DFHI

Shri. Sanket Sanghavi
(Up to 05.09.2022)
Director - Head of Rates Global Market, India
HSBC Bank

BOARD OF DIRECTORS

Shri. Shailendra Jhingan	ICICI Securities Primary Dealership Limited
Shri. Prasanna Patankar	STCI Primary Dealer Limited
Shri. Srinivas Varadarajan	Deutsche Bank AG
Shri. Vikas Goel	PNB Gilts Ltd.
Shri. Abhishek Sancheti	Morgan Stanley India Primary Dealer Pvt. Ltd.
Shri. Vikas Jain	Bank of America N.A.
Shri. Pradeep Kumar Sehrawat	IDBI Bank Ltd
Shri. Kumar Viswanathan (From 06.09.2022)	SBI DFHI Ltd
Shri. Ankit Maheshwari (From 06.09.2022)	The Hongkong and Shanghai Banking Corporation Limited
Shri. Sridhar Kolli (Up to 05.09.2022)	SBI DFHI Ltd
Shri. Sanket Sanghavi (Up to 05.09.2022)	The Hongkong and Shanghai Banking Corporation Limited

AUDITORS

Borkar & Muzumdar
Chartered Accountants
21/168, Anand Nagar Om C.H.S.,
Off Nehru Road, Vakola,
Santacruz (E),
Mumbai 400 055.

BANKERS

Canara Bank

REGISTERED OFFICE

PRIMARY DEALERS' ASSOCIATION OF INDIA
C/o STCI Primary Dealer Ltd.,
A/B-1, 801, A-Wing, Marathon Innova, Marathon NextGen Compound,
Off Ganpatrao Kadam Marg, Lower Parel (W), Mumbai-400 013.
Tel : 022 22654 578
Email : pdai.org@gmail.com
Website : http://pdai.co.in

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the Twenty-Fifth Annual Report of the **Primary Dealers' Association of India (PDAI)** together with the audited financial statements for the financial year ended March 31, 2022.

Overview of the Markets

Global Markets

In the first half of FY2021-22, global economic activity achieved gradual recovery as most countries focussed on vaccination to combat recurring waves of covid infection. Pent up demand coupled with intermittent supply disruptions – viz. shortage of semiconductors, port congestion, rise in price of raw materials – led to rise in inflation in advanced economies, which were initially dismissed as being 'transient'. Nevertheless, persistent rise in inflation – coupled with economic recovery – eventually led central banks across the globe to halt and reverse pandemic-era stimulus. The US Federal Reserve began tapering the pace of its assets purchases in November 2021 and finally ended them by March 2022. That month, the Fed also raised interest rates for the first time after the pandemic. Bond yields and commodity prices remained largely in an upward trajectory throughout the year. 10y UST travelled from 1.60% in April 2021 to 2.30% in March 2022, while Brent crude oil rose from 65 USD per barrel to 110 USD per barrel during this period. Escalation of the Ukraine conflict towards the end of the year (from February 2022 onwards) have further worsened inflation concerns, which have led to continued upward pressure on bond yields into FY23.

Indian Markets

FY 2021-22 began on a sombre note for India as the country was struck by the second wave of COVID-19 infections in April and May 2021. Subsequently, India's vaccination drive helped weather the Omicron wave of January 2022 with lesser disruption. The Reserve Bank of India began the year on an accommodative note and announced a bond buyback program 'GSAP' in April 2021. Net purchases by RBI (including purchases under ''GSAP') were ~Rs. 2.2 trillion. However, 'GSAP' was terminated by October 2021 and RBI began gradually normalizing monetary policy in the second half of the year as it faced higher and persistent inflation. First, RBI used more of variable rate reverse repos in the second half of FY22 to absorb surplus liquidity, thereby pushing up the weighted average overnight rates. Subsequently, RBI started formally raising policy rates in FY22, from April 2022 onwards.

The gross market borrowing by Centre reduced from Rs. 13.7 trillion in FY21 (including borrowing for GST shortfall) to Rs. 11.3 trillion in FY22 as fiscal deficit reduced from 9.2% of GDP in FY21 to 6.7% in FY22. Meanwhile, RBI's support to the bond market in the form of securities fell from Rs. 2.8 trillion in FY21 to Rs. 2.2 trillion in FY22. Indian bond yields rose amid signs of monetary policy tightening in an environment of rising global yields and commodity prices. The 10y Gsec Indian benchmark index started the year at 6.12% and ended it at 6.84%. RBI devolved 8.7% of issuance on Primary Dealers in this fiscal, as compared to 9.5% in FY21 and 0.52% in FY20.

The upward pressure on bond yields continues in FY23 amid elevated inflation, interest rate hikes by RBI and high budgeted gross borrowing of Centre at Rs. 14.3 trillion. However, state government borrowings have surprised lower, and full year borrowing also looks set to comfortably undershoot initial expectations. Markets also look forward to possible relief by inclusion of Indian government bonds in global bond indices, which should boost the foreign demand for domestic bonds in the next year.

