

ANNUAL REPORT 2014-15

INDIAN BULLION MARKET ASSOCIATION LIMITED



INDIAN BULLION MARKET ASSOCIATION LIMITED

Registered Office: FT Tower, CTS No. 256 & 257, 4th Floor, Suren Road, Chakala, Andheri (East), Mumbai-400 093.

Tel: +91-022-6761 9950 | Fax: +91-022-6761 9931

www.ibma.co.in

CORPORATE INFORMATION

Board of Directors

Mr. Manmohan Anand

Whole Time Director

Mr. Varghese Jacob

Independent Director

Mr. Vijay Ramakrishnan

Independent Director

Adv. Dattatray Palekar

Independent Director

Mr. Saji Cherian

Non-Executive Director

Auditors

Patel Shah & Joshi
Chartered Accountant
Firm Registration No. : 107768W

Registered & Corporate Office

FT Tower, CTS No. 256 & 257
4th floor, Suren Road, Chakala,
Andheri (East), Mumbai- 400 093
Tel: +91-22-6761 9900
Fax.: +91-226761 9931
ls@ibma.co.in
www.ibma.co.in

**INDIAN BULLION MARKET ASSOCIATION LIMITED**

Registered Office: 4th Floor, FT Tower, Suren Road, Chakala, Andheri (E), Mumbai - 400 093.

CIN: U74900MH2007PLC171717

Tel.: 022-67619900 | Fax: 022-67619931

e-mail: ls@ibma.co.in | website: www.ibma.co.in

NOTICE

NOTICE is hereby given that the Eighth Annual General Meeting of the Members of the Company will be held on Friday, 4th September, 2015 at 10:30 A.M. at Hotel Residency, Suren Road, Chakala, Andheri (E), Mumbai - 400093 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the audited Standalone Financial Statements for the Financial Year ended 31st March, 2015, the Reports of the Auditors and the Board of Directors thereon; and
2. To appoint M/s. Patel, Shah & Joshi, Chartered Accountants, Mumbai, (Firm Registration No. 107768W) as the Statutory Auditors to hold office from the conclusion of this Annual General meeting till the conclusion of the Ninth Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors of the Company.
3. To appoint a Director in place of Mr. Saji Cherian, who retires by rotation and being eligible, offer himself for re-appointment

SPECIAL BUSINESS:

4. To Appoint Mr. Manmohan Anand as a Director of the Company

To consider and if thought fit, pass with or without modifications the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013, and the rules made there under, including any amendment, modification, variation or re-enactment thereof for the time being in force (“Act”), Mr. Manmohan Anand (DIN: 07159075), who was appointed as an Additional Director of the Company, by the Board of Directors on 17th April, 2015, on recommendations of the Nomination and Remuneration Committee and pursuant to the provisions of Section 161(1) and any other applicable provisions of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting and is eligible for appointment, and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member proposing his candidature for the office of Director, as well as his consent and lack of disqualifications to be appointed as a Director of the Company, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT any one of the Directors of the Company or the Company Secretary, be and are hereby severally authorised on behalf of the Company to do all such acts, deeds and things as may be necessary to effectuate the aforesaid resolution.”

5. To Appoint of Mr. Manmohan Anand, Whole Time Director of the Company

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 203 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, as amended from time to time, including any statutory modifications or re-enactments thereof (“the Act”), members hereby accord their approval for appointment of Mr. Manmohan Anand by the Company as a Whole time Director of the Company for a period of Two years commencing from 17th April, 2015 without any remuneration save and except payment of normal business expenses.

RESOLVED FURTHER THAT any one of the Directors of the Company or the Company Secretary, be and are hereby severally authorised on behalf of the Company to do all such acts, deeds and things as may be necessary to effectuate the aforesaid resolution.”

6. Alteration of the Capital Clause of Memorandum of Association of the Company

To consider and if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT in accordance with the provisions of Section 13 and Section 61 of the Companies Act, 2013 and rules made thereunder (including any statutory modification or re-enactment thereof, for the time being in force), (collectively, the “Act”), the Authorized Share Capital of the Company be and is hereby altered from Rs.30,00,00,000/- (Rupees Thirty Crore) consisting of 30,000,000 (Three Crore) equity shares of Rs.10/- (Rupees Ten) each to Rs.30,00,00,000/- (Rupees Thirty Crore) consisting of 1,50,00,000 (One Crore Fifty Lac) equity shares of Rs.10/- (Rupees Ten) each and 1,50,00,000 (One Crore Fifty Lac) Preference Shares of Rs.10/- (Rupees Ten) each by reclassifying the capital consequently the existing Clause V of the Memorandum of Association of the Company relating to Share Capital be and is hereby altered by deleting the same and substituting in its place and stead, the following as new Clause

V. The Authorized Share Capital of the **Company** is Rs.30,00,00,000/- (Rupees Thirty Crore) consisting of 1,50,00,000 (One Crore Fifty Lac) equity shares of Rs.10/- (Rupees Ten) each and 1,50,00,000 (One Crore Fifty Lac) Preference Shares of Rs.10/- (Rupees Ten) each.”

7. Issue and Offer of Non-Cumulative Non-Convertible Redeemable Preference Shares (NNRPS)

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

“RESOLVED THAT pursuant to the provisions of section 62, 55, and all other applicable provisions of the Companies Act, 2013, (“the Act”) read with the rules made there under, as may be amended from time to time, the consent of the Members be and is hereby accorded to the Board of Directors (hereinafter referred to as the “Board”) to issue 1,49,75,111 Non-Cumulative Non-Convertible Redeemable Preference Shares (NNRPS) of Rs.10/- (Rupees Ten) each and to offer and allot the same at par, in one or more tranches, on Rights basis to all the existing members/ shareholders of the Company as on the date of Annual General meeting in the ratio of one hundred and three Preference shares for every one hundred equity shares or in such proportion and such terms and conditions as may be decided by the Board.

RESOLVED FURTHER THAT in accordance with the provisions of Section 43 of the Act and pursuant to rule 9

(2) of The Companies (Share Capital and Debentures) Rules, 2014 the matters related to the issue NNRPS are set below:

1. Carry a preferential right vis-à-vis Equity Shares of the Company with respect to payment of dividend and repayment in case of a winding up or repayment of capital;
2. Non-Participating in the surplus funds;
3. The payment of dividend is on non-cumulative basis;
4. The shares are not convertible into equity shares;
5. These shares carry voting rights as per the provisions of Section 47(2) of the Act;
6. NNRPS shall be redeemable at the end of the 20 years

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, severally the Directors of the Company are hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as may be deemed necessary or desirable for such purpose, and to settle all questions, difficulties or doubts that may arise in regard to such offer(s), issue(s), allocation(s) or allotment(s) (including to amend or modify any of the terms of such offer, issue, allocation or allotment), without being required to seek any further consent or approval of the shareholders, as may be deemed fit and that the shareholders shall be and are hereby deemed to have given their approval thereto expressly by authority of this resolution.

RESOLVED FURTHER THAT the Directors of the Company and/or Company Secretary be and are hereby authorized severally to sign the copy of this resolution as a certified true copy and furnish the same to whomsoever concerned”

**By Order of the Board
For INDIAN BULLION MARKET ASSOCIATION LIMITED**

Date: 16-07-2015
Place: Mumbai

Hena Juthani
Company Secretary
Membership No.: A38539

NOTES:

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 is annexed hereto, and forms part of the Notice.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person appointed as proxy, shall act as a proxy for not more than 50 members and holding in aggregate not more than 10% of the total Paid-up Share Capital of the Company. A member holding more than 10% of the Paid-up Share Capital of the Company may appoint a single person as proxy and such person cannot act as proxy for any other member.
3. The instrument of proxy, in order to be effective, must be deposited at the registered office of the Company not less than forty eight hours before the commencement of the meeting.
4. Members/Proxies should fill the enclosed Attendance Slip and deposit it at the entrance of the meeting hall.
5. All documents referred to in the Notice and Explanatory Statements are open for inspection at the registered office of the Company on all working days (except Saturdays) from 10.00 a.m. to 1.00 p.m. up to the date of the meeting.
6. Corporate members are requested to send a duly certified copy of the Board Resolution or Power of Attorney duly authorizing their representative to attend and vote at the Annual General Meeting. A Body Corporate / Corporation being a member shall be deemed to be personally present at the meeting if representation in accordance with the provision of Section 113 of Companies Act, 2013 is made.
7. Members seeking any information relating to accounts of the Company shall write to the Company at least 10 days prior to the date of the meeting, so as to enable the management to keep the requisite information ready and available.

**By Order of the Board
For INDIAN BULLION MARKET ASSOCIATION LIMITED**

Date: 16-07-2015
Place: Mumbai

Hena Juthani
Company Secretary
Membership No.: A38539

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**ITEM NO. 4 & 5:**

Mr. Manmohan Anand was appointed as an Additional Director of the company in the Board Meeting held on 17th April, 2015 under Section 161(1) of the Companies Act, 2013 on the recommendation of the Nomination and Remuneration Committee. He holds office up to the ensuing Annual General Meeting and the Company has received recommendation of his appointment as a Director from a member. The Board also appointed him as the Whole Time Director (WTD) of the Company for a term of two years up to 16th April, 2017, subject to approval of the Members.

Mr. Manmohan Anand is professionally qualified holding BSC (Hons) and LLB degrees from Delhi University.

Lawyer by profession, Mr. Anand has rich experience of more than three decades in the spectrum of Legal affairs, Fraud Prevention, Recovery and Litigation matters, Legal Documentation and Liaison work.

An Expert in drafting of petitions, Appeals, written Statements, Rejoinders, Affidavits, and Written Arguments for legal proceedings and rendering Legal Opinion, over the years he has with his varied experience developed himself as an effective Communicator and trainer.

He has a very exceptional relationship management skill & adept at maintaining cordial business relations with legal counsels and other external agencies.

He has been working with National Spot Exchange Limited (NSEL) as Vice President Legal and he is currently on deputation to look after the affairs of the Company.

Since any expenses towards his salary and remuneration are being borne by NSEL, the disclosures required to be made as per Schedule V of the Act are not required.

The Board recommends the passing of the resolution as set out in the Notice for the appointment of Mr. Manmohan Anand as Whole Time Director of the Company for approval of the Members.

Further, Mr. Manmohan Anand has disclosed all his concerns and interest in Companies, Bodies Corporate, Firms and other Associations of Individuals pursuant to Section 184 of the Companies Act, 2013.

Except Mr. Manmohan Anand in his appointment as Whole Time Director, none of the other Directors, Key Managerial Personnel of the Company/ their relatives is, in any way, concerned or interested, financially or otherwise in the said resolution.

ITEM NO. 6:

The Authorized Share Capital of the Company is Rs.300,000,000/- (Rupees Thirty Crore) divided into 30,000,000 (Three Crore) equity shares of Rs.10/- (Rupees Ten) each ("Equity Shares"). The resolution set out at Item No.7 seeks to alter the capital clause of the Memorandum of Association by reclassifying authorized share capital into 15,000,000 (One Crore Fifty Lacs) Equity Shares of Rs.10/- (Rupees Ten) each and 15,000,000 (One Crore Fifty Lac) Preference Shares of Rs.10/- (Rupees Ten) each, as part of the Authorized Share Capital.

Resolution set out at Item No.7 is relating to issue of Non-Cumulative Non-Convertible Redeemable Preference Shares (NNRPS) on Rights basis therefore, it is necessary to amend the capital clause of the Memorandum of Association. Pursuant to Section 13 and 61 of the Companies Act, 2013 and rules made there under. The Company is heavily burdened with debt and needs to raise further capital to repay to debt and to meet with statutory liabilities. The Company is required to obtain approval of its shareholders by means of an ordinary resolution to carry out alteration in the Memorandum of Association of the Company.

The Directors accordingly recommend the resolution for your approval as an ordinary resolution.

None of the other Directors or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in the above referred resolution.

A copy of the Memorandum of Association of the Company together with the proposed alteration is available for inspection at registered office of the Company.

ITEM NO.7:

The Board of Directors of the Company in its meeting held on 16th July, 2015 recommended to offer and issue further Shares of Rs.10/- each at par on rights basis.

Pursuant to Section 62 and Section 55 of Companies Act, 2013 and rules made there under applicable for making Rights Offer, a Special Resolution has to be passed. Accordingly the Company has to seek approval of members at general meeting by way of Special Resolution.

As per Rule 9 (2) (A) of the Companies (Share Capital and Debentures) Rules, 2014:

Name of statute	Nature of the dues
Issue of Size, number of preference shares to be issued and nominal value of each share	14,975,111 NNRPS at a nominal value of Rs.10/- each Aggregating Rs.149,751,110/-
Nature of Shares	Non-Cumulative, Non-participating and Non-Convertible preference shares
Objective of the issue	The Company has taken unsecured loan from M/s. National Spot Exchange Limited to meet the day to day fund requirements and the management proposes to repay the same by issue of this shares.
Manner of issue of shares	In one tranche
The price at which such shares are proposed to be issued	Rs.10/- at par
The terms of issue, including terms and rate of dividend on each share, etc.	Issued and offered on a Rights basis in accordance with the provisions of Section 62(1)(a) of the Act. A dividend of 9.75% per annum, if declared, would be payable on a pro rata basis from the date of allotment.
The basis in which the price has been arrived	Face value
The terms of redemption, including the tenure of redemption, redemption of shares at premium and if the preference shares are Non-Convertible, the terms of conversion	NNRPS would be redeemable after 20 years or prior to 20 years at the consent of the Company at face value from the proceeds of fresh issue.
Shareholding pattern of the company as on date	As attached
Expected dilution in equity share capital upon conversion of preference shares	Nil, since the NNRPS are issued on a Rights basis to the existing equity shareholders and that all the shareholders to whom the NNRPS are offered can subscribe to the shares offered to them.

The Board of Directors recommend this resolution to be passed as a Special Resolution.

None of the other Directors or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in the above referred resolution except to the extent of their Directorships in the Company.

**By Order of the Board
For INDIAN BULLION MARKET ASSOCIATION LIMITED**

Date: 16-07-2015

Place: Mumbai

Hena Juthani

Company Secretary

Membership No.: A38539

Indian Bullion Market Association Limited

List of Shareholders

Sr. No.	Name of the Shareholder	Names of Joint holders	Fathers name of Shareholder	Type of Shares	No. of Shares	Amount per share	Address of Shareholders
					In Figures	Rs.	
1	National Spot Exchange Limited (NSEL)		N.A.	Equity	8851719	10/-	4th Floor, FT Tower, CTS No. 256 & 257, Suren Road, Chakala, Andheri (East), Mumbai 400 093
2	Mr. Prakash Chaturvedi (Nominee of NSEL)		Hirday Nath Chaturvedi	Equity	1	10/-	603/3A, NG Suncity, Phase-3, Thakur Village, Kandivali - East, Mumbai-400101
3	Mr. Dewang Neralla (Nominee of NSEL)		Sunderraj Neralla	Equity	1	10/-	501, Rameshwaram, Kashinath Dhuru Road, Prabhadevi, Mumbai-400 028
4	Mr. Saji Cherian (Nominee of NSEL)		Cherias Thalacherial Cherian	Equity	1	10/-	F. NO 303,3rd Floor, Awsome Heights, Nr Ashok Nagar, Military Rd, Andheri (E), Mumai - 400072
5	Mr. Ravikanth Baheti (Nominee of NSEL)		Natwarlal Baheti	Equity	1	10/-	1104, Gree Ridge-1, Link Road, Borivali - West, Mumbai-400092
6	Mr. Girish Gangir (Nominee of NSEL)		Ganpat Gangir	Equity	1	10/-	Pushpanjali CHS, Plot No.266, Room No - D-46, Sector - 2, Charkop, Kandivali - West, Mumbai - 400067
7	Mr. Hariraj Chouhan (Nominee of NSEL)		Shankar Chouhan	Equity	1	10/-	Apollo 'A' Wing, Hiranandani Estate, G.B. Road, Thane (West), Mumbai
8	Prem A. Singhal		A. Singhal	Equity	38191	10/-	31/33, 4th Floor, Khara Kuwa, Zaveri Bazar, Mumbai
9	Nitesh Champalal Kothari		Champalal Kothari	Equity	38191	10/-	901, Girnar Tower, Shethmotish Lane, Mazgaon, Mumbai-400 010
10	Dipti Jagdish Sanghvi	Priti Jagdish Sanghvi & Niti Jagdish Sanghvi	Jagdish Sanghvi	Equity	19095	10/-	6, Mahavir Palace, 250, Hingwala Lane, Ghatkopar (E), Mumbai-77
11	Priti Jagdish Sanghvi	Niti Jagdish Sanghvi & Dipti Jagdish Sanghvi	Jagdish Sanghvi	Equity	19095	10/-	6, Mahavir Palace, 250, Hingwala Lane, Ghatkopar (E), Mumbai-77
12	Sampat Khimraj Jain		Khimraj Jain	Equity	76382	10/-	8/10, Telwadi, Vithal Wadi, Room No. 12, 2nd Floor, Mumbai-400 002
13	Mangesh Prakash chouhan		Prakash Jain	Equity	38191	10/-	215/217, Mazentine Floor, Office M/2, Kalbadevi Road, Abhinandan Market, Mumbai-400 002
14	Nirmal Kapoorchand Jain		Kapoorchand Jain	Equity	76382	10/-	3/3, Navnidhan Bhavan, 2nd Floor, Yusuf Meher Ali Road, R. No. 04, Mumbai-400 003
15	Jitendra Kantilal Jain		Kantilal Jain	Equity	38191	10/-	155, Sheikh Memon Street, Bherumal House, Shop No. 1, Zaveri Bazar, Mumbai-400 002
16	Prakash Jugraj Jain		Jugraj Jain	Equity	38191	10/-	C/o. Jugraj kantilal & Co., 155, Sheikh Memon Street, Bherumal House, Shop No. 1, Zaveri Bazar, Mumbai-400 002
17	Shailesh K. Jain		Kantilal Jain	Equity	38191	10/-	155, Sheikh Memon Street, Bherumal House, Shop No. 1, Zaveri Bazar, Mumbai-400 002
18	Sanjay K. Jain		Kantilal Jain	Equity	38191	10/-	155, Sheikh Memon Street, Bherumal House, Shop No. 1, Zaveri Bazar, Mumbai-400 002

Sr. No.	Name of the Shareholder	Names of Joint holders	Fathers name of Shareholder	Type of Shares	No. of Shares	Amount per share	Address of Shareholders
19	Manoj B. Punamiya		Babulal Punamiya	Equity	152764	10/-	118/120, 3rd Floor, Ashok House, Opposite, Khar Kuwa, Zaveri Bazar, Mumbai-400 002
20	Ankit Ashok Vagrecha		Ashok Vagrecha	Equity	76382	10/-	Zee Bangle, 180/182, Opposite Bank of India, Zaveri Bazar, Mumbai-400 002
21	Bipin Vimalchand Jain		Vimalchand Jain	Equity	50000	10/-	118/20, Zaveri Bazar, Sheikh Memon Street, Mumbai-400 002
22	Nemichand Babulal Sanghavi		Babulal Sanghvi	Equity	152764	10/-	69, Jai Girnar Tower, 13th Floor, Flat No. 1302, Tardeo Road, Mumbai-400 034
23	Jigar Nemichand Sanghavi		Nemichand Sanghvi	Equity	76382	10/-	69, Jai Girnar Tower, 13th Floor, Flat No. 1302, Tardeo Road, Mumbai-400 034
24	Rushabh P. sanghavi		P. Sanghvi	Equity	76382	10/-	75, Tardeo Tower, Flat No. 1601, 16th Floor, Tardeo, Mumbai-400 038
25	Chirag Mitin Shah	Mitin Ramanlal Shah	Mitin Shah	Equity	76382	10/-	22, Laram Center, S.V. Road, Andheri (W), Mumbai-400 058
26	Charan Das Arora		Das Arora	Equity	76382	10/-	C/o. National Indian Bullion Refinery, NIBR Compound, Andheri-Kurla Road, Safaid Pool, Mumbai-400 072
27	Mark Bullion commodities Pvt Ltd.		N.A.	Equity	38191	10/-	Shop No. 6-A, 1st Floor, Govind Niwas, 62-64, Dhanji Street, Mumbai-400 003
28	Madan Sardarmal Kothari		Sadarmal Kothari	Equity	38191	10/-	242/243, Kalpataru habitied, Dr. S.S. Rao Road, Parel, Mumbai-12
29	Master Chain Pvt Ltd.		N.A.	Equity	38191	10/-	96/98, Sonawala Building, Gr. Floor, Dhanji Street, Mumbai-03
30	Supama Commodities Ltd.		N.A.	Equity	38191	10/-	Office No. 27, 2nd Floor, 109, Shaikh Memon Street, Shohi Galli, Zaveri Bazar, Mumbai-400 002
31	RSBL Commodities (P) Ltd.		N.A.	Equity	38191	10/-	4EF, Trishala Premises, 122 Shaikh Memon Street, Zaveri Bazar, Mumbai-400 002
32	Mahendra Devichand Shah		Devichand Shah	Equity	38191	10/-	45/47, Silver Mansion, 2nd Floor, Dhanji Street, Shop No. 17, Mumbai-400 006
33	Bharat Vasantlal Mandalia		Vasantlal Mandalia	Equity	38191	10/-	1003, Radheshyam Apartment, Dattpada Phatak, S.V. Road, Borivali (W), Mumbai-92
34	Nitin Pushpraj Kawediya		Pushpraj Kawediya	Equity	38191	10/-	1187, Raviwar Peth, Govind Halwai Chowk, Pune-411 002
35	Vijay Madanraj Kawadiya		Madanraj Kawediay	Equity	38191	10/-	1187, Raviwar Peth, Govind Halwai Chowk, Pune-411 002
36	Bijal Ashok Shah		Ashok Shah	Equity	38191	10/-	Gurukul Chambers, 187-189, Gr. Floor, Mumbadevi Road, Mumbai-400 002
37	Bhurmal Chenaji Jain		Chenaji Jain	Equity	38191	10/-	45/47, Silver Mansion, Ground Floor, Dhanji Street, Mumbai-400 003
38	Bharat Kantilal Mehta		Kantilal Mehta	Equity	100	10/-	454, Nepean Sea Road, A/3, 14th Floor, Matru Ashish Building, Mumbai-400 036
39	Anil P. Patel		P. Patel	Equity	38192	10/-	C/o. Kanak Jewellers, 2261, Muhurat Pole, manek Chowk, Ahmedabad-01
40	Kunvarji Finance Pvt. Ltd.		N.A.	Equity	152765	10/-	301, Shyamak Complex, Behind, Kamdhenu Complex, Nr. L Colony, Ambavadi, Ahmedabad-380 015
41	Parker Multi Commodities (I) Pvt. Ltd.		N.A.	Equity	76383	10/-	3rd Floor, Landmark, Opposite HDFC House, Navrangpura, Ahmedabad-380 009

Sr. No.	Name of the Shareholder	Names of Joint holders	Fathers name of Shareholder	Type of Shares	No. of Shares	Amount per share	Address of Shareholders
42	Amrapali Industries Ltd.		N.A.	Equity	152765	10/-	19/20/21, 3rd Floor, Narayan Chambers, Ashram Road, Ahmedabad-380 009
43	Ausom International Pvt. Ltd.		N.A.	Equity	152765	10/-	601, Swagat, C.G. Road, Ahmedabad-380 006
44	Hasmukh Girdharilal Chopra		N.A.	Equity	38192	10/-	C/o. Chopra Jewellers, Oppo. Gusa Parekh Pole, MG Road, Manek Chowk, Ahmedabad
45	Mahendrabhai Ranachhodlal Choksi		Girdharilal Chopra	Equity	38192	10/-	C/o. Choksi Ranchodlal Kishore Das, 2219, Manek Chowk, Opposite Old Stock Exchange, Ahmedabad-380 001
46	Manubhai Zaveri Ornaments Pvt. Ltd.		Ranchhodlal Choksi	Equity	305529	10/-	L-01 Swagat Complex CG Road Ahmedabad
47	J.K. Bullions Pvt. Ltd.		N.A.	Equity	76383	10/-	1346, Pipala Ni Pole, M G Haveli Road, Manek Chowk, Ahmedabad
48	Sunip Nitinbhai Choksi		N.A.	Equity	38192	10/-	C/o. Girishkumar Ramanlal Choksi, 2337/1, Choksi Mahajan Building, Ahmedabad-380 001
49	Ashokbhai Maganlal Jani		Nitinbhai Choksi	Equity	152765	10/-	C/o. Ambuja Bullion, Nandan Building, Nr. Sankadi Sheri, Manek Chowk, Ahmedabad-01
50	Rajeshkumar Chanalal Patel		Maganlal Jani	Equity	38192	10/-	C/o. R.C. Silver, 5, Janki Chamber, Muhurat Pole, manek Chowk, Ahmedabad-01
51	Chhaganlal Dalaji Soni		Chanalal Patel	Equity	38192	10/-	49/1, Soni Ki Khadki, Opposite Sankadi Sheri, Manek Chowk, Ahmedabad-01
52	CVM Jewels Pvt. Ltd.		Dalaji Soni	Equity	152765	10/-	B/2, Ashoka Apartment, Near Orient Club, Ellisbridge
53	Suresh Chandulal Kansara		N.A.	Equity	38191	10/-	Gujarat Gold Centre, Gujarat Hosiery Mill Compound, Rakhial, Ahmedabad
54	Piyush Mafatlal Bhansali		Chandulal Kansara	Equity	38191	10/-	27, 1st Floor, New Cloth Market, O/s. Raipur Gate, Ahmedabad-02
55	Nirav Vinodchandra Shah		Mafatlal Bhansali	Equity	38191	10/-	C/o. Nakoda Ornaments, 1st Floor, Haveli Chamber, MG Haveli Road, Manek Chowk, Ahmedabad
56	Ronak Sumanbhai Soni		Vinodchandra Shah	Equity	76382	10/-	C/o. Soni Ratilal Keshavlal Jewellers, R.B. Chambers, Nr. Khetrapal Pole, Manek Chowk, Ahmedabad
57	Virendrabhai B. Patel		Sumanbhai Soni	Equity	38191	10/-	C.o. Jyoti Jewellers, 1204/F/3, Chandidham Building, Dedkani Pole, Manek Chowk, Ahmedabad
58	Hareesh Jagdishbhai Acharya		Babulal Patel	Equity	152764	10/-	C/o. Acharya Commodity, 13 National Plaza, Opp. Lal Bunglow, C.G. Road, Ahmedabad-9
59	Harshavadan D Chokshi		Jagdishbhai Acharya	Equity	1000	10/-	2312/1, Manek Chowk, Zaveri Bhuvan, Ahmedabad
60	Saumil Shaileshbhai Chokshi		D. Choksi	Equity	38191	10/-	2220, Manek Chowk, Ahmedabad-380 001
61	Rajdeep Overseas Pvt. Ltd.		Shaileshbhai Choksi	Equity	1000	10/-	Cotton Hall, 2nd Floor, Oppo. Girish Cold Drinks, Manek Chowk, Ahmedabad
62	Himanshu Pravinchandra Chokshi		N.A.	Equity	38191	10/-	C/o. C.B. Brothers 3/3987, Nagardas Street, Navrangpura, Surat
63	Tarachand Mehta		Pravinchandra Choksi	Equity	38191	10/-	No. 63, Mulla Sahib Street, Sowcarpet, Chennai-600 079