A list RBI announcements and regulatory developments from March 2021 is as below:

A list of significant RBI announcements and regulatory developments from April 2021 is as below:

Date	Event
April 1, 2021	RBI issues Master Direction - Reserve Bank of India (Call, Notice and Term Money Markets) Directions, 2021. Consolidated limit of 225% for call, notice and term money borrowing introduced.
April 7, 2021	Bi-monthly Monetary Policy – MPC keeps the rates unchanged. MPC decides to continue with the accommodative stance. Announcement of G-SAP 1.0.
April 23, 2021	RBI cancels the underwriting for 30-year bond and cancels auction for 5-year bond
April 27, 2021	RBI issues guidelines for appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs)
May 5, 2021	RBI announces additional measures including higher than expected second tranche of G-SAP worth ₹ 350bn
June 4, 2021	Bi-monthly Monetary Policy – MPC keeps the rates unchanged. MPC decides to continue with the accommodative stance.
June 24, 2021	RBI issues guidelines for declaration of dividends by NBFCs.
June 25, 2021	RBI amends Master Direction - Reserve Bank of India (Call, Notice and Term Money Markets) Directions, 2021.
July 2, 2021	Benchmark securities of tenor 2-year, 3-year, 5-year, 10-year, 14-year tenor and Floating Rate Bonds (FRBs) to be, henceforth, issued using uniform price auction method.
August 6, 2021	Bi-monthly Monetary Policy – MPC keeps the rates unchanged. MPC decides to continue with the accommodative stance.
September 16, 2021	RBI releases Master Direction – Reserve Bank of India (Market-makers in OTC Derivatives) Directions, 2021
September 22, 2021	FOMCdecides to keep interest rates at zero and continue the current pace of asset purchases, while continuing to target the benchmark federal funds rate at a range of 0% to 0.25%
September 27, 2021	RBI releases calendar for auction of Government of India treasury bills for Q3-2022 – weekly auction amount increased to ₹ 20,000 crore and calendar for issuance of marketable dated securities for H2-2022.
September 30, 2021	RBI releases indicative calendar of market borrowings by state governments/ union territories for Q3-2022
October 8, 2021	Bi-monthly Monetary Policy – RBI keeps the rates unchanged. MPC decides to continue with the accommodative stance "as long as necessary to revive and sustain growth on a durable basis and continue to mitigate the impact of COVID-19 on the economy, while ensuring that inflation remains within the target going forward". RBI ends G-SAPs and increases the amounts to be absorbed under VRRR.
October 22, 2021	RBI releases Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs. Standalone Primary Dealers (SPDs) classified under 'Middle-layer'.

Date	Event
November 3, 2021	FOMC decides to maintain the target range for its benchmark policy rate at zero to 0.25% and to reduce Treasury purchases by $10 billion and mortgage-backed securities by $5 billion, marking the beginning of the end of the program aimed at shielding the economy from Covid-19 and
November 12, 2021	RBI launches 'Retail Direct Scheme'.
December 8, 2021	Bi-monthly Monetary Policy – MPC keeps the rates unchanged. MPC decides to continue with the accommodative stance. RBI decides to conduct longer term VRRR auctions in addition to 28-days VRRR auctions as and when required.
December 31, 2021	RBI releases indicative calendar of market borrowings by state governments/ union territories andcalendar for auction of Government of India treasury bills with higher weekly auction size for Q4-2022.
January 3, 2022	RBI releases revised indicative calendar of market borrowings by state governments/ union territories.
January 4, 2022	RBI issues 'Retail Direct Scheme - Market Making' regulations for PDs. prescribing presence on the NDS-OM platform (odd-lot and request for quotes segments) throughout market hours and responsibility to respond to buy/sell requests from Retail Direct Gilt Account Holders.
January 26, 2022	FOMC indicates it could soon raise interest rates as part of a broader tightening of historically easy monetary policy and releases statement outlining principles for reducing the size of the balance sheet while further reducing the quantum of bond-buying.
February 7, 2022	RBI cancels the auction of GOI dated securities to be held on February 11, 2022.
February 10, 2022	Bi-monthly Monetary Policy – MPC keeps the rates unchanged and decides to continue with the accommodative stance. RBI permits Banks to Deal in offshore Foreign Currency Settled Rupee Derivatives Market. RBI curtails the operational hours for Fixed Rate Reverse Repo and the MSF operations.
February 14, 2022	RBI cancels the auction of GOI dated securities to be held on February 18, 2022.
February 21, 2022	RBI Announces USD/INR 2-year Sell Buy Swap Auction for US $ 5 billion
February 24, 2022	Russia invades Ukraine
February 25, 2022	RBI announces revised calendar for auction of Government of India Treasury Bills for March 2022 – increases overall borrowing amount by ₹ 60,000 crore.
March 16, 2022	FOMC raises rates by 0.25%, changes the target range for its benchmark policy rate at 0.25% to 0.50%. It expects to begin reducing its holdings of Treasury securities and agency debt and agency mortgage-backed securities at a coming meeting. FOMC also pencils in increases at each of the six remaining meetings this year, pointing to a consensus funds rate of 1.9% by year's end.
March 29, 2022	RBI announces USD/INR 2-year Sell Buy Swap Auction for US $ 5 billion
March 31, 2022	RBI extends the guidelines related to bilateral netting of Qualified Financial Contracts to SPDs and other market participants.