Sr. No.	Name of the Shareholder	Names of Joint holders	Fathers name of Shareholder	Type of Shares	No. of Shares	Amount per share	Address of Shareholders
64	Naresh Prasad Agarwal		Mehta	Equity	38191	10/-	C/o. Shiv Sahai and Sons, 1, Narsima Dasari Lane, 60/61, N.S.C. Bose Road, Chennai-600 001
65	Paras Gandhi		Prasad Agarwal	Equity	76382	10/-	7-2-848, Pot Market, Secunderabad-500 003
66	Chanda Anjaiah Parameshwar		Gandhi	Equity	76382	10/-	3-4-461, General Bazar, Secunderabad
67	MusaddilalBhagwat Swaroop Jewellers Pvt. Ltd.		Anjaiah Parameshwar	Equity	76382	10/-	5-9-45, Aashi Towers, Basheer Bagh, Hyderabad-500 063
68	Sri Krishna Bullion Mart Pvt. Ltd.		N.A.	Equity	76382	10/-	15-6-1, Siddiamber Bazar, Hyderabad-500 012
69	Rajesh Sharma		Sharma	Equity	38191	10/-	H. No. 286, Sector-21-A, Faridabad
70	Jwala India Pvt. Ltd.		N.A.	Equity	1000	10/-	1153, Kucha Mahajani, Chandni Chowk, Delhi-110 006
71	PEC Ltd.		N.A.	Equity	400000	10/-	Hansalaya' 15, Barakhamba Road, New Delhi-110 001
72	Jalan Commodities Pvt. Ltd.		N.A.	Equity	38191	10/-	1162, Kucha Mahajani, Chandni Chowk, Delhi-110 006
73	Prem Prakash Sharma		Prakash Sharma	Equity	38191	10/-	157, Bank Enclave, Laxmi Nagar, Delhi-110 092
74	Vimal Kumar Goel		Kumar Goel	Equity	305528	10/-	Flat No. 14, G 1/5, Model Town III, Delhi-110 009
75	Vijay Aggarwal		Aggarwal	Equity	38191	10/-	80, State bank Colony, G.T.Road, 2nd Floor, Delhi-110 009
76	Jindal Dyechem Industries Pvt. Ltd.		N.A.	Equity	38191	10/-	110, Babar Road, Opp. World Trade Centre, New Delhi-01
77	Brijwasi Impex Pvt. Ltd.		N.A.	Equity	76382	10/-	1170, 3rd Floor, Kucha Mahajani, Chandani Chowk, Delhi-110 006
78	Mr.Nikhil Khandelwal		Khandelwal	Equity	76382	10/-	61/20, Ramjas Road, Karol Bagh, New Delhi-110 005
79	Harshad Ajmera	Pritibala H Ajmera	Ajmera	Equity	38191	10/-	C/o. J.J. Gold House, 11/1, Sarat Bose Road, 3rd Floor, Suit 5305, Kolkata-700 020
80	East India Commodities Pvt. Ltd.		N.A.	Equity	38191	10/-	DA-14, Salt Lake City, Sector-1, Kolkata-700 064
81	Prakash Shantilal Ganna	Bhavna P Ganna	Shantilal Ganna	Equity	1000	10/-	82-84, Shaikh Memon Street, 2nd Floor, Mumbai-2
82	Ajit Sharadchandra Mauskar		Sharadchandra Mauskar	Equity	38191	10/-	411, Vidhata, Ram Maruti Road, Dadar (W), Mumbai 400 028
83	A.K. Exports Pvt. Ltd		N.A.	Equity	1000	10/-	1181 C, Kucha Mahajani, Chandani Chowk, Delhi 110 006
84	K.Satyanarayana		Satynarayana	Equity	100000	10/-	C/o Sri Vishakha Bullion Corporation D.No. 10-1-44/7 ,Peejay Plaza, VIP Road .Opp.Tycoon Restaurant, Siripuram,Visakhapatnam. Pin-530003
85	M.Y.Subramanyam		Y. Subramyam	Equity	50000	10/-	C/o Sri Visakha Bullion Corporation D. No.10-1-44/7,Peejay Plaza VIP Road,Opp.Tycoon Restaurant, Siripuram, Visakhapatnam. Pin-530003
86	M.A.Sriranga		A. Sriranga	Equity	50000	10/-	C/o Sri Visakha Bullion Corporation D. No.10-1-44/7,Peejay Plaza VIP Road,Opp.Tycoon Restaurant,Siripuram, Visakhapatnam. Pin-530003

Sr. No.	Name of the Shareholder	Names of Joint holders	Fathers name of Shareholder	Type of Shares	No. of Shares	Amount per share	Address of Shareholders
87	Ranjit Kumar Jain		Jain	Equity	50000	10/-	C/o Sri Visakha Bullion Corporation D. No.10-1-44/7,Peejay Plaza VIP Road,Opp.Tycoon Restaurant, Siripuram,Visakhapatnam. Pin-530003
88	Suresh Kumar Jain		Jain	Equity	50000	10/-	C/o Sri Visakha Bullion Corporation D. No.10-1-44/7,Peejay Plaza VIP Road,Opp.Tycoon Restaurant, Siripuram ,Visakhapatnam. Pin-530003
89	Mahendra Kumar Jain		Jain	Equity	50000	10/-	C/o Sri Visakha Bullion Corporation D. No.10-1-44/7,Peejay Plaza VIP Road,Opp.Tycoon Restaurant, Siripuram ,Visakhapatnam. Pin-530003
90	Shikharchand K Jain	Mrs.Suraj Jain	Kheenwraj Jain	Equity	110000	10/-	Samta 32 A/1, Ajeet Colony Near Circuit House,Ratanada Jodhpur -342001(Rajsthan)
91	Ghantasala Lakshmi			Equity	100000	10/-	"C/o Gnaneswara Rao D.No. 40-15/12-19/10,Plot No.202 Vasantha Nilaya ,Brundavan Colony Vijayawada-520010.
92	M/s Agrawal Traders			Equity	50000	10/-	978,Sharda Niket,Near Geeta Bhavan,Chopasni Road,Jodhpur (Raj)-342003
93	Vaikuntam Bajuri			Equity	1000	10/-	Shutter NO.47 & 48, C.P Reddy Complex, Hanmakona, Chowrasta, Warangal - 506002
Total No. of Shares					14,538,949		

Route Map to the Venue of the AGM



DIRECTORS' REPORT

To
The Members of
INDIAN BULLION MARKET ASSOCIATION LIMITED

Your Directors present the Eighth Annual Report along with the Audited Financial Statements for the year ended March 31, 2015

1. Financial results:

(In Rs.)

Particulars	For the Financial Year Ended March 31, 2015	For the Financial Year Ended March 31, 2014
Total Revenue	3,652,044,151	2,966,893,020
Total Expenses	3,870,957,272	3,039,455,263
EBITDA	(218,913,121)	(72,562,244)
Depreciation / Amortization	1,315,234	1,398,329
Finance Costs	46,769,857	47,655,607
(Loss)/Profit before Tax	(266,998,212)	(121,616,179)
Tax Expenses	-	(1,548,859)
(Loss)/Profit after Tax for the year	(266,998,212)	(120,067,320)
Earnings per share (Face Value Rs.10)		
Basic	(18.36)	(8.26)
Diluted	(18.36)	(8.26)

2. Company Overview:

The operating activities of your Company were significantly dependent on the operations of National Spot Exchange Limited (NSEL), its holding Company which has been facing enquires/investigations from Government agencies in relation to the payment crises due to default by some members. Since the operations of the holding Company were suspended, the Company has no major transactions for the year under review, save and except acting as a facilitator for the conversion of e-Series units in to physical commodities under rematerialization and financial close out process of the e-Series units initiated by NSEL.

The Company has incurred a loss of Rs.266,998,212/- in the current year in comparison to the loss of Rs.120,067,320/- incurred in the previous year.

3. Dividend:

In view of the losses, your Directors do not recommend any dividend for the FY 2014-15.

4. Transfer to Reserves:

Since your Company has incurred losses during the year under review, no transfer is made to reserves.

5. Capital:

During the year under review, there is no change in the Share Capital of the Company. As on 31st March 2015, the paid up share capital stood at Rs.145,389,490/- comprising of 14,538,949 equity shares of Rs.10/- each.

DIRECTORS' REPORT

6. State of the Company's affairs:

In view of the suspension of the exchange operations of the Holding Company NSEL, the operations of your Company have also been impacted. The Hon'ble Bombay High Court vide its order dated 7th October, 2013 has placed restrictions on NSEL in granting any funds to the Company and also on liquidation of the E-series units owned by the Company. Further the Company is pursuing legal recourse for recovering funds from its long outstanding receivables. All these factors have led to significant liquidity crunch.

The Company had filed a notice of motion with Hon'ble Bombay High Court praying inter-alia to modify the above referred order dated 7th October, 2013, directing NSEL to process application of rematerialization if any made by the Company in respect of e-Series contracts and to permit NSEL to infuse capital or loan to IBMA for urgent payment for preservation, maintenance and protection of their assets and wages and salaries. The matter is currently listed for hearing at the Hon'ble High Court.

The Company also has plans to start some revenue generating activity in the near future.

7. Details of Subsidiaries, Joint Ventures or Associates Companies:

The Company does not have any Subsidiaries, Joint Ventures or Associates Companies. Further no Companies have become Subsidiaries, Joint Ventures or Associates Companies or entered in to Joint Venture with your Company during the year under review.

8. Adequate Financial controls:

The Company has adequate financial control system in place with reference to the financial statements.

9. A statement indicating development and implementation of a Risk Management Policy for the Company including identification therein of elements of risk, if any:

The Company has an adequate Risk Management Policy to cover current operations.

10. Composition of the Board of Directors and Changes during the year:

There is no change in Composition of the Board of Directors of the Company during the year.

The Board of Directors as at the year ended 31st March, 2015 comprised of:

Sr. No.	Name	DIN	Date of Appointment
1.	Mr. Saji Cherian	02512505	23rd October, 2013
2.	Adv. Dattatray Palekar	02133527	23rd October, 2013
3.	Mr. Varghese Jacob	01966765	23rd October, 2013
4.	Mr. Vijay Ramakrishnan	02407231	23rd October, 2013

Mr. Saji Cherian MD of NSEL was till now, in addition to his regular assignment, looking after day to day affairs of the Company. The Board has been for quite some time on the lookout for appointing a Whole Time Director and your Company has on 17th April, 2015 appointed Mr. Manmohan Anand as a Whole –Time Director to look after the day to day affairs of the Company.

DIRECTORS' REPORT

11. Statement on Declaration given by Independent Directors under sub-section(6) of Section 149:

All the Independent Directors have given declarations that they meet the criteria of Independence as laid down under section 149(6) of the Companies Act, 2013.

12. Company's policy on director's appointment and remuneration including criteria for determining qualification, positive attributes, independence of director and others matters provided under section 178(3):

The Company has constituted a Nomination and Remuneration Committee in the board meeting held on 12th February 2015, for formulating the criteria for determining qualifications, positive attributes and independence of a director and to recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

The members of the Committee are:

Sr. No	Name	Designation
1.	Mr. Saji Cherian	Chairman of the Committee
2.	Adv. Dattatray Palekar	Member
3.	Mr. Varghese Jacob	Member
4.	Mr. Vijay Ramakrishnan	Member

13. Appointment or Resignation of Key Managerial Personnel:

During the year the following were appointed as the KMP:

Sr. No.	Name of KMP	Appointed as	With effect from
1.	Ms. Hena Juthani	Company Secretary	12th February,2015
2.	Mr. Arun Pinto	Chief Financial Officer	04th March,2015

During the year the following KMP resigned:

Sr. No.	Name of KMP	Resigned as	With effect from
1.	Ms. Hena Juthani	Company Secretary	13th September,2014

14. Disclosure regarding various committees:

i. Audit Committee:

The Company has duly constituted the Audit Committee as per Sec 177(8) with Mr. Saji Cherian, Mr. Varghese Jacob and Mr. Vijay Ramakrishnan as its members. Mr. Vijay Ramakrishnan has been appointed as a Chairman of the Audit Committee

ii. Nomination and Remuneration Committee:

The Company has duly constituted the Nomination and Remuneration Committee as per Sec 178 of the Companies Act, 2013. All the directors of the company are its members.

DIRECTORS' REPORT

15. Directors Responsibility Statement:

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of reference of Section 134(3)(c) of the Companies Act, 2013:

- a. that in the preparation of the Annual Accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- b. the Directors had 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 at the end of the financial year 2014-15 and of the profit or loss of the Company for that period;
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the Directors had prepared the Annual Accounts of the Company on a going concern basis.
- e. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that systems were adequate and operating effectively.

16. Meetings:

During the year Nine (9) Board Meetings and Six (6) Audit Committee Meetings were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013. The composition of the Audit Committee as required under Section 177(8) of the Companies Act, 2013 has been mentioned in the Director's Report.

17. Particulars of Employees:

None of the employees of your Company is in receipt of remuneration requiring disclosure pursuant to the provisions of Section 196 of the Companies Act, 2013 read with Companies (Appointment and Remuneration) Rules 2014 and to form part of Directors' Report for the year ended on 31st March, 2015, hence no such particulars are annexed.

18. Auditors:

The Company's auditors M/s. Patel, Shah & Joshi, Chartered Accountants Mumbai (Firm Registration No. : 107768W) who retire at the ensuing Annual General Meeting of the Company are eligible for reappointment. They have confirmed their eligibility under section 141 of the Companies Act, 2013 and rules framed thereunder for appointment of Auditors of the Company for the Financial Year 2015-16.

19. Qualifications or Reservations or Adverse Remarks, if any and the explanation or comments of the Board:

The Auditors' Report on the Financial Statements of the Company for the financial year ended 31st March , 2015 have certain, qualifications and the Managements response to those qualifications is as follows:-

Qualification 5(a) in Auditors Report:

The trade receivables and other receivables are subject to confirmation and reconciliation. The management, however, does not expect any material changes on account of such reconciliation/ non receipt of the confirmation from parties. However the balances between NSEL and IBMA in respect of exchange operations are subject to reconciliation. In many cases legal notices have been sent to the parties, however we are unable to form any opinion on recoverability of the outstanding balance of such parties

DIRECTORS' REPORT

Management Response:

The Company is following up with the parties who have outstanding receivables and have sent legal notices in all suitable cases. Further legal steps are being explored by the Company looking at the materiality aspect of the outstanding amounts. The process of reconciliation is currently underway and the management as per the information currently available does not expect any material impact on the profit and loss statement.

Qualification 5(b) in Auditors Report:

As stated in note no. 36 (a) and (b) of Notes to Accounts, the Company had rendered services to one M/s SNP Designs Pvt. Ltd (SNP) relating to trade in future commodity contracts in the earlier financial years. At the end of the year a sum of Rs.77,47,18,046/- was due and receivable from SNP. The managing director and majority shareholder of SNP is Mrs. Shalini Sinha, wife of Mr. Anjani Sinha (Director and KMP at IBMA). Such relationship was not informed by Mr. Anjani Sinha to the Company. No money has been received from SNP despite of substantial amounts due and outstanding. SNP denied having any liability to pay to the Company and the matter is under dispute. It has been informed by management that such transactions were carried out on the instruction issued by erstwhile- director of the Company Mr. Anjani Sinha who was managing the affairs of the Company.

Management Response:

Post the crisis that ensued at NSEL, the holding Company appointed an Internal Enquiry Committee (IIC) to investigate and report on matters in relation to the crisis. IIC also covered trades undertaken by IBMA on future commodity exchanges on behalf of SNP Designs Pvt Ltd (SNP) in terms of an agreement signed between IBMA and SNP. IIC observed that such trades were executed on the directions of erstwhile director and Key Managerial Personnel, Mr. Anjani Sinha and as per the available records, Mr. Anjani Sinha was exclusively dealing with SNP and no efforts were made by him to recover the outstanding from SNP. No funds were received by IBMA during the course of the trades. Board of IBMA did not approve of such trades executed on behalf of SNP. The trades for SNP were executed by Mr. Anjani Sinha without informing the board.