Date	Event
March 31, 2022	RBI releases issuance calendar for marketable Dated Securities for H1-2023 and calendar for auction of Government of India Treasury Bills for Q1-2023.
April 5, 2022	RBI releases indicative Calendar of Market borrowings by State Governments/ Union Territories for Q1-2023.
April 8, 2022	Bi-monthly Monetary Policy – MPC keeps the rates unchanged and decides to continue with the accommodative stance while focusing on withdrawal of accommodation to ensure that inflation remains within the target going forward, while supporting growth. RBI operationalises SDF replacing Fixed Rate Reverse Repo (FRRR) as the floor of the LAF corridor. RBI restores the opening time for financial markets regulated by it to the pre-pandemic timing of 9:00 am. The limit for SLR holdings under HTM category is increased to 23% of NDTL with banks allowed to include securities acquired between April 1, 2022 and March 31, 2023 under the enhanced limit of 23%.
April 11, 2022	RBI issues guidelines for 'Compliance Function and Role of Chief Compliance Officer (CCO) – NBFCs'
April 29, 2022	RBI releases 'Guidelines on Compensation of Key Managerial Personnel (KMP) and Senior Management in NBFCs'.
May 4, 2022	Off-cycle Monetary Policy Committee Meeting – MPC increases rates by 0.40% and decides to remain accommodative while focusing on withdrawal of accommodation to ensure that inflation remains within the target going forward, while supporting growth.
May 4, 2022	FOMC raises rates by 0.50%, changes the target range for its benchmark policy rate at 0.75% to 1.00%. FOMC decides to begin reducing its holdings of Treasury securities and agency debt andagency mortgage-backed securities on June 1. FOMC also pencils in increases at each of the six remaining meetings this year, pointing to a consensus funds rate of 1.9% by year's end.
June 1, 2022	RBI issues Master Direction – Reserve Bank of India (Variation Margin) Directions, 2022.
June 8, 2022	Bi-monthly Monetary Policy – MPC increases rates by 0.50%. MPC decides to remain focused on withdrawal of accommodation to ensure that inflation remains within the target going forward, while supporting growth.
June 15, 2022	FOMC raises rates by 0.75%, changes the target range for its benchmark policy rate at 1.50% to 1.75%.
June 30, 2022	RBI issues calendar for auction of Treasury Bills for Q2-2023. Weekly amount of auction reduced to ₹ 21,000 crore.
July 1, 2022	RBI issues indicative calendar of market borrowings by State Governments/ Union Territories for the Q2-2023.
July 27, 2022	FOMC raises rates by 0.75%, changes the target range for its benchmark policy rate at 2.25% to 2.50%.
August 5, 2022	Bi-monthly Monetary Policy – MPC increases rates by 0.50%. MPC decides to remain focused on withdrawal of accommodation to ensure that inflation remains within the target going forward, while supporting growth.

PDAI Activities

Significant Regulatory Updates:

(1) Draft Directions: RBI has issued Draft Directions on exchange of Initial Margin (IM) for Non-Centrally Cleared Derivatives.

(2) PDs have been allowed to rely on the Know Your Customer (KYC) verification of the Retail Direct Gilt (RDG) account holders done under the retail direct scheme for transacting with RDG account holders on the RFQ segment of NDS-OM.

(3) New definition of Retail: In addition to Individuals, RBI has allowed PDs to consider trades with RDG account holders on Request for Quote segment of NDS-OM as well as trades upto face value of ₹1 crore on NDS-OM Odd-lot segment as trades with retail segment.

(4) RBI has proposed to enable SPDs to offer all foreign exchange market-making facilities as currently permitted to Category-I Authorised Dealers, subject to prudential guidelines. Regulations in this respect shall be issued shortly.

(5) RBI has permitted SPDs authorized under section 10(1) of FEMA,1999, to undertake transactions in the offshore Rupee Overnight Indexed Swap (OIS) market with non-residents and other market makers.

Financial Highlights

(Amount in Rs.)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Surplus before tax	9,57,192	19,91,377
Provision for tax	6,21,630	10,60,890
Tax adjustment of previous years (Net)	4,17,894	-
Surplus after tax carried to Balance Sheet	(82,332)	9,30,487

Material changes and commitments affecting the financial position of the Company

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

Capital

The Company is incorporated as "Company Limited by Guarantee" and registered under Section 25 of the Companies Act, 1956. Therefore, the information as per provisions of Section 43(a) (ii), Section 54 (1) (d), Section 62 (1) (b) of the Companies Act, 2013 are not applicable to the Company

Members

During the year under review, no new member was admitted to the Association.

During the current financial year, there were no changes among the members, and at present the total number of members of the Association stands at 21.

Directors

During the year under review, Mr. Kumar Viswanathan, Managing Director & CEO, SBI DFHI Ltd. was appointed as Director in the casual vacancy caused on account of retirement of Mr. Sridhar Kolli from SBI DFHI Ltd., Mr. Ankit Maheshwari, Director – Markets Rates, The Hongkong And Shanghai Banking Corporation Ltd was appointed as Director in the casual vacancy caused on account of vacation of office by Mr. Sanket Sanghavi.

Your Directors place on record their appreciation for the valuable services rendered by Mr. Sanket Sanghavi and Mr. Sridhar Kolli during their tenure as Directors of the Company.

In terms of Article 43(B)(b) of the Articles of Association, Mr. Srinivas Varadarajan, Mr. Pradeep Sehrawat and Mr. Ankit Maheshwari representing Deutsche Bank AG, IDBI Bank Ltd and The Hong kong And Shanghai Banking Corporation Ltd will retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

All the directors of the Company have confirmed that they are not disqualified from being appointed as directors in terms of Section 164 of the Companies Act, 2013.

Number of Meetings of the Board

The Board of Directors duly met four times respectively on 16th April, 2021, 27th August, 2021, 18th November, 2021 and 21st February, 2022 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

Particulars of Remuneration

No Managerial Remuneration has been paid to the Directors.

Further none of the employees of the company were in receipt of remuneration exceeding the limits prescribed under Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Particulars of contracts or arrangement with related parties

During the year under review, the Company has not entered into any contract or arrangement with related parties pursuant to Section 188 of the Act. Form No. AOC-2 pursuant to Section 134(3) (h) of the Act read with Rule 8 (2) of the Companies (Accounts) Rules, 2014 is given in Annexure I and the same forms part of this report.

Particulars of loans, guarantees or investments

The Association has not given any loans or provided any guarantees and made any investments during the financial year ending March 31, 2022.

Auditors

Messrs. Borkar & Muzumdar, Chartered Accountants (Firm Registration No.101569W), Mumbai, have been appointed as the statutory auditors of the Company in the 24th Annual General Meeting held on September 27, 2021 and they hold office till the conclusion of the 29th Annual General Meeting (AGM) to be held in the calendar year 2027. In view of the Companies (Amendment) Act, 2017, the ratification for appointment of auditors is not required at every Annual General Meeting when auditors have been appointed for five years.

However, their remuneration is required to be approved by the members in the forthcoming Annual General Meeting.

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. Borkar & Muzumdar, Statutory Auditors, in their report.

Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, your Directors state that:

i. in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departures from the same;

ii. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of the profit of the Company for the year ended on that date;

iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. the Directors have prepared the annual accounts on a 'going concern' basis; and

v. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo :

(A) Conservation of Energy and Technology Absorption

Since the Company does not own any manufacturing facility, the particulars relating to conservation of energy and technology absorption stipulated in the Companies (Accounts) Rules, 2014 are not applicable.

(B) Research and Development

The Company at present has no Research and Development Facilities.

(C) Foreign Exchange Earnings and Outgo :

1. Foreign Exchange Earnings – Rs.___Nil________
2. Foreign Exchange Outgo – Rs.___Nil_______

Deposits

The Company has not accepted any public deposits and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

Corporate Social Responsibility

The provisions relating to Corporate Social Responsibility are not applicable to the Association.

Subsidiary, Associate And Joint Venture Companies

During the year under review, the Company did not have any subsidiary, associate and joint venture company.

Risk Management Policy

The management of the Company through its board meetings reviews, identifies, and mitigates various risks which may have negative consequences on the Company's business.

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations.

Internal Financial Controls

The Company has in place Internal Financial Control System commensurate with size and complexity of its operations to ensure proper recording of financial and operational information, and compliance of various internal controls and other regulatory compliances. During the year under review, no material or serious observations were noticed for inefficiency or inadequacy of such funds.

Material Orders passed by the Regulators, Courts or Tribunals

There have been no significant or material orders passed by any regulators or courts or tribunals impacting the going concern status and Company's operations in future.

Extract of the Annual Return

The extract of annual return as provided under Section 92(3) of the Act in Form MGT-9 is placed on the website of the Company and available on the following link www.pdai.org.com which forms part of this Report.

Acknowledgments

Your Directors wish to place on record their gratitude for the assistance, support and guidance received from Ministry of Finance and Reserve Bank of India to the Association. Your Directors also wish to record their appreciation for the efforts of the officials of the member organisations for their contribution in managing the affairs of the Association.

Registered Office
PRIMARY DEALERS' ASSOCIATION OF INDIA
C/o STCI Primary Dealer Ltd.,
A/B-1, 801, A-Wing, Marathon Innova,
Marathon NextGen Compound,
Off Ganpatrao Kadam Marg,
Lower Parel (W), Mumbai-400 013.

By order of the Board

Shailendra Jhingan
Chairman

Date: 6th September, 2022

ANNEXURE 1

Form No. AOC-2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis

(a) Name(s) of the related party and nature of relationship :

None during the year under review

(b) Nature of contracts/ arrangements / transactions

None during the year under review

(c) Duration of the contracts / arrangements / transactions

Not applicable

(d) Salient terms of the contracts or arrangements or transactions including the value, if any

Not applicable

(e) Justification for entering into such contracts or arrangements or transactions

Not applicable

(f) date (s) of approval by the Board

Not applicable

(g) Amount paid as advances, if any

Not applicable

(h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188

Not applicable

2. Details of material contracts or arrangements or transactions at arm's length basis

(a) Name(s) of the related party and nature of relationship :

None during the year under review

(b) Nature of contracts/ arrangements / transactions

None during the year under review

(c) Duration of the contracts / arrangements / transactions

Not applicable

(d) Salient terms of the contracts or arrangements or transactions including the value, if any :

Not applicable

(e) Date (s) of approval by the Board, if any :

Not applicable

(f) Amount paid as advances, if any

Not applicable

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C/o STCI Primary Dealer Ltd.,
A/B-1, 801, A-Wing, Marathon Innova,
Marathon NextGen Compound,
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Lower Parel (W), Mumbai-400 013.

By order of the Board

Shailendra Jhingan
Chairman

Date: 6th September, 2022

ANNEXURE 2

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
as on financial year ended on 31st March 2022

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12 (1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	:	U67120MH1997NPL112605
ii)	Registration Date	:	22nd December, 1997
iii)	Name of the Company	:	Primary Dealers' Association of India
iv)	Category / Sub Category of the Company	:	Company Limited by Guarantee Non Government Company
v)	Address of the Registered office and contact details	:	A/B-1, 801, A-Wing, Marathon Innova, Marathon NextGen Compound, Off Ganpatrao Kadam Marg, Lower Parel (W), Mumbai-400 013.
vi)	Whether listed company	:	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any:	:	Not Applicable

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 : -

Sl. No.	Name and Description of main products / services	NIC code of the Product / Service	% to total turnover of the company
1	Membership Fees from Association of Primary dealers	91110	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	Applicable Section
N.A.	N.A.	N.A.	N.A.	N.A.