Pursuant to the forensic audit report of Grant Thornton India LLP, the Company came to know that Mrs. Shalini Sinha, wife of erstwhile director and KMP Mr. Anjani Sinha, was the Managing Director and major shareholder of SNP Designs Pvt. Ltd. The details of such relationship were not disclosed by Mr. Anjani Sinha to the board of directors. SNP had confirmed the balance outstanding to the Company as on 31st March 2013 and continued transacting with the Company until July 2013. Later when the demand was raised by the Company, SNP denied owing any liability to the Company. The Company had sent a legal notice rebutting their contention in response to their reply. In the wake of such irregularities and on directions received from the holding Company National Spot Exchange Ltd., Mr. Anjani Sinha was removed from the Board of Directors of IBMA on 23rd October 2013. The Company is in the process of filing a suit in the Hon'ble Bombay High court under Civil jurisdiction praying inter-alia to pass an order directing SNP to pay the outstanding sum with interest.

Qualification 5(c) in Auditors Report:

As stated in note no. 38 of Notes to Accounts the Company has made provision for bad and doubtful debts, in case of receivables for sale and services entered by the Company to the extent of Rs.20,49,66,433/-. In our opinion the Company should have provided 100% of all its bad and doubtful debts and other receivables. In our view including the above other receivables and debtors as stated in paragraph 5(a) and 5(b) above, the unrealized outstanding debtors and receivables should also have been provided fully in the books of accounts. Accordingly, had the Company provided for the entire amount as provision for Bad and Doubtful Debts (including other receivables) the amount of provision should have been higher by Rs. 40,97,93,241/-

Management Response:

As detailed in above responses Company has taken steps towards recovery of the overdue receivables. The Company on prudent basis has provided for doubtful debts of Rs.20,49,66,433/- in total for FY 2014-15 being 25% of the outstanding receivables of debtors for FY 2014-15 and believes that such provision is currently reasonable.

DIRECTORS' REPORT

20. Secretarial Audit:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board appointed Ms. Jyoti Kholia, a Practicing Company Secretary, as a Secretarial Auditor for the financial year 2014-15. Since the provisions relating to disclosures are not applicable for the year under review, the Secretarial audit report is not enclosed to the Board's report for the year ended 31st March, 2015.

21. Particulars of Contracts or arrangements with related parties:

During the period under review, the Company had not entered into any material transaction with any of its related parties except for the interest recorded for loan received from the holding Company, NSEL. None of the transactions with any of related parties were in conflict with the Company's interest. Attention of members is drawn to the disclosure of transactions with related parties set out in Note No. 28 of Financial Statements, forming part of the Annual Report. All related party transactions are negotiated on an arm's length basis, and are intended to further the Company's interests. The transactions entered into were for the sole purpose of meeting day to day expenses.

22. Annual return:

Extract of Annual Return as provided u/s. subsection (3) of section 92 is annexed to the Board's Report as required u/s. 134(3)(a) of the Companies Act, 2013. (Annexure A)

23. Particulars of Loans, guarantees or investments under Section 186:

The company has not granted any loan or Guarantee and has not made any investment covered under the provisions of Section 186 of the Companies Act, 2013

24. Material Changes affecting the financial position of the Company:

There have been no material changes affecting the financial position of the Company that have occurred during the financial year under review.

25. Conservation of Energy, Technology Absorption:

As your Company does not fall under any of the industries listed out in the Schedule appended to the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, particulars required to be disclosed with respect to conservation of energy and technology absorption, are not applicable to the Company.

26. Research & Development:

The Company is in the business of trading in commodities and endeavors to do research in the commodity sector to enhance opportunities for the stakeholders.

27. Foreign Exchange Earnings and Outgo:

There were no foreign exchange earnings or outgo during the year under review.

28. Deposits:

The Company has not accepted any deposits during the year under review.

DIRECTORS' REPORT

29. Details of orders impacting the operations or going concern status:

No material orders were passed by the regulators or courts or tribunals impacting the going concern status or the Company's operations, however due to restraint imposed on NSEL relating to disposal of assets vide Order of Bombay High Court dated 7th October, 2013 in WP Lodg. No.2340 of 2013 and WP. No. 2534 of 2013, your Company being a subsidiary of NSEL has been impacted.

30. CSR Policy & Initiatives:

The provisions of Corporate Social Responsibility (CSR) as per Sec 135 of the Companies Act, 2013 are not applicable to your Company. And therefore Company has not undertaken CSR Activities as prescribed in The Companies (Corporate Social Responsibility Policy) Rules, 2014.

Acknowledgements:

Your Directors wish to place on record their deep sense of appreciation for the devoted services of the executives of the Company for its sailing through the critical phases.

Your Directors also acknowledge with gratitude the help and support received from the Shareholders, Bankers and Regulators and hope to continue to get such support in times to come.

For and on behalf of the Board

Mr. Manmohan Anand

Whole Time Director

DIN: 07159075

Mr. Saji Cherian

Director

DIN: 02512505

Place : Mumbai

Date : 16/05/2015

ANNEXURE TO DIRECTORS' REPORT

Annexure A
Form No. MGT-9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2015

[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:-	U74900MH2007PLC171717
ii.	Registration Date	15/06/2007
iii.	Name of the Company	INDIAN BULLION MARKET ASSOCIATION LIMITED
iv.	Category / Sub-Category of the Company	Company Limited by Shares
v.	Address of the Registered office and contact details	4th Floor, FT Tower, CTS No.256&257, Suren Road, Chakala, Andheri (East), Mumbai - 400093
vi.	Whether listed Company	NO
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

- i. To carry on trading business as a buyer, seller and commission agent in physical market and through commodity exchanges in gold, silver, base metals and agricultural commodities. To also operate as an Institutional Trading and Clearing Member (ITCM) of National Spot Exchange Ltd (NSEL) offering trading, clearing and settlement services to its constituent Members and clients.

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated: The Company as an authorized dealer had acted as a facilitator for conversion of E-series units in to physical commodities under the rematerialization and financial close out process of the E series units initiated by NSEL. During this process the company raised sales invoices at the applicable clearing rate on delivery of the underlying physical commodity to the extent of Rs.3,65,85,96,927/- in the current year. The details of the activities that contributed 10% or more of the turnover are as below:

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Gold	46620	48.6%
2.	Silver	46620	50.0%

ANNEXURE TO DIRECTORS' REPORT

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

SR. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
1.	National Spot Exchange Limited	U511MH2005PLC153	HOLDING COMPANY	60.88	2(87)(ii) of the Companies Act,2013

IV. Shareholding pattern of the Company (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category Code	Category of Shareholder	Shareholding as on 31st March 2015				Shareholding as on 31st March 2014				% Change during the year
		Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
(I)	(II)									
(A)	Shareholding of Promoter and Promoter Group[2]	NIL	8851725	8851725	60.88	NIL	8851725	8851725	60.88	NIL
(1)	Indian									
(a)	Individuals/ Hindu Undivided Family	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(b)	Central Government/ State Government(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(c)	Bodies Corporate	NIL	8851725	8851725	60.88	NIL	8851725	8851725	60.88	NIL
(d)	Financial Institutions/ Banks	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(e)	Any Other (specify)									
	Sub-Total (A)(1)	NIL	8851725*	8851725	60.88	NIL	8851725	8851725	60.88	NIL

*INCLUDING NOMINEES OF NATIONAL SPOT EXCHANGE LIMITED (NSEL)

(2)	Foreign									
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(b)	Bodies Corporate	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(c)	Institutions	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(d)	Qualified Foreign Investor	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

ANNEXURE TO DIRECTORS' REPORT

(e)	Any Other (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Sub-Total (A)(2)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Total Shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)	NIL	*8851725	8851725	60.88	NIL	8851725	8851725	60.88	NIL
Category code	Category of shareholder									
(B)	Public shareholding[3]									
(1)	Institutions	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(a)	Mutual Funds/ UTI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(b)	Financial Institutions/ Banks	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(c)	Central Government/ State Government(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(d)	Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(e)	Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(f)	Foreign Institutional Investors	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(g)	Foreign Venture Capital Investors	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(h)	Qualified Foreign Investor	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(i)	Any Other (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Sub-Total (B)(1)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(2)	Non-institutions									
(a)	Bodies Corporate	NIL	1968838	1968838	13.54	NIL	1968838	1968838	13.54	NIL
(b)	Individuals									
(c)	(i) Individuals holding nominal share capital upto Rs.1 lakh	NIL	2641801	2641801	18.17	NIL	2641801	2641801	18.17	NIL
(d)	(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	NIL	1026585	1026585	7.06	NIL	1026585	1026585	7.06	NIL

ANNEXURE TO DIRECTORS' REPORT

	Qualified Foreign Investor	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Any Other (specify)									
	Firm	NIL	50000*	50000	0.34	NIL	50000	50000	0.34	NIL
	Trust	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Sub-Total (B)(2)	NIL	5687224	5687224	39.12	NIL	5687224	5687224	39.12	NIL
	Total Public Shareholding (B)= (B)(1)+(B)(2)	NIL	5687224	5687224	39.12	NIL	5687224	5687224	39.12	NIL
	TOTAL (A)+(B)	NIL	14538949	14538949	100	NIL	14538949	14538949	100	NIL
*FIRM –M/s Agrawal Traders										
(C)	Shares held by Custodians and against which Depository Receipts have been issued	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	GRAND TOTAL (A)+(B)+(C)	NIL	14538949	14538949	100	NIL	14538949	14538949	100	NIL

ii. Shareholding pattern of the promoters:

No shares held by the Promoter & Promoter Group are Pledged / encumbered

iii. Change in promoter's shareholding (please specify if there is no change)

No change in the shareholding pattern of the Promoter Company except the transfer due to the change in nominee of the Holding Company.

ANNEXURE TO DIRECTORS' REPORT

iv. Shareholding pattern of the top 10 shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

For Each of the Top 10 Shareholders		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	PEC Limited	4000000	2.75	400000	2.75
	Manubhai Zaveri Ornaments Pvt. Ltd.	305529	2.10	305529	2.10
	Vimal Kumar Goel	305528	2.10	305528	2.10
	Kunvarji Finance Pvt. Ltd.	152765	1.05	152765	1.05
	Amrapali Industries Ltd.	152765	1.05	152765	1.05
At the beginning of the year	Ausom International Pvt. Ltd.	152765	1.05	152765	1.05
	Ashokbhai Maganlal Jani	152765	1.05	152765	1.05
	CVM Jewels Pvt. Ltd.	152765	1.05	152765	1.05
	Nemichand Babulal Sanghavi	152764	1.05	152764	1.05
	Hareish Jagdishbhai Acharya	152764	1.05	152764	1.05
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	NIL	NIL	NIL	NIL	NIL

ANNEXURE TO DIRECTORS' REPORT

For Each of the Top 10 Shareholders		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 End of the period 31st March 2015	PEC Limited	4000000	2.75	400000	2.75
	Manubhai Zaveri Ornaments Pvt. Ltd.	305529	2.10	305529	2.10
	Vimal Kumar Goel	305528	2.10	305528	2.10
	Kunvarji Finance Pvt. Ltd.	152765	1.05	152765	1.05
	Amrapali Industries Ltd.	152765	1.05	152765	1.05
	Ausom International Pvt. Ltd.	152765	1.05	152765	1.05
	Ashokbhai Maganlal Jani	152765	1.05	152765	1.05
	CVM Jewels Pvt. Ltd.	152765	1.05	152765	1.05
	Nemichand Babulal Sanghavi	152764	1.05	152764	1.05
	Hareish Jagdishbhai Acharya	152764	1.05	152764	1.05

v. Shareholding of Directors and Key Managerial Personnel(KMP):

Mr. Saji Cherian holds 1 (One) equity share in the capacity of nominee of the Holding Company i.e. National Spot Exchange Limited. No other director holds any share with the company

None of the KMP held shares of the Company

V. Company's indebtedness

(Amount in Rs.)

Indebtedness at the beginning of the financial year	Secured Loan excluding deposits	Unsecured Loans	Deposits	Total indebtedness
i) Principal amount	-	14,99,00,000	-	14,99,00,000
ii) Interest due but not paid	-	2,09,25,904	-	2,09,25,904
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	-	17,08,25,904	-	17,08,25,904
Changes in Indebtedness during the financial Year				
• Addition	-		-	
• Reduction	-	20,00,000	-	20,00,000
Net Change		20,00,000		20,00,000

ANNEXURE TO DIRECTORS' REPORT

(Amount in Rs.)

Indebtedness at the beginning of the financial year	Secured Loan excluding deposits	Unsecured Loans	Deposits	Total indebtedness
Indebtedness at the end of the financial year				
i) Principal amount	-	14,79,00,000	-	14,79,00,000
ii) Interest due but not paid	-	3,57,42,205	-	3,57,42,205
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	-	18,36,42,205	-	18,36,42,205

VI. Remuneration of directors and key managerial personnel

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

The Company did not have any Managing Director, Whole-time Directors and/or Manager during the year under review.

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors	Total Amount (In Rs.)
1.	Independent Directors		
2.	• Fee for attending board / committee meetings	Adv. Dattatray Tulsidas Palekar	1,27,777
		Mr. Varghese Maraekat Jacob	1,88,888
		Mr. Vijay Jaya Ramakrishnan	1,88,888
	• Commission		NIL
	• Others, please specify		5,05,553
	Total (1)		
2.	Other Non-Executive Directors		
	• Fee for attending board / committee meetings	NOT APPLICABLE	
	• Commission		
	• Others, please specify		
3.	Total (2)		NIL
4.	Total (B)=(1+2)		5,05,553
	Total Managerial Remuneration		5,05,553
	Ceiling as per the Act	The sitting fees of Board of directors & committees thereof shall not exceed one lakh rupees per meeting as per section 197(5) of the Companies Act, 2013 and rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.	

ANNEXURE TO DIRECTORS' REPORT

C. Remuneration to KMP:

The Company appointed a Company Secretary as on 12.02.2015 and Chief Financial Officer as on 04.03.2015. The KMP's are on the payroll of the Holding Company i.e. National Spot Exchange Limited and have been deputed to the Company. The annual package of the KMP's, as per the term of their employment is as displayed below:

Sr. No.	Particulars of Remuneration	Total Amount (In Rs.)		
		CS	CFO	Total
1.	Gross salary	3,90,180*	68,679	4,58,859
	(a)Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	NIL	NIL
	(b)Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL
	(c)Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL
2.	Stock Option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission -as % of profit -others, specify...	NIL	NIL	NIL
	Total			4,58,859

* It includes Remuneration of Mr. Sandip Rahane of Rs.342391/- and Ms. Hena Juthani Rs.47789/-.

VII.Penalty or punishment imposed on the Company, its directors or officers and details of compounding of offences and appeals made against such penalty or punishment; **NO PENALTY**

For and on behalf of the Board

Mr. Manmohan Anand

Whole Time Director
DIN: 07159075

Mr. Saji Cherian

Director
DIN: 02512505

Place : Mumbai
Date : 16/05/2015

INDEPENDENT AUDITORS' REPORT

To

The Members of Indian Bullion Market Association Limited

Report on the Financial Statements

1. We have audited the accompanying Financial Statements of Indian Bullion Market Association Limited ("the Company") as at 31st March 2015, which comprises Balance Sheet, Statement of Profit and Loss and also the Cash Flow Statement of the Company for the year ended on that date, and summary of significant accounting policies and other explanatory information.