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

(i) Category-wise Share Holding **NOT APPLICABLE**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF									
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.									
e) Banks / FI									
f) Any Other ______									
Sub-total (A) (1) :									
(2) Foreign									
a) NRIs - Individual									
b) Other - Individual									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other ______									
Sub-total (A) (2) :									
Total shareholding of Promoter (A) = (A) (1) + (A) (2)									
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B) (1) :									

(2) Non-Institutions a) Bodies Corp. i) Indian ii) Overseas b) Individual i) shareholders holding nominal share capital upto Rs.1 lakh ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh c) Others (specify) **Sub-total (B) (2) :** **Total Public shareholding (B) = (B) (1) + (B) (2)**									
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)									

(ii) Shareholding of Promoters **NOT APPLICABLE**

Sl. No.	**Shareholder's Name**	**Shareholding at the beginning of the year**			**Share holding at the end of the year**			
		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**	**% change in share holding during the year**
1	Fixed Income Money Market & Derivatives Association of India							
2	Foreign Exchange Dealers' Association of India							
3	Indian Banks' Association							
	Total							

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

NOT APPLICABLE

Sl. No.		Shareholding 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
	At the beginning of the year				
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc) :				
	At the End of the year				

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

NOT APPLICABLE

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For each of the Top 10 Shareholders	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year				
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)				
	At the End of the year (or on the date of separation, if separated during the year)				

(v) Shareholding of Directors and Key Managerial Personnel :

NOT APPLICABLE

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For each of the Directors and KMP	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year				
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)				
	At the End of the year				

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	NIL	NIL	NIL	NIL
Change in Indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction	-	-	-	-
Net Change	NIL	NIL	NIL	NIL
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	NIL	NIL	NIL	NIL

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. *Remuneration to Managing Director, Whole-time Directors and/or Manager:*

NOT APPLICABLE

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager				Total Amount
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961					
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961					
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961					
2	Stock Option					
3	Sweat Equity					
4	Commission - as % of profit - others, specify					
5	Others, please specify					
	Total (A)					
	Ceiling as per the Act					

B. *Remuneration to other Directors :* ***NOT APPLICABLE***

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
	3. Independent Directors Fee for attending board committee meetings Commission Others, please specify					
	Total (1)					

	4. Other Non-Executive Directors Fee for attending board committee meetings Commission Others, please specify					
	Total (2)					
	Total (B) = (1 + 2)					
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

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

NOT APPLICABLE

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission - as % of profit - others, specify				
5	Others, please specify				
	Total				

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

NIL

Type	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					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

Registered Office
PRIMARY DEALERS' ASSOCIATION OF INDIA
C/o STCI Primary Dealer Ltd.,
A/B-1, 801, A-Wing, Marathon Innova,
Marathon NextGen Compound,
Off Ganpatrao Kadam Marg,
Lower Parel (W), Mumbai-400 013.

By order of the Board

Shailendra Jhingan
Chairman

Date: 6th September, 2022

INDEPENDENT AUDITORS' REPORT
To the members of Primary Dealers Association of India

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Primary Dealers' Association of India (the "Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Income & Expenditure and the Statement of Cash Flows for the year ended on that date, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Accounting Standards prescribed under Section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014 (hereinafter referred to as the "Accounting Standards"), as amended, of the state of affairs (financial position) of the Company as at March 31, 2022, its deficit (financial performance) and Cash Flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (the "SAs") specified under Section 143 (10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the 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 (the "ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made 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 audit opinion on the Financial Statements.

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

The Company's Board of Directors is responsible for the information other than the Financial Statements and Auditor's Report thereon. The Other Information comprises the Directors' Report including Annexures to Directors' Report (collectively called as "Other Information") but does not include the Financial Statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the Financial Statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Other Information, if we conclude that there is a material misstatement therein, we are required to communicate the matters to those charged with governance. The Other Information is expected to be made available to us after the date of this auditor's report and hence we have not commented on the same.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the state of affairs (financial position), surplus or deficit (financial performance) of and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143 (3) (i) of 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 Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

(i) In our opinion and to the best of our information, the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of Section 143 (11) of the Act, does not apply to the Company since it is a company licensed to operate under erstwhile Section 25 of Companies Act, 1956 which is equivalent to Section 8 of the Companies Act, 2013.

(ii) 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 Income & Expenditure and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014, as amended;

(e) On the basis of written representations received from the Directors as on March 31, 2022 and taken on record by the Board of Directors, none of the directors is disqualified from being appointed as a director in terms of Section 164 (2) of the Act;

(f) An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls and

(g) With reference to the amendment dated June 13, 2017 in notification no. G.S.R 464(E) dated June 5, 2015 issued by Central Government with regards to section 143(3)(i) of the Act, the internal financial controls over financial reporting is not applicable to the Company.

(h) According to the information and explanation given to us and based on our examination of the records of the Company, The Company being a section 8 Company (formed as private Company), Section 197 of the Act, related to the managerial remuneration is not applicable;

(i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company does not have any pending litigations which would impact its financial position except as reported in Notes 5(a) and 5(b) to the Financial Statements;

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(iv) 1. The Management has represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

2. The Management has represented, that, to the best of it's knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

3. Based on such audit procedures that we have considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (1) and (2) contain any material mis-statement.

For Borkar & Muzumdar
Chartered Accountants
Firm Regn No. 101569W

Vivek Kumar Jain
Partner
Membership No.: 119700
UDIN: 22119700ARAXEV2240

Place: Mumbai
Date: 6th September, 2022

Balance Sheet as at March 31, 2022

Particulars	Note No.	As at 31-Mar-22 (₹)	As at 31-Mar-21 (₹)
A EQUITY AND LIABILITIES			
1. Own Funds			
(a) Corpus Contribution	1	29,25,000	29,25,000
(b) Reserves and Surplus	2	3,24,59,544	3,25,41,876
		3,53,84,544	**3,54,66,875**
2. Current Liabilities			
(a) Other Current Liabilities	3	1,59,800	1,50,700
(b) Short-term provisions	4	-	-
		1,59,800	**1,50,700**
Total		**3,55,44,344**	**3,56,17,574**
B ASSETS			
1. Other Non Current assets			
(a) Deposits with maturity more than 12 months	4	-	-
2. Current assets			
(a) Receivables	5	500	-
(b) Cash and Bank Balances	6	3,33,20,162	3,37,70,225
(c) Other current assets	7	22,23,682	18,47,349
		3,55,44,44	3,56,17,574
Total		**3,55,44,344**	**3,56,17,574**
Notes on Accounts	10		

As per our report attached

For Borkar & Muzumdar
Chartered Accountants
Firm Regn No. 101569W

Vivek Kumar Jain
ICAI M No. 119700

Place: Mumbai
Date: 6th September, 2022

For Primary Dealers' Association of India

Shri Shailendra Jhingan
Managing Director & CEO
ICICI Securities Primary Dealership Ltd.
ICICI Centre, Mumbai - 400 020

Shri Prasanna Patankar
Managing Director
STCI Primary Dealer Limited.
Mumbai-400 013

Shri Srinivas Varadarajan
Head of FIC India
Deutsche Bank AG
Mumbai - 400 051

Shri Vikas Goel
Managing Director
PNB Gilts Ltd
New Delhi - 110 001

Shri Abhishek Sancheti
CEO
Morgan Stanley India Primary Dealer Pvt Ltd
Mumbai - 400 013

Shri Vikas Jain
Managing Director &
Head of FICC Trading
Global Market Group
Bank of America N.A.
Mumbai - 400 051

Shri Pradeep Kumar Sehrawat
General manager-Treasury
IDIBI Bank Limited
Mumbai - 400 005

Shri Ankit Maheshwari
Director - Interest Rates
The Hongkong and Shanghai Banking Corporation Limited
Mumbai - 400 001

Place: Mumbai
Date: 6th September, 2022

Income & Expenditure Account for the year ended March 31, 2022

	Particulars	Note	As at 31-Mar-22 (₹)	As at 31-Mar-21 (₹)
A	**INCOME**			
1	Membership fees		5,25,000	15,75,000
2	Other Income	8	18,62,538	20,01,384
3	**= 1 + 2 Total revenue**		**23,87,538**	**35,76,384**
4	**Expenses**			
	(a) Retainer fees		10,80,000	9,00,000
	(b) AGM Expenses		-	-
	(c) Conference & Seminar Expenses		-	-
	(d) Office expenses		73,265	72,577
	(e) Printing and stationery		-	-
	(f) Accounting charges		16,250	15,250
	(g) Professional taxes		5,000	2,500
	(h) Payments to auditors	9	1,00,000	1,00,000
	(i) Professional fees		1,30,500	4,94,500
	(j) Travelling		25,260	180
	(k) Bank charges		71	-
	Total expenses		**14,30,346**	**15,85,007**
5	**= 3 - 4 Surplus before tax**		9,57,192	19,91,377
6	**Tax expense:**			
	Provision for tax current year		6,21,630	10,60,890
	Tax adjustment of previous years (net)		4,17,894	-
	Surplus(Loss) before Prior period Income		-82,332	9,30,487
7	Prior Period Income		-	-
8	**= 5 - 6 - 7 Surplus after tax carried to Balance sheet**		**-82,332**	**9,30,487**
	Notes on Accounts	10		

As per our report attached

For Primary Dealers' Association of India

For Borkar & Muzumdar
Chartered Accountants
Firm Regn No. 101569W

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Bank of America N.A.
Mumbai - 400 051

Shri Pradeep Kumar Sehrawat
General manager-Treasury
IDIBI Bank Limited
Mumbai - 400 005

Shri Ankit Maheshwari
Director - Interest Rates
The Hongkong and Shanghai Banking Corporation Limited
Mumbai - 400 001

Place: Mumbai
Date: 6th September, 2022

Place: Mumbai
Date: 6th September, 2022

Notes forming part of the financial statements

	Particulars	As at 31-Mar-22 (₹)	As at 31-Mar-21 (₹)
Note 1	**Corpus Contribution**		
	Corpus Contribution		
	Opening Balance	29,25,000	29,25,000
	Add: Entrance fees received during the year	-	-
	Total	**29,25,000**	**29,25,000**
Note 2	**Reserves and Surplus**		
	Reserves & Surplus		
	Opening Balance	3,25,41,876	3,16,11,389
	Add : Excess of income over expenditure as per statement of income & expenditure	-82,332	9,30,487
	Total Closing Balance	**3,24,59,544**	**3,25,41,876**
Note 3	**Other Current Liabilities**		
	Other Payables		
	(a) TDS payable	8,100	-
	(b) GST Liability	-	-
	(c) Accounting charges payable	16,250	15,250
	(d) Payable to auditors	67,500	67,500
	(e) Professional fees payable	67,950	67,950
	Total	**1,59,800**	**1,50,700**