2. Management's Responsibility

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial 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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that except as indicated in this report, the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

INDEPENDENT AUDITORS' REPORT

5. Basis for Qualified Opinion

- (a) *The trade receivables and other receivables are subject to confirmation and reconciliation. The management, however, does not expect any material changes on account of such reconciliation/ non receipt of the confirmation from parties. However the balances between NSEL and IBMA in respect of exchange operations are subject to reconciliation. In many cases legal notices have been sent to the parties, however we are unable to form any opinion on recoverability of the outstanding balance of such parties.*
- (b) *As stated in note no. 36 (a) and (b) of Notes to Accounts, the Company had rendered services to one M/s SNP Designs Pvt. Ltd (SNP) relating to trade in future commodity contracts in earlier financial years. At the end of the year a sum of Rs.77,47,18,046/- was due and receivable from SNP. The managing director and majority shareholder of SNP is Mrs. Shalini Sinha, wife of Mr. Anjani Sinha (Director and KMP at IBMA). Such relationship was not informed by Mr.Anjani Sinha to the company. No money has been received from SNP despite of substantial amounts due and outstanding. SNP denied having any liability to pay to the Company and the matter is under dispute. It has been informed by management that such transactions were carried out on the instruction issued by erstwhile- director of the Company Mr. Anjani Sinha who was managing the affairs of the Company.*
- (c) *As stated in note no. 38 of Notes to Accounts the company has made provision for bad and doubtful debts, in case of receivables for sale and services entered by the company to the extent of Rs.20,49,66,433/-. In our opinion the Company should have provided 100% of all its bad and doubtful debts and other receivables. In our view including the above other receivables and debtors as stated in paragraph 5(a) and 5(b) above, the unrealized outstanding debtors and receivables should also have been provided fully in the books of accounts. Accordingly, had the Company provided for the entire amount as provision for Bad and Doubtful Debts (including other receivables) the amount of provision should have been higher by Rs.40,97,93,241/- .*

The matters stated above could also have a consequential impact on the measurement and disclosure of information provided under, but not limited to statement of profit and loss, provision for tax, cash flow statement and earnings per share for the year ended 31st March, 2015 in these Financial Statements.

6. Qualified Opinion

In our opinion and to the best of our knowledge and according to information and explanations given to us, except for the effects of the matters described in the Basis for Qualified Opinion paragraphs above, the aforesaid Financial Statements give the information required by the Act in the manner so required and give the true and fair view in conformity with the accounting principles generally accepted in India.

- (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2015.
- (ii) In the case of Statement of Profit and Loss, of the loss for the year ended on that date and
- (iii) In the case of Cash Flow statement, of the cash flows for the year ended on that date.

Emphasis of Matter

7. The Company has recorded a loss of Rs.26,69,98,212/- (PBT/PAT) for the year. The net worth of the company has been eroded and is negative by Rs.35,16,46,074/- as at 31st March,2015. There has been discontinuation of most of the activities carried out by the Company after 31st July 2013. There have been ongoing litigations and civil proceedings initiated against the Company. The Company had defaulted in payments of dues to various tax

INDEPENDENT AUDITORS' REPORT

authorities /affiliated member's constituents etc., as at 31st March 2015 due to lower cash inflows from existing receivable and virtual stoppage of major sources of income after 31st July 2013. The management of the holding Company has agreed to provide all the required financial help to IBMA subject to compliance of Court/regulatory requirements. Necessary adjustment may have to be made to the value of assets and liabilities in case the going concern concept is vitiated. The accompanying Financial Statements have been prepared based on cumulative impact of following mitigating factors to consider the Company as a going concern despite the accumulated losses:

- i. The Company has appointed a whole time director in April 2015 to look into the day to day affairs of the company and the company has plans to take steps for revival or restoration of few of the business operations of the Company and to recover the outstanding receivables, in near future.
 - ii. Repayment of loan(s) received and interest accrued and due to holding Company is sought to be restructured with the support of the holding Company in subsequent financial year.
 - iii. Payment of liability on account of trading activity due to holding Company is sought to be restructured with the support of holding Company.
 - iv. The company has filed a notice of motion with Hon'ble Bombay High Court praying inter-alia directing NSEL to process application of rematerialization if any made by the company in respect of e-series contracts and to permit NSEL to infuse capital or loan to IBMA for payment of statutory dues, amounts for preservation, maintenance and protection of their assets and wages and salaries. The matter is currently listed for hearing at the Hon'ble High Court, Mumbai.
- 8.** Due to various events in the past, the operations of the Company have been adversely affected. Forward Market Commission (FMC) had given directions on 14th August, 2013 to the holding Company NSEL to not transfer any amount to the Company including the amounts due and recoverable for earlier commercial transactions already carried out with NSEL. The Bombay High Court, while examining the issue of diversion of funds from certain types of contracts to payments for e-series contracts, had given directions to the holding Company NSEL vide its order dated 7th October 2013 to not dispose of, alienate, encumber, part with possession of or create any third party right, title and/ or interest in, upon or in respect of any of the assets, except for the payment of statutory dues, amounts for the preservation, maintenance and protection of their assets and wages and salaries without the written permission of the FMC and in the case of immovable properties, without the orders of the Bombay High Court. Hence NSEL could not make any payment to the Company. The Company has approached Hon'ble Bombay High Court praying inter-alia to permit NSEL to infuse capital or loan to IBMA for payment of statutory dues, amounts for preservation, maintenance and protection of their assets and wages and salaries. The matter is currently listed for hearing at the Hon'ble High Court, Mumbai.

'Report On Other Legal and Regulatory Requirements'

- 9.** As required by the Companies (Auditor's Report) Order, 2015 ("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 statement on the matters specified in paragraphs 3 and 4 of the said Order.
- 10.** As required by section 143(3) of the Act, and subject to our observations in paragraph 5 above, we report that:
- a) Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

INDEPENDENT AUDITORS' REPORT

- b) Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, the Company has kept proper books of account as required by law so far as it appears from our examination of those books;
- c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) The going concern matter described under the Emphasis of Matters paragraph 7 above, in our opinion, may have an adverse effect on the functioning of the Company.
- f) On the basis of written representations received from the directors as on 31st March 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2015, from being appointed as a director in terms of section 164(2) of the Act.
- g) 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. As per note 42 to the financial statements the Company is not in a position to quantify any impact of pending litigations on its financial position in its financial statements as the matters are still under investigations and are sub-judice.
 - ii. As per the information available with us the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. As per the information available with us there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **PATEL SHAH & JOSHI**
Chartered Accountants
Firm Registration No: 107768W

JAYANT I MEHTA
Partner
Membership No.: 042630

Place : Mumbai
Date : 16/05/2015

ANNEXURE TO THE INDEPENDENT AUDITORS REPORT

(Referred to in paragraph 9 under “Report on Other Legal and Regulatory Requirements” section of our report of even date) on the accounts of the Company for the year ended 31st March, 2015.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report on matters specified in paragraph 3 of the Order including reasons for unfavorable/qualified answers to the questions as required in paragraph 4 of the Order:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets are physically verified by the management at reasonable intervals, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (ii) (a) The Company has conducted a physical verification of stock-in-trade belonging to the Company by actual inspection or on the basis of statement received from depository participants or warehouse receipts in respect of commodities held as stock-in-trade in physical or demat form at reasonable intervals.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of the inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business. We have not come across any instance of lack in procedure of physical verification.
- (c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of the inventory and no material discrepancies were noticed on physical verification. Physical verification of stock has not been done by us and we have relied on the statement from the management.
- (iii) (a) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 during the year hence, Paragraph 3 (iii) (a) and (b) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the company has adequate internal control procedures commensurate with the size of the company and nature of its business for the purchase of inventory, fixed assets and sale of goods and services. During the course of our audit we did not come across any continuing failure to correct major weaknesses in internal control system.
- (v) We are informed that the company has not accepted any deposits from the public during the year and therefore, the provisions of Paragraph 3 (v) of the Order are not applicable to the company.
- (vi) We are informed that the Central government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act
- (vii) According to the information and explanation given to us in respect of statutory and other dues:-
- (a) The undisputed statutory dues of Provident Fund, employee's state insurance, Wealth Tax, Custom Duty, Excise Duty, Cess and other statutory dues apart from Sales Tax, Income Tax and Service Tax have been regularly deposited with the appropriate authorities though there have been delay in few cases.
- i) Details of undisputed sales tax dues (including interest) which have not been deposited as on 31st March, 2015 are given below:

Name of statute	Nature of the dues	Amount (Rs.)	Period
Gujarat VAT Act	As per VAT returns	3,87,02,850/-	F.Y. 13-14
Punjab VAT Act	As per VAT returns	8,44,83,003/-	F.Y. 13-14
Haryana VAT Act	As per VAT returns	4,52,38,843/-	F.Y. 13-14
Delhi VAT Act	As per VAT returns	72,33,796/-	F.Y. 14-15
Andhra Pradesh VAT Act	As per VAT returns	4,87,836/-	F.Y. 14-15

ANNEXURE TO THE INDEPENDENT AUDITORS REPORT

- ii) Details of undisputed Income Tax and Service tax dues (including interest) which have not been deposited as on 31st March, 2015 are given below:

Name of statute	Nature of the dues	Amount (Rs.)	Period
Income Tax	TDS on Interest	14,81,630/-	F.Y. 14-15
	TDS on Prof Fee	4,71,918/-	F.Y. 14-15
Income Tax	TDS on Interest	11,174/-	F.Y. 13-14
Service Tax	As per return.	2,23,765/-	F.Y. 14-15

- (b) According to the information and explanations given to us, following demands are disputed in respect of Income Tax and Sales Tax as at 31st March, 2015.

Name of statute	Nature of the dues	Amount (Rs.)	Period	Forum where dispute is Pending	Date of receipt of notice of demand
Andhra Pradesh VAT Act	Sales tax demand for purchase as an agent for members	6,57,42,500/-	F.Y. 12-13	The Sales Tax Officer, Andhra Pradesh	24-02-2014
Andhra Pradesh VAT Act	Sales tax demand for purchase as an agent for members	3,09,459/-	F.Y. 12-13	The Sales Tax Officer, Andhra Pradesh	24-02-2014
Gujarat VAT Act	Sales tax demand for purchase as agent for members	35,67,710/-	F.Y 10-11	Deputy Commissioner of commercial Tax, Gujarat	31.03.2015
West Bengal VAT Act	Sales Tax demand for of own trade activity on account of denial of input tax credit.	28,36,108/-	F.Y 11-12	The Sales Tax Officer, West Bengal.	09.06.2014
Rajasthan VAT Act	Sales tax demand for own trade activity on account of denial of input tax credit	2,83,525/-	F.Y. 09-10	The Sales Tax Officer, Rajasthan	06.02.2014
Rajasthan VAT Act	Sales tax demand for own trade activity on account of denial of input tax credit	1,42,89,118/-	F.Y. 10-11	The Sales Tax Officer, Rajasthan	09.01.2014
Rajasthan VAT Act	Sales tax demand for own trade activity on account of denial of input tax credit	3,09,55,912/-	F.Y. 11-12	The Sales Tax Officer, Rajasthan	25.04.2014
Punjab VAT Act	Sales tax demand for purchase as an agent for members	26,02,50,254/-	1.10.2012 to 31.12.2012	Punjab Appellate Tribunal	01.11.2013

ANNEXURE TO THE INDEPENDENT AUDITORS REPORT

Name of statute	Nature of the dues	Amount (Rs.)	Period	Forum where dispute is Pending	Date of receipt of notice of demand
Delhi VAT Act	Sales Tax demand for of own trade activity on account of denial of input tax credit.	5,023/-	F.Y. 11-12	The Sales Tax Officer, Delhi.	25.08.2014
Delhi VAT Act	Sales Tax demand for of own trade activity on account of denial of input tax credit.	25,85,384/-	F.Y. 12-13	The Sales Tax Officer, Delhi.	25.08.2014
Income Tax Act, 1961	Assessment dues on assessment u/s143 (3) r.w. section 142 (2A) of the Act	10839608/-	F.Y. 10-11	The Commissioner of Income Tax – Appeals Mumbai	14.11.2014

- (c) No amount is to be transferred by the company to Investor education and protection fund in accordance with the relevant provisions of Companies Act.
- (viii) The Company has accumulated losses, and it has negative net worth as at the end of the financial year. The Company has incurred cash losses in the current financial year and the preceding financial year.
- (ix) In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to a financial institution or bank or debenture holders during the year.
- (x) We are informed that the company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) We are informed that the company has not obtained any term loan during the year.
- (xii) According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the current year. However in the earlier years there have been irregularities pointed out by the Internal Inquiry Committee and the forensic auditors. These matters are currently under investigation and hence we are unable to opine on the nature of such irregularities, if any.

For **PATEL SHAH & JOSHI**
Chartered Accountants
Firm Registration No: 107768W

Place : Mumbai
Date : 16/05/2015

JAYANT I MEHTA
Partner
Membership No.: 042630

BALANCE SHEET

AS AT 31 MARCH, 2015

(in Rs.)

PARTICULARS	Notes	31 March, 2015	31 March, 2014
EQUITY AND LIABILITIES			
(1) Shareholders' Fund			
(a) Share Capital	3	145,389,490	145,389,490
(b) Reserves and surplus	4	(497,035,564)	(230,037,352)
		(351,646,074)	(84,647,862)
(2) Non-current liabilities			
		-	-
(3) Current liabilities			
(a) Short-term borrowings	5	147,900,000	149,900,000
(b) Trade payables	6	744,446,130	729,614,168
(c) Other current liabilities	7	191,825,991	201,349,985
		1,084,172,121	1,080,864,153
	TOTAL	732,526,047	996,216,292
ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	8	312,467	716,818
(ii) Intangible assets	9	975,984	1,891,940
(b) Non-current investments	10	-	46,000
(c) Long-term loans and advances	11	777,680	3,989,339
(d) Other non-current assets	12	383,664,528	414,717,220
		385,730,659	421,361,316
(2) Current assets			
(a) Current investments	13	166,024	-
(b) Inventories	14	62,780,068	89,788,950
(c) Trade receivables	15	26,419,456	39,849,469
(d) Cash and bank balances	16	810,237	23,684,002
(e) Short-term loans and advances	11	69,481,270	73,527,698
(f) Other current assets	12	187,138,333	348,004,856
		346,795,388	574,854,975
	TOTAL	732,526,047	996,216,292
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements

For Patel, Shah & Joshi
Chartered Accountants
Firm Regn. no. 107768W

For and on behalf of the Board
Indian Bullion Market Association Limited

Jayant I. Mehta
Partner
Membership No. 042630

Saji Cherian
Director
DIN 02512505

Manmohan Anand
Whole-time Director
DIN 07159075

Arun Pinto
Chief Financial Officer

Hena Juthani
Company Secretary
Membership No. 38539

Place : Mumbai
Date : 16.05.2015

Place : Mumbai
Date : 16.05.2015

Place : Mumbai
Date : 16.05.2015

Place : Mumbai
Date : 16.05.2015

Place : Mumbai
Date : 16.05.2015

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH, 2015

(in Rs.)