As per our report attached

For Primary Dealers' Association of India

For Borkar & Muzumdar
Chartered Accountants
Firm Regn No. 101569W

Vivek Kumar Jain
ICAI M No. 119700

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Mumbai - 400 005

Shri Ankit Maheshwari
Director - Interest Rates
The Hongkong and Shanghai Banking Corporation Limited
Mumbai - 400 001

Place: Mumbai
Date: 6th September, 2022

Place: Mumbai
Date: 6th September, 2022

Notes forming part of the financial statements

Particulars		As at 31-Mar-22 (₹)	As at 31-Mar-21 (₹)
Note 4	**Short-term provisions**		
	Provision for tax	-	-
	Total	**-**	**-**
Note 4	**Other Non-Current Assets**		
	Deposits with maturity more than 12 months	-	-
	Total	**-**	**-**
Note 5	**Trade Receivables**		
	Unsecured and considered good		
	Debtors outstanding for more than six months	500	-
	Total	**500**	**-**
Note 6	**Cash and Bank Balances**		
	Cash and Cash Equivalents		
	((i) Balances with Bank in Current Account	94,058	-1,63,385
	(ii) Balances with Bank in Deposit Accounts (Maturing within three months)	-	-
	Total - A	**94,058**	**-1,63,385**
Others			
	(i) Balances with Bank in Deposit Accounts (Maturing within one year)	3,32,26,104	3,39,33,610
	Total - B	3,32,26,104	3,39,33,610
	Total - C=A+B	**3,33,20,162**	**3,37,70,225**

As per our report attached

For Primary Dealers' Association of India

For Borkar & Muzumdar
Chartered Accountants
Firm Regn No. 101569W

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Mumbai - 400 001

Place: Mumbai
Date: 6th September, 2022

Place: Mumbai
Date: 6th September, 2022

Notes forming part of the financial statements

Particulars			As at 31-Mar-22 (₹)	As at 31-Mar-21 (₹)
Note 7	**Other current assets**			
	(a)	**Accruals**		
		(i) Interest accrued on bank deposits	15,35,761	14,44,371
	(b)	**Others**		
		(i) Advance Tax (net of provision for tax)	2,86,793	1,51,744
		(ii) GST Input Credit	-	60,344
		(iii) GST ITC Receivable	3,96,628	1,86,390
		(iii) GST TDS Receivable	3,000	3,000
		(iv) GST Cash Ledger Balance	1,500	1,500
	(c)	**Prepaid Expenses**	-	-
		Total	**22,23,682**	**18,47,349**
Note 8	**Other income**			
	Interest income			
	- Interest on Deposits with Bank		17,67,066	19,95,759
	Other income		1,500	5,625
	Interest on Tax refund		93,972	
	Total		**18,62,538**	**20,01,384**
Note 9	**Payments to Auditors**			
	Audit fees		75,000	75,000
	Tax matters		25,000	25,000
	Total		**100,000**	**100,000**

As per our report attached

For Primary Dealers' Association of India

For Borkar & Muzumdar
Chartered Accountants
Firm Regn No. 101569W

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Mumbai - 400 005

Shri Ankit Maheshwari
Director - Interest Rates
The Hongkong and Shanghai Banking Corporation Limited
Mumbai - 400 001

Place: Mumbai
Date: 6th September, 2022

Place: Mumbai
Date: 6th September, 2022

PRIMARY DEALERS' ASSOCIATION OF INDIA
SCHEDULES FORMING PART OF ACCOUNTS

Note No. 10.

NOTES TO ACCOUNTS

1. Primary Dealers' Association of India is a Company Limited by Guarantee registered under Section 8 of the Companies Act, 2013.

2. Significant Accounting Policies

a) The Accounts of the company are maintained on accrual basis and under historical cost convention.
b) Membership fee is considered as Income.
c) Entrance Fees received from the members are contribution towards the corpus of the Association.

3. There was no expenditure or income or remittance in foreign currency during the year.

4. In view of the prevailing Covid 19 pandemic situation, on April 16, 2021, the Board had reviewed the annual membership fees payable by the members for FY 2021-22 and reduced the same as compared to the previous year from Rs 75,000 to Rs 25,000.

5. Provision for taxation has been made in the accounts after considering the exemption eligible to the Company under section 11 read with Section 2 (15) of the "Income tax Act 1961".

6. Contingent Liabilities

(a) Income Tax officer passed an assessment order levying tax on Interest income earned on fixed deposits based on mutuality concept, and accordingly officer has issued demand order of Rs. 15,22,606/- out of which Rs. 1,05,000 has been paid and taken stay on demand. Further, Income Tax CPC has adjusted Income Tax Refund for AY 2017-18 of Rs. 1,12,840/- dt 20/01/2022, AY 2014-15 of Rs. 3,42,880 & Rs. 72,200/- dt 25/02/2022. Balance amount payable is Rs. 8,89,690. The Contingent liability for the assessment year 2016-17 is Rs. 15,22,606 plus applicable interest and penalty. Appeal is preferred against the said order before first appellate authority.

b) The Demand of Rs 1,10,180 is appearing on TDSCPC portal. The Board has decided to keep in abeyance the late filing fees for TDS return as there was no provision for levy of penalty prior to June 1, 2015 since there was no enabling provision for raising of demand with reference to levy of fees u/s sec 234 E .