PARTICULARS	Notes	31 March, 2015	31 March, 2014
Continuing Operations			
(I) Income			
Revenue from operations	17	3,678,802,459	3,570,433,074
Other income	18	250,574	73,463,385
Increase/ (Decrease) in inventories	19	(27,008,882)	(677,003,439)
Total Revenue (I)		3,652,044,151	2,966,893,020
(II) Expenses			
Purchases of traded goods	19	3,658,597,367	2,910,719,353
Employee benefits expense	20	3,569,423	6,413,941
Other expenses	21	208,790,482	122,321,970
Total expenses (II)		3,870,957,272	3,039,455,263
(III) Earnings before interest, tax, depreciation and amortization (EBITDA) (I-II)		(218,913,121)	(72,562,244)
Depreciation and amortization expense	22	1,315,234	1,398,329
Finance costs	23	46,769,857	47,655,607
(IV) (Loss) / Profit before tax		(266,998,212)	(121,616,179)
Tax expense:			
- Current Tax		-	-
- Excess provision for Tax of earlier year		-	(1,548,859)
(V) Total tax expense from continuing operations		-	(1,548,859)
(VI) (Loss) / Profit for the year from continuing operations		(266,998,212)	(120,067,320)
(VII) (Loss) / Profit for the year		(266,998,212)	(120,067,320)
(VIII) Earnings per equity share (nominal value of share Rs.10)	24		
-Basic		(18.36)	(8.26)
-Diluted		(18.36)	(8.26)
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements

For Patel, Shah & Joshi
Chartered Accountants
Firm Regn. no. 107768W

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CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH, 2015

(in Rs.)

PARTICULARS	For the year ended 31 March, 2015	For the year ended 31 March, 2014
A. Cash Flow from Operating Activities before taxation		
(Loss)/Profit before taxation	(266,998,212)	(121,616,179)
Adjustments for -		
Depreciation	1,315,234	1,398,329
Provision for doubtful trade receivables	13,279,541	6,160,803
Provision for doubtful other receivables	191,686,892	53,633,438
Interest Expenses	46,769,857	47,655,607
Interest Income	(80,715)	(2,238,401)
Profit on sale of fixed asset	(1,128)	-
Dividend Income	-	(821,428)
Profit on sale of investments	(167,024)	-
Operating profit/ (loss) before working capital changes	(14,195,554)	(15,827,831)
Movements in working capital :		
Increase / (Decrease) in trade payables	14,831,961	(56,664,300)
Increase / (Decrease) in long term provisions	-	(257,398)
Increase / (Decrease) in short term provisions	-	(93,371)
Increase / (Decrease) in other current liabilities	(9,523,993)	(503,187,582)
Decrease / (Increase) in Inventories	27,008,882	677,003,439
Decrease / (Increase) in trade receivables	150,472	203,380,127
Decrease / (Increase) in long term loans and advances	3,225,299	16,576,460
Decrease / (Increase) in short term loans and advances	4,046,427	48,193,595
Decrease / (Increase) in other current assets	(30,857,995)	24,799,556
Decrease / (Increase) in other non current assets	30,852,691	(413,837,938)
Cash generated from/ (used in) operations	25,538,190	(19,915,244)
Less:Direct taxes paid (net of refunds)	(13,639)	2,883,175
Net cash flow from/ (used in) operating activities	25,524,551	(17,032,069)
B. Cash Flow from Investing Activities		
Proceeds from sale of Fixed Assets	6,200	-
Purchase of current Investments	(25,050,000)	(2,436,000,000)
Proceeds from sale of current Investments	25,097,000	2,436,000,000
Proceeds of bank deposits matured	21,547	19,068,453
Dividend from Investments	-	821,428
Interest Income	118,341	2,668,679
Net cash flow from/ (used in) Investing Activities	193,088	22,558,560
C. Cash Flow from Financing Activities		
Proceeds from short term borrowings	-	10,071,248,130
Repayment of short term borrowings	(2,000,000)	(10,044,176,799)
Interest Paid	(46,769,857)	(47,655,607)
Net Cash flow from Financing Activities	(48,769,857)	(20,584,276)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(23,052,218)	(15,057,784)

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH, 2015 (CONTD.)

(in Rs.)

PARTICULARS	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Cash and Cash Equivalents (Opening Balance)	23,277,455	38,335,239
Cash and Cash Equivalents (Closing Balance)	225,237	23,277,455
5. Closing Balance of Cash and Cash Equivalents consists of:		
Components of cash and cash equivalents		
Cash and Cheques on Hand	-	-
Bank Balances:		
- In Current Accounts	225,237	23,277,455
- In Deposits Accounts (Maturing Less than 3 Months)	-	-
Cash and Cash Equivalents in Cash Flow Statement	225,237	23,277,455
- In Deposit Accounts (Maturing More than 3 Months)	585,000	406,547
- Interest accrued on fixed deposits		
Cash and bank balance (Refer note no.16)	810,237	23,684,002
Note: The above cashflow statement has been prepared under the indirect method set out in Accounting Standard 3 - Cash Flow Statement, notified pursuant to the Companies (Accounting Standards Rules), 2006 (as amended).		
Summary of significant accounting policies	2	

As per our report of even date

For Patel, Shah & Joshi
Chartered Accountants
Firm Regn. no. 107768W

For and on behalf of the Board
Indian Bullion Market Association Limited

Jayant I. Mehta
Partner
Membership No. 042630

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Place : Mumbai
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INDIAN BULLION MARKET ASSOCIATION LTD
Notes to Financial Statements for the Year ended 2014-15

1. GENERAL INFORMATION

Indian Bullion Market Association Limited (hereafter IBMA/Company) is carrying on trading business as a buyer, seller and commission agent in physical market and through commodity exchanges in gold, silver, base metals and agricultural commodities. The company was also operating as an Institutional Trading and Clearing Member (ITCM) of National Spot Exchange Ltd (NSEL) offering trading, clearing and settlement services to its constituent Members and clients.

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under historical cost convention on accrual basis. These financial statements have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standards specified under section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as up to twelve months for the purpose of current – noncurrent classification of assets and liabilities.

Going Concern Assumptions

Management has made a fair estimate of the ability of the company to carry on business for near term period. The holding company, NSEL has agreed to provide all required financial help to the company subject to compliance of Court/regulatory requirements. In view of the above support and reduction in the operating costs the company believes that it will have sustainable cash flow which in near term will support the company's future plans. Accordingly, the Financial Statements have been prepared on the basis that the Company is a going concern and that no adjustments are required to the carrying value of assets and liabilities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialized.

B. Fixed Assets

The Fixed assets are stated at cost of acquisition inclusive of any tax, freight, any incidental expense incurred at the time of acquisition and / or installation less accumulated depreciation and impairment loss, if any. Any additions and deletions to fixed assets during the year are accounted at cost.

Intangible assets are stated at cost of acquisition and are carried at cost less accumulated amortization and impairment loss, if any.

C. Depreciation and amortization

Depreciation is provided using the Straight Line Method (SLM). For F.Y. 2013-14, up to 31st December 2013 depreciation has been provided as per the useful lives of the assets estimated by the management, or at the rates prescribed under schedule XIV of the Companies Act, 1956 whichever is higher.

Assets	Rate (SLM)	Schedule XIV Rates (SLM)
Office Equipment	4.75%	4.75%
Computer Hardware	16.21%	16.21%
Furniture and Fixtures	6.33%	6.33%

From quarter ended 31st March 2014, the management has revised the estimated useful life of the assets as under.

Assets	Revised Useful Life
Office Equipment	2 to 10 years
Computer Hardware	3 to 6 years
Furniture and Fixtures	5 to 10 years

Computer software is amortized over six years considering their related useful lives.

Trademarks were amortized over ten years considering their related useful lives up to 31st December 2013. From quarter ended 31st March 2014, the management has revised the estimated useful life of trademarks over 8 years.

The unamortized depreciable amount of the aforesaid assets as on 31st December, 2013 has been charged to revenue over the revised remaining useful lives. (Refer Note 31)

Depreciation in respect of assets acquired during the year whose actual cost does not exceed Rs.5000 has been provided for at 100%.

D. Inventories

Inventories of trading goods are stated at cost or net realizable value whichever is lower. Cost comprises of cost of purchase and other costs incurred in bringing the inventories to their respective present location and condition. Cost is determined on First in First out (FIFO) basis. Net realizable value is the estimated or realized selling price in the ordinary course of business, less estimated or actual cost of completion and estimated or actual cost necessary to make the sale.

E. Cash and Cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

F. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- (a) Revenue from sale of goods is recognized when the substantial risk and rewards of ownership are transferred to the buyer and are stated gross of excise duty but net of discounts, service tax and VAT.
- (b) Revenue from broking activities is accounted for on the date of transaction of trade.
- (c) Income from commission agency business is recognized on rendering of such services as per the terms of the contract. The company has not recognized income in cases where services have been rendered but its ultimate collection is not reasonably certain.
- (d) Revenue sharing income is accounted for on accrual basis periodically as per the terms of agreement.
- (e) Consultancy income comprises of services provided in respect of procurement support services in agricultural commodities and produces. The revenue is recognized on reasonable certainty in ultimate collection of the income. Commitment fee charged towards such services are recognized fully in the year when such fees becomes due as per the terms of contract.
- (f) Income from derivatives comprises of profit/loss on buy/sell of commodity derivative instruments. Profit/Loss on commodity derivative transactions is accounted for on final settlement or on squaring up of contracts. Profit or Loss is calculated as the difference between settlement /squaring up price and the contract price.
- (g) Dividend income is recognized when the Company's right to receive dividend is established.
- (h) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

INDIAN BULLION MARKET ASSOCIATION LTD
Notes to Financial Statements for the Year ended 2014-15

G. Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as non-current investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Non-Current investments are stated at cost. Provision for diminution in the value of long term investment is made only if such a decline is other than temporary in the opinion of the management. The difference between average carrying amount of the investments and sale proceeds, net of expenses, is recognized as profit or loss on sale of investments.

H. Foreign Currency Transactions

Initial recognition: Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between reporting currency and foreign currency at the date of transaction.

Conversion: Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange differences: Exchange differences arising on the settlement of monetary items are recognized as income or as expense in the year in which they arise.

I. Retirement Benefits

- a) Retirement benefits to employees comprises of payment towards gratuity and provident fund under the Payment of Gratuity Act and Employees Provident Fund and Miscellaneous Provisions Act, respectively.
 - i) Accrual for gratuity is estimated on the basis of an actuarial valuation made at period-end by an actuary using Projected Unit Credit Method as per AS-15 as revised by the Institute of Chartered Accountants of India. The Company's liability towards gratuity is funded through a scheme (Group Gratuity) administered by the Life Insurance Corporation of India.
 - ii) Contribution to Provident Fund is expensed as incurred.
 - iii) Employee's entitlement to leave encashment in future years based on un availed leave as at balance sheet date, as per the policy of the Company, is expected to be a long term benefit and is actuarially valued. Leave encashment on retirement is provided on actual basis in accordance with the Company's scheme in this respect.
- b) Short term employee benefits:

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees is recognized as an expense during the year when the employee renders those services. These benefits include compensated absences such as leave expected to be availed within a year and performance incentives.

J. Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue.

K. Operating Lease

Assets taken on lease under which all the risks and rewards of ownership are effectively retained by the lesser are classified as operating lease. Lease payments under operating leases are recognized as expenses on straight line basis.

L. Income taxes

Income Taxes are accounted for in accordance with Accounting Standard (AS-22) "Accounting for Taxes on Income". Tax expense comprises current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and tax laws. The effect on deferred tax assets and liabilities is recognized in the statement of profit and loss using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The Company recognizes deferred tax (subject to consideration of prudence) based on the tax effect of timing differences, being difference between taxable income and accounting income. Deferred tax assets are not recognized on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

'Minimum Alternative tax (MAT) paid in a year is charged to statement of Profit and Loss as current tax. Minimum Alternative tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

M. Impairment in Assets

Carrying amount of the assets is reviewed at each balance sheet date to assess whether there is any indication of impairment in respect of such asset or group of assets (cash generating unit). If such indication exists, recoverable amount of such asset or group of assets is estimated.

If such recoverable amount of asset or the group of asset is less than its carrying amount, an impairment loss is reckoned by reducing the carrying amount to its recoverable amount. If there is an indication at the balance sheet date that a previously assessed impairment loss no longer exists, recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum depreciable historical cost.

N. Provisions, Contingent liabilities and Contingent assets

The Company recognizes a provision when there is a present obligation as a result of past event on which it is probable that there will be outflow of resources to settle the obligation in respect of which reliable estimates can be made.

Contingent Liabilities are disclosed by way of notes to Financial Statements after careful evaluation by the management of the facts and legal aspects of the matter involved.

Contingent Assets are neither recognized nor disclosed.

O. Earnings per Share

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

P. Measurement of EBIDTA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the company has elected to present earnings before interest, tax, depreciation and amortization (EBIDTA) as a separate line item on the face of the Statement of profit and loss. The company measures EBIDTA on the basis of the profit/loss from continuing operations. In its measurement the Company does not include depreciation and amortization expense, finance costs and tax expense.

INDIAN BULLION MARKET ASSOCIATION LTD
Notes to Financial Statements for the Year ended 2014-15

3. SHARE CAPITAL	As at 31 March, 2015		As at 31 March, 2014	
	Nos.	Rs.	Nos.	Rs.
Authorised				
Equity Shares of Rs.10/- each	30,000,000	300,000,000	30,000,000	300,000,000
Issued, subscribed and fully paid up				
Equity shares of Rs.10/- each Fully Paid	14,538,949	145,389,490	14,538,949	145,389,490
		145,389,490		145,389,490

a) Reconciliation of equity shares outstanding at beginning and end of year

	As at 31 March, 2015		As at 31 March, 2014	
	Nos.	Rs.	Nos.	Rs.
At the beginning of the year	14,538,949	145,389,490	14,538,949	145,389,490
Issued during the year	-	-	-	-
Bought back during the year	-	-	-	-
Outstanding at the end of the year	14,538,949	145,389,490	14,538,949	145,389,490

b) Shares held by holding company

	As at 31 March, 2015		As at 31 March, 2014	
	Nos.	Rs.	Nos.	Rs.
National Spot Exchange Ltd	8,851,725	88,517,250	8,851,725	88,517,250

c) Details of shareholders holding more than 5% shares in the company

	As at 31 March, 2015		As at 31 March, 2014	
	No.	% holding in the class	No.	% holding in the class
National Spot Exchange Ltd	8,851,725	60.88%	8,851,725	60.88%

d) As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

e) Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is having right to vote in respect of such shares.

f) No bonus shares have been issued to equity share holders in last five years (or since incorporation of the company)

g) No equity shares have been bought back in last five years (or since incorporation of the company)

(in Rs.)

4. RESERVES AND SURPLUS	31 March, 2015	31 March, 2014
Balance as per last financial statements	(230,037,352)	(109,970,031)
Add: (Net Loss) / Net Profit for the current year	(266,998,212)	(120,067,320)
(Deficit) / Surplus in the statement of Profit & Loss	(497,035,564)	(230,037,352)
Less: Appropriations		
Final dividend (F.Y. 11-12)	-	-
Tax on dividend (F.Y. 11-12)	-	-
(Deficit) / Surplus in the statement of Profit & Loss	(497,035,564)	(230,037,352)

(in Rs.)

5. SHORT TERM BORROWINGS	31 March, 2015	31 March, 2014
Loans from Related Parties (Unsecured) (Refer note no. 28)	147,900,000	149,900,000
	147,900,000	149,900,000
The above amount includes		
- Secured borrowings	-	-
- Unsecured borrowings	147,900,000	149,900,000
	147,900,000	149,900,000

(in Rs.)

6. TRADE PAYABLES	31 March, 2015	31 March, 2014
Trade Payables	744,446,130	729,614,168
	744,446,130	729,614,168
(Refer Note 33 for details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006)		

(in Rs.)

7. OTHER CURRENT LIABILITIES	31 March, 2015	31 March, 2014
Advance received against goods and services	12,171	2,874,591
Margin from client & trading members (Refer Note 39)	24,428,493	24,428,493
Statutory remittances (includes contributions to PF, Withholding Taxes, VAT, Service Tax, etc.)	166,860,327	174,046,900
Deposit from National Spot exchange Ltd	400,000	-
Dues to Directors	125,000	-
	191,825,991	201,349,985
(Refer Note 33 for details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006)		

INDIAN BULLION MARKET ASSOCIATION LTD
Notes to Financial Statements for the Year ended 2014-15

FIXED ASSETS

8. TANGIBLE ASSETS

Particulars	Gross Block					Depreciation / Amortization/ Impairment				Net Block		
	Cost as at 1st April, 2014	Additions during the year	Disposals during the year	Other Adjustments	As at 31st March, 2015	Upto 31st March, 2014	For the year	On Disposals	Other Adjustments	Upto 31st March, 2015	As at 31st March, 2015	As at 31st March, 2014
TANGIBLE ASSETS												
Office Equipments	714,340	-	29,050	-	685,290	223,909	300,367	23,978	-	500,298	184,992	490,431
Computers Hardware	1,274,837	-	-	-	1,274,837	1,098,484	90,304	-	-	1,188,788	86,048	176,353
Furnitures & Fixtures	95,130	-	12,630	-	82,500	45,095	8,608	12,630	-	41,073	41,427	50,035
Total	2,084,306	-	41,680	-	2,042,626	1,367,488	399,279	36,608	-	1,730,159	312,467	716,818
Previous year	2,084,306	-	-	-	2,084,306	730,670	636,818	-	-	1,367,488	716,818	

9. INTANGIBLE ASSETS

Particulars	Gross Block					Depreciation / Amortization/ Impairment				Net Block		
	Cost as at 1st April, 2014	Additions during the year	Disposals during the year	Other Adjustments	As at 31st March, 2015	Upto 31st March, 2014	For the year	On Disposals	Other Adjustments	Upto 31st March, 2015	As at 31st March, 2015	As at 31st March, 2014
INTANGIBLE ASSETS												
(Other than internally generated)												
Trade Mark	69,500	-	-	-	69,500	30,852	10,582	-	-	41,434	28,066	38,648
Computer Software	4,568,559	-	-	-	4,568,559	2,715,267	905,374	-	-	3,620,641	947,918	1,853,292
Total	4,638,059	-	-	-	4,638,059	2,746,119	915,956	-	-	3,662,075	975,984	1,891,940
Previous year	4,638,059	-	-	-	4,638,059	1,984,609	761,511	-	-	2,746,119	1,891,940	

(in Rs.)

10. NON CURRENT INVESTMENTS	31 March, 2015	31 March, 2014
Non Trade Investments (Valued at Cost Unless stated Otherwise)		
Government and trust securities (Unquoted)		
Investment in National Savings Certificate (Held in the name of individual c/o Indian Bullion Market Association Ltd)	-	46,000
Total	-	46,000
Aggregate amount of unquoted investments	-	46,000
Aggregate provision made for diminution in value of Investments	-	-

(in Rs.)

11. LOANS AND ADVANCES	Non Current		Current	
	31 March, 2015	31 March, 2014	31 March, 2015	31 March, 2014
Deposit				
Unsecured, considered good - Deposit				
Deposit for premise	-	-	-	-
Deposit with Government authorities	49,000	49,000	-	-
(A)	49,000	49,000	-	-
Advances Recoverable in Cash or Kind				
Unsecured, considered good- Advances	-	-	40,308,139	47,269,025
(B)	-	-	40,308,139	47,269,025
Other Loans And Advances				
Prepaid expenses	-	5,777	5,803	46,530
Provision for gratuity *	724,471	988,808	-	-
Loans To employees	-	-	-	-
Advance tax & tax deducted at source (net of provision for tax) -Refer Note 43 (c)	4,209	2,945,755	29,167,328	26,212,142
(C)	728,680	3,940,339	29,173,131	26,258,673
Total (A+B+C)	777,680	3,989,339	69,481,270	73,527,698

* In case of gratuity, as the provision amount is less than the funded amount, the excess is disclosed under loans and advances.
(Also Refer Note 27)

INDIAN BULLION MARKET ASSOCIATION LTD
Notes to Financial Statements for the Year ended 2014-15

(in Rs.)

12. OTHER ASSETS	Non Current		Current	
	31 March, 2015	31 March, 2014	31 March, 2015	31 March, 2014
Unsecured considered good (unless stated otherwise)				
Non current bank balances (Refer note 16)	285,000	485,000	-	-
(A)	285,000	485,000	-	-
Receivable from Nsel (holding company) settlement obligation (Net) (Refer Note 34)	-	-	187,027,182	187,027,181
Other Receivables (also refer Note 36)	766,747,568	552,213,815	-	214,533,753
Less: Provision for doubtful receivables (Refer Note 38)	383,373,784	138,053,454	-	53,633,438
Other Receivables (Net of provision)	383,373,784	414,160,361	187,027,182	347,927,496
Unbilled revenue	-	-	-	-
Interest accrued on fixed deposits	5,744	52,870	86,860	77,360
Interest accrued on investment	-	18,988	24,291	-
(B)	383,379,528	414,232,220	187,138,333	348,004,856
Total (A+B)	383,664,528	414,717,220	187,138,333	348,004,856

(in Rs.)

13. CURRENT INVESTMENTS	31 March, 2015	31 March, 2014
Current Investments (Valued at lower of cost and fair value unless stated otherwise)		
Unquoted Mutual funds	120,024	-
Government and trust securities (Unquoted)		
Investment in National Savings Certificate (Held in the name of individual c/o Indian Bullion Market Association Ltd)	46,000	-
Total	166,024	-
Aggregate amount of unquoted investments	166,024	-
Aggregate provision made for diminution in value of Investments	-	-

(in Rs.)

14. INVENTORIES	31 March, 2015	31 March, 2014
(Valued at cost or net realizable value whichever is lower)		
Stock in Trade (In respect of goods for proprietary trading) (Refer Note 40)	62,780,068	89,788,950
Total	62,780,068	89,788,950

(in Rs.)

15. TRADE RECEIVABLES	31 March, 2015	31 March, 2014
Unsecured considered good (unless stated otherwise)		
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	-	-
Unsecured, considered doubtful	-	82,006
Less: Provision for doubtful receivables (Refer Note 38)	-	20,502
	-	61,505
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	-	-
Unsecured, considered doubtful	74,356,039	74,424,505
Less: Provision for doubtful receivables (Refer Note 38)	47,936,583	34,636,540
	26,419,456	39,787,965
Total	26,419,456	39,849,469

(in Rs.)

16. CASH AND BANK BALANCES	Non Current		Current	
	31 March, 2015	31 March, 2014	31 March, 2015	31 March, 2014
Cash And Cash Equivalents				
Balances with banks				
In current accounts	-	-	197,205	23,206,307
In client & settlement A/c	-	-	28,032	71,148
Cash in hand	-	-	-	-
Total	-	-	225,237	23,277,455
Other Bank Balances				
Bank deposits with original maturity of more than 3 but less than 12 months (refer note (a) below)	-	-	585,000	406,547
Bank deposits with more than 12 months maturity (refer note (a) below)	285,000	485,000	-	-
	285,000	485,000	585,000	406,547
Amount disclosed under non-current assets (Refer note 12)	(285,000)	(485,000)	-	-
Total	-	-	810,237	23,684,002

(a) Bank deposits are in respect of securities against bank guarantees to VAT authorities and those liened with the VAT authorities

INDIAN BULLION MARKET ASSOCIATION LTD
Notes to Financial Statements for the Year ended 2014-15

(in Rs.)

17. REVENUE FROM OPERATIONS	31 March, 2015	31 March, 2014
Sale of traded goods	3,683,040,154	3,518,120,840
Sale of services	-	48,288,242
Other operating revenues	-	4,690,687
Less:		
Excise duty	4,237,695	666,695
Revenue from operation (net)	3,678,802,459	3,570,433,074
Details of sales of traded goods		
Agri commodities & produces	135,663	696,983,455
Gold	1,791,448,500	2,210,577,770
Silver	1,840,636,248	541,308,373
Other metals	50,819,743	69,251,242
Total	3,683,040,154	3,518,120,840
Details of services rendered		
Brokerage income	-	41,236,240
Revenue sharing	-	6,807,913
Procurement support services income	-	244,089
Total	-	48,288,242

(in Rs.)

18. OTHER INCOME	31 March, 2015	31 March, 2014
Profit from derivatives on commodity futures /hedging (net)	-	70,322,312
Foreign exchange fluctuation gain(net)	-	42,020
Interest income		
- Bank deposits	75,412	707,085
- Others	5,303	1,531,316
Net gain on sale of current investments	167,024	-
Dividend income from current investments	-	821,428
Profit on sale of assets	1,128	-
Other non-operating income		
- Gratuity written back	-	-
- Creditors written back	-	-
- Others	1,707	39,223
Total	250,574	73,463,385

(in Rs.)		
19. INCREASE/(DECREASE) IN INVENTORIES	31 March, 2015	31 March, 2014
Inventories at the end of the year		
Stock in Trade (In respect of goods acquired for trading)	62,780,068	89,788,950
Inventories at the beginning of the year		
Stock in Trade (In respect of goods acquired for trading)	89,788,950	766,792,389
Total	(27,008,882)	(677,003,439)
Details of Purchase of traded goods		
Agri commodities & produces	-	11,561,271
Gold	1,783,659,934	2,289,599,525
Silver	1,836,742,651	541,293,772
Other metals	38,194,782	68,264,785
Total	3,658,597,367	2,910,719,353
Details of Inventory (In respect of goods acquired for trading)		
(valued at lower of cost or net realizable value whichever is lower)		
Agri commodities & produces	-	135,663
Gold	26,832,896	32,459,861
Silver	15,937,993	17,820,151
Other metals	20,009,179	39,373,275
Total	62,780,068	89,788,950

(in Rs.)		
20. EMPLOYEE BENEFITS EXPENSE	31 March, 2015	31 March, 2014
Salaries, deputation charges, incentives and bonus (net of notice period recovery)	3,628,562	6,244,560
Contribution to provident fund and other funds	869	133,726
Gratuity fund contributions (Net)	(60,104)	(66,315)
Staff welfare expenses	96	101,970
Total	3,569,423	6,413,941

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Notes to Financial Statements for the Year ended 2014-15

(in Rs.)

21. OTHER EXPENSES	31 March, 2015	31 March, 2014
Security charges	-	534,102
Exchange charges	2,200	43,703,934
Travelling and conveyance	94,077	263,450
Communication expenses	18,834	468,208
Insurance charges	20,112	196,297
Repair & maintenance		
- Plant & Machinery	1,244	168,403
- Building	-	-
- Others	-	31,437
Electricity charges	-	653,797
Rent	35,584	3,170,531
Legal and professional charges	2,805,022	2,622,339.00
Stamp duty	-	105,544
Storage charges	-	3,841,704
Business promotion charges	-	3,171,866
Payments to auditor (Refer details below)	56,180	674,160
Provision for doubtful Trade receivables (Refer Note 28 and 38)	13,279,541	6,160,803
Provision for doubtful Other receivables (Refer Note 28 and 38)	191,686,892	53,633,438
Miscellaneous expenses*	790,796	2,921,956
(*includes depository charges, office expenses, freight charges, exchange penalty, sitting fees etc.)		
	208,790,482	122,321,970
Payments to the auditor		
As auditor		
Audit fee	56,180	674,160
In other capacity		
Taxation matters*	-	-
*(Includes tax audit, vat audit and other taxation matters)		
Other services	-	-
Total	56,180	674,160

(in Rs.)

22. DEPRECIATION AND AMORTIZATION EXPENSE	31 March, 2015	31 March, 2014
Depreciation on tangible assets	399,279	636,818
Depreciation on intangible assets	915,956	761,511
Total	1,315,234	1,398,329

(in Rs.)

23. FINANCE COSTS	31 March, 2015	31 March, 2014
Interest expense on borrowings		
- from bank	-	4,837,769
- from others (also refer Note 28)	46,767,721	42,753,595
Other borrowing cost	2,136	64,243
Total	46,769,857	47,655,607

(in Rs.)

24. EARNING PER SHARE	31 March, 2015	31 March, 2014
(Loss)/Profit available for Equity shareholders (For Basic/Diluted EPS)	(266,998,212)	(120,067,320)
Add/(less): Extra ordinary items	-	-
(Loss)/Profit for calculation of EPS after considering extra ordinary items	(266,998,212)	(120,067,320)
Weighted average number of equity shares in calculating basic EPS	14,538,949	14,538,949
Weighted average number of equity shares in calculating diluted EPS	14,538,949	14,538,949
EPS for Basic/Diluted equity shares (nominal value of share Rs.10)	(18.36)	(8.26)

(in Rs.)

25. IN ACCORDANCE WITH ACCOUNTING STANDARD 22 ON ACCOUNTING FOR TAXES ON INCOME, THE COMPANY HAS	31 March, 2015	31 March, 2014
The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities are		
Deferred Tax Asset		
Provision For Leave Encashment	-	36,057
Provision for doubtful receivables	66,501,359	3,733,434
Carried Forward Losses	2,330,881	2,330,881
Sub Total (a)	68,832,240	6,100,372
Deferred Tax Liability		
Depreciation and other differences in block of fixed assets (b)	188,606	931,140
Net Deferred Tax Asset * (a) - (b)	-	-

* The company has recognized deferred tax asset on the accumulated carry forward business losses and doubtful receivables only to the extent of net deferred tax liability. On prudent basis deferred tax asset on balance amount of accumulated carry forward business losses and unabsorbed depreciation is not recognized as the company is unable to substantiate virtual certainty of future profits against which such asset can be realized.

(in Rs.)

26. CONTINGENT LIABILITY	As at 31 March, 2015	As at 31 March, 2014
a) Estimated amount of contract to be executed in capital account and not provided for (net of advances).	NIL	NIL
b) For commitments relating to lease arrangements, please refer note K.	NIL	NIL
c) Contingent liabilities not provided towards Sales tax demand.	38,08,24,993/-	4,43,38,27,799/-
d) Contingent liabilities towards Bank guarantees not provided for.	3,90,000/-	3,90,000/-
e) Disputed liabilities not provided towards Income tax demand.	1,08,39,608/-	1,08,39,608/-

27. ACTUARIAL ASSUMPTIONS

Gratuity Plan: The Company has made annual contributions to the Gratuity-cum-Life Assurance (Cash Accumulation) Scheme administered by the Life Insurance Corporation of India ('LIC'), a funded defined benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to fifteen days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs on completion of five years of service.

INDIAN BULLION MARKET ASSOCIATION LTD
Notes to Financial Statements for the Year ended 2014-15

Notes:

- a) All employees of the company were transferred to the holding company, NSEL on 31st December 2013. As the company did not have employees as on 31st March 2014 and 31st March 2015 actuarial valuation is not carried out. The liability pertaining to gratuity and leave encashment were transferred to NSEL on actual basis considering the period of employment, current salary cost and leave balance as on the date of transfer of employees.
- b) The value of funds maintained with LIC of Rs.7,24,471/- as on the balance sheet date has been presented under "Other Loans And Advances" in the Balance Sheet. (Refer Note 11)
- c) The above disclosure is required pursuant to AS 15 (Revised) notified by Companies (Accounting Standards) Amendment rules, 2008. The company has disclosed the amounts determined for each year on prospective basis from previous year and disclosures for last five years have not been made.

28. RELATED PARTY INFORMATION

Names of related parties and nature of relationship:

(A) Company whose control exists (Holding company)

National Spot Exchange Limited

(B) Company having significant influence over the company

(Ultimate holding company)

Financial Technologies (India) Ltd

(C) Fellow subsidiaries of ultimate holding company (with whom transaction are carried out in the year)

1. Ticker Plant Ltd
2. National Bulk Handling Corporation Ltd

(D) Key Management Personnel (KMP):

1. Mr. Anjani Sinha: Director (Removed with effect from 23rd October 2013)
2. Mr. Saji Cherian: Director (appointed with effect from 23rd October 2013)
3. Mr. Manmohan Anand: Whole Time Director (appointed with effect from 17th April 2015)
4. Mr. Arun Pinto: Chief Financial Officer (appointed with effect from 4th March 2015)
5. Ms. Hena Juthani: Company Secretary (appointed with effect from 12th February 2015)

(E) Enterprise over which Relative of Key Management Personnel (KMP) is able to exercise significant influence:

SNP Designs Pvt. Ltd. (SNP)

(F) Transactions with related parties:

(in Rs.)

Sr. No.	Nature of transactions	Holding Company	Ultimate Holding company / Entities having significant influence over the company	Fellow Subsidiaries	Key Management Personnel (Managing Director, Whole time director, Manager and other managerial personnel)	Enterprise on which relative of Key Management Personnel is able to exercise significant influence
1.	Short Term Borrowing taken					
	Balance as at the start of the year	14,99,00,000 (-)	- (-)	- (-)	- (-)	- (-)
	Taken during the period	- (9,96,07,00,000)	- (-)	- (-)	- (-)	- (-)
	Repaid during the year	20,00,000 (9,81,08,00,000)	- (-)	- (-)	- (-)	- (-)
	Balance as at March 31, 2015	14,79,00,000 (14,99,00,000)	- (-)	- (-)	- (-)	- (-)
2.	Purchases	- (-)	- (-)	- (-)	- (-)	- (-)
3.	Sales	- (-)	- (-)	- (2,77,77,127)	- (-)	- (-)
4.	Rent Paid	- (-)	- (25,87,370)	- (-)	- (-)	- (-)
5.	Data feed charges paid	- (-)	- (-)	- (1,86,000)	- (-)	- (-)
6.	Cost of capital expenditure	- (-)	- (-)	- (-)	- (-)	- (-)
7.	Warehousing charges Paid	- (37,39,266)	- (-)	- (-)	- (-)	- (-)
8.	Testing & Quality Certificate Charges paid	- (23,827)	- (-)	- (-)	- (-)	- (-)
9.	Handling & Transportation charges paid	- (-)	- (-)	- (-)	- (-)	- (-)
10.	Penalty Paid	- (1,87,056)	- (-)	- (-)	- (-)	- (-)
11.	Interest Paid	1,48,16,301 (2,09,25,904)	- (-)	- (-)	- (-)	- (-)
12.	Annual Subscription fees paid	- (50,000)	- (-)	- (-)	- (-)	- (-)
13.	Demat Storage Charges paid	- (4,04,688)	- (-)	- (-)	- (-)	- (-)
14.	VSAT Recurring Charges paid	- (-)	- (-)	- (-)	- (-)	- (-)

INDIAN BULLION MARKET ASSOCIATION LTD
Notes to Financial Statements for the Year ended 2014-15

(in Rs.)

Sr. No.	Nature of transactions	Holding Company	Ultimate Holding company / Entities having significant influence over the company	Fellow Subsidiaries	Key Management Personnel (Managing Director, Whole time director, Manager and other managerial personnel)	Enterprise on which relative of Key Management Personnel is able to exercise significant influence
15.	Non Agri Storage Charges paid	- (16,957)	- (-)	- (-)	- (-)	- (-)
16.	Delivery charges paid	- (3,17,880)	- (-)	- (-)	- (-)	- (-)
17.	Labour Charges paid	- (25,854)	- (-)	- (-)	- (-)	- (-)
18.	Transfer of Employee Benefit Obligation for employees transferred by IBMA	- (5,82,298)	- (-)	- (-)	- (-)	- (-)
19.	Turnover Transaction Charges Paid	- (5,22,32,093)	- (-)	- (-)	- (-)	- (-)
20.	Warehouse receipt transfer charges paid	- (7,16,19,052)	- (-)	- (-)	- (-)	- (-)
21.	Share of Revenue Received	- (68,07,913)	- (-)	- (-)	- (-)	- (-)
22.	C & F Commission Received	- (65,666)	- (-)	- (-)	- (-)	- (-)
23.	PF and Interest received on Employee Loan for Employee on Deputation	- (11,425)	- (-)	- (-)	- (-)	- (-)
24.	Salary paid for deputed employees	36,28,243 (7,46,924)	- (-)	- (-)	- (-)	- (-)
25.	Loss on account of constituent trades in future commodity contracts	- (-)	- (-)	- (-)	- (-)	- (20,42,57,146)
26.	Other Charges recoverable	- (-)	- (-)	- (-)	- (-)	- (1,02,76,607)

(in Rs.)

Sr. No.	Nature of transactions	Holding Company	Ultimate Holding company / Entities having significant influence over the company	Fellow Subsidiaries	Key Management Personnel (Managing Director, Whole time director, Manager and other managerial personnel)	Enterprise on which relative of Key Management Personnel is able to exercise significant influence
27.	Provision for doubtful debts	- (-)	- (-)	- (-)	- (-)	19,36,79,512 (5,36,33,438)
28.	Other Reimbursement of Expenses -Charged by them	- (-)	- (4,01,746)	- (-)	- (-)	- (-)
	-Charged to them	- (-)	- (-)	- (-)	- (-)	- (-)
29.	Closing balance (Trade Receivables)	- (-)	- (-)	- (-)	- (-)	79,70,478 (79,70,478)
	Provision for doubtful Trade Receivables	- (-)	- (-)	- (-)	- (-)	39,85,240 (19,92,619)
	Net Carrying Value of Trade Receivables	- (-)	- (-)	- (-)	- (-)	39,85,238 (59,77,859)
30.	Closing balance (Other receivables)	- (-)	- (-)	- (-)	- (-)	76,67,47,568 (76,67,47,568)
	Provision for doubtful Other Receivables	- (-)	- (-)	- (-)	- (-)	38,33,73,784 (19,16,86,892)
	Net Carrying Value of Other Receivables	- (-)	- (-)	- (-)	- (-)	38,33,73,784 (57,50,60,676)
31.	Closing balance (Trade Payables)	- (69,75,04,132)	- (27,35,750)	- (1,88,091)	- (-)	- (-)

Note:

(i) Related party relationship is as identified by the Company and relied upon by the auditors.

(ii) Previous year figures are given in brackets.

(iii) In case of a related party entity SNP where KMP, Mr.Anjani Sinha was able to exercise significant

control, the company has relied upon records downloaded from the MCA (Ministry of Corporate Affairs) website, in the absence of necessary disclosure from Mr.Anjani Sinha about him being the interested party in transactions with SNP designs Pvt. Ltd. to the then board of directors. It may be noted that there was no transactions by SNP designs Pvt. Ltd. during financial year 2014-15.

INDIAN BULLION MARKET ASSOCIATION LTD
Notes to Financial Statements for the Year ended 2014-15

- 29.** The business segment of the company falls under a single segment i.e. buying, selling and procurement services of commodities. The company has considered this business segment as a primary segment. Thus there is only one identifiable reportable segment.
- 30.** All transactions carried out for and on behalf of constituents are carried out on an agency basis and hence such purchases and sales are not included in purchases/sales made by the company.
- 31.** With effect from 1st January, 2014, the company has revised the estimated useful life of certain fixed assets as stated in note 2 (C). As a result, the depreciation expense and loss before tax for the year, are higher by Rs.3,27,057/-.
- 32.** There is no open Interest in Commodity Futures outstanding as at the Balance Sheet date.
- 33.** Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006.
 The Company has initiated the process of identification of 'supplier' registered under the MSMED Act, 2006, by obtaining confirmations from the Suppliers. The Company has not received intimation from any of the 'suppliers' regarding their status under MSMED Act, 2006 and hence disclosure if any, relating to amounts paid/unpaid as at the year-end together with interest paid/accrued and payable as required have not been furnished.
- 34. a)** As on 31st July, 2013 Rs.11,70,09,85,770/- was the settlement payout receivable by IBMA from NSEL on account of trades executed by its affiliated members and clients that were part of the revised settlement plan. This figure has been arrived at on the basis of information received from NSEL. The company has relied on such information. Up to 16th May, 2015, NSEL has completed 65 weekly payouts and has released Rs.110,36,89,599/- towards the obligation of IBMA's affiliated members and clients. Payout after 20th November 2013 has been made by NSEL directly to constituent members and clients of IBMA. The amount receivable by affiliated members and clients were not fully received from NSEL as per the revised settlement plan. On the basis of the legal opinion received by the company, and as the company acted as a member broker, the company may not have any liability on net basis towards such unsettled obligation to its members and clients. In view thereof, no provision for the same is made in the books of accounts of the Company.
- b)** While NSEL had completed the settlement to other ITCM's and TCM's for settlement period up to 30th July, 2013, certain amount was due to the company pertaining to settlement obligation up to such period. Such funds were receivable for onward payment to the company's constituent members and clients. In the absence of the release of the amounts in the aforesaid settlement the company had released such payments, in favor of its constituents out of funds available at its disposal. The outstanding settlement obligation receivable as on the balance sheet date is presented on net basis after reducing amount payable to the constituent members and clients along with other credits in the trading member and client ledger. Accordingly an amount of Rs.18,70,27,182/- is shown as "Receivable from NSEL settlement obligation" under "Other assets" in the balance sheet. (Refer Note 12)
- c)** An amount of Rs.31,28,42,609/- pertaining to VAT on unsettled trades on NSEL exchange platform is outstanding as on balance sheet date. This amount is receivable from the defaulting members on NSEL exchange platform and is in turn payable to the constituent members and clients of the company as part of outstanding settlement obligation. Accordingly it has been disclosed (net basis) as part of "Receivable from NSEL settlement obligation" as explained above. (Refer Note 12)

- 35.** Sahara Q Shop Unique Products Range Ltd., was registered as a client with IBMA to trade on NSEL exchange platform. As per the revised settlement plan IBMA had to receive obligation from NSEL on account of the trades executed by the client. However SEBI vide letter dated 11th March, 2014, had directed NSEL to retain payouts to Sahara group companies and hold the same in a deposit account with any public sector bank until further instructions. Accordingly payouts up to the balance sheet date, amounting to Rs.8,29,35,790/- pertaining to the client have been deposited into Fixed deposits by NSEL and equivalent amount is reduced from the exchange's obligation to IBMA. Accordingly IBMA has reduced such amount from both receivable from NSEL and payable to the said client.
- 36.a)** The company had entered into an agreement with one M/s Snp Design Pvt Ltd (SNP) on 01st March 2012 and renewed such agreement on 01st March 2013 to carry out commodity derivative transactions for and on their behalf. As on 31st March 2015 a sum of Rs.77,47,18,046/- is due and recoverable from SNP, as per the terms and conditions of the agreement. On demanding the amount from the party, SNP replied through their lawyers disputing the entire amount as payable to the company. The board has approved to initiate action to proceed on the matter legally. Grant Thornton India LLP had observed vide their forensic report that Mrs. Shalini Sinha, wife of Mr. Anjani Sinha, was a Managing Director and a majority shareholder of SNP. As per records available the instructions to carry out the trades for and behalf of SNP were only given by Mr. Anjani Sinha to the operations team and he was directly and exclusively dealing with SNP. In view of the said discrepancies and irregularities investigations are in progress. Mr. Anjani Sinha had been removed from the board of directors of the company on 23rd October 2013 and was arrested on account of complaint against him in other matter pertaining to the holding company.
- b) Pursuant to such findings by Grant Thornton India LLP about shareholding and management interests in SNP, and