7. Previous year figures have been re-grouped wherever necessary.

Signatures to the Notes No.1 to 10 forming part of the Balance Sheet and Income & Expenditure account.

As per our report attached

For Primary Dealers' Association of India

For Borkar & Muzumdar
Chartered Accountants
Firm Regn No. 101569W

Vivek Kumar Jain
ICAI M No. 119700

Shri Shailendra Jhingan
Managing Director & CEO
ICICI Securities Primary Dealership Ltd.
ICICI Centre, Mumbai - 400 020

Shri Prasanna Patankar
Managing Director
STCI Primary Dealer Limited.
Mumbai-400 013

Shri Srinivas Varadarajan
Head of FIC India
Deutsche Bank AG
Mumbai - 400 051

Shri Vikas Goel
Managing Director
PNB Gilts Ltd
New Delhi - 110 001

Shri Abhishek Sancheti
CEO
Morgan Stanley India Primary Dealer Pvt Ltd
Mumbai - 400 013

Shri Vikas Jain
Managing Director &
Head of FICC Trading
Global Market Group
Bank of America N.A.
Mumbai - 400 051

Shri Pradeep Kumar Sehrawat
General manager-Treasury
IDIBI Bank Limited
Mumbai - 400 005

Shri Ankit Maheshwari
Director - Interest Rates
The Hongkong and Shanghai Banking Corporation Limited
Mumbai - 400 001

Place: Mumbai
Date: 6th September, 2022

Place: Mumbai
Date: 6th September, 2022

Ratios for the year ended March 31, 2022

			Numerator		Denominator		Ratio	
Ratios	Numerator	Denominator	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
1. Current Ratio	Current Assets	Current Liabilities	3,55,44,344	3,56,17,574	1,59,800	1,50,700	222.43	236.35
2. Debt-Equity Ratio	Total Debt	Shareholder's Equity	NA	NA	NA	NA	NA	NA
3. Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	NA	NA	NA	NA	NA	NA
4. Return on Equity	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	NA	NA	NA	NA	NA	NA
5. Trade Receivables Turnover Ratio	Revenue from operations	Average Trade Receivables	5,25,000	15,75,000	250	6750	2,100	233.33
6. Net Capital Turnover Ratio	Net Sales	Working Capital	5,25,000	15,75,000	3,53,84,544	3,54,66,874	0.01	0.04
7. Net Profit Ratio	Net Profit	Net Sales	-82,332	9,30,487	5,25,000	15,75,000	-0.16	0.59
8. Return on Capital Employed	Earning before interest and taxes	Capital Employed	9,57,192	19,91,377	3,53,84,544	3,54,66,875	0.03	0.06

As per our report attached

For Borkar & Muzumdar
Chartered Accountants
Firm Regn No. 101569W

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Place: Mumbai
Date: 6th September, 2022

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Cash Flow Statement for the year ended March 31, 2022

Particulars		As at 31-Mar-22(₹)	As at 31-Mar-21 (₹)
A. Cash Flow from Operating Activities			
Profit /(Loss) before taxation		9,57,192	19,91,377
Adjustments for:-			
Interest income		(17,67,066)	(19,95,759)
Changes in Working Capital:			
Other current liabilities		9,100	21,200
Trade receivables		(500)	13,500
Other current assets		(3,76,333)	12,56,532
Other non-current assets		-	-
Taxes paid (net of refunds)		(10,39,522)	(10,60,890)
Net Cash generated / (used) from Operating Activities	**A**	**(22,17,129)**	**2,25,960**
B. Cash flow from Investing Activities			
Interest received		17,67,066	19,95,759
Net Cash generated / (used) from investing activities	**B**	**17,67,066**	**19,95,759**
C. Cash flow from Financing Activities			
Net Cash generated / (used) from financing activities	**C**	**-**	**-**
Net increase / (Decrease) in cash and cash equivalents(A+B+C)		**(4,50,063)**	**22,21,720**
Cash and Cash equivalents at the beginning of the year		**3,37,70,225**	**3,15,48,505**
Cash and Cash equivalents at the end of the year		**3,33,20,162**	**3,37,70,225**

As per our report attached

For Borkar & Muzumdar
Chartered Accountants
Firm Regn No. 101569W

Vivek Kumar Jain
ICAI M No. 119700

Place: Mumbai
Date: 6th September, 2022

For Primary Dealers' Association of India

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Place: Mumbai
Date: 6th September, 2022

PDAI MEMBERS

- SBI DFHI Limited
- ICICI Securities Primary Dealership Limited
- PNB Gilts Limited
- JP Morgan Chase Bank N.A.
- Citibank N.A.
- Standard Chartered Bank
- Bank of America N.A.
- Union Bank of India
- STCI Primary Dealer Limited
- Kotak Mahindra Bank Limited
- HDFC Bank Limited
- Canara Bank
- Bank of Baroda
- IDBI Bank Limited
- The Hongkong and Shanghai Banking Corporation Limited
- Morgan Stanley India Primary Dealer Private Limited
- Nomura Fixed Income Securities Private Limited
- Axis Bank Limited
- Goldman Sachs (India) Capital Markets Private Limited
- Deutsche Bank AG
- YES Bank Ltd.

PRIMARY DEALERS'
Association of India

C/o STCI Primary Dealer Ltd.,
A/B-1, 801, A-Wing, Marathon Innova, Marathon
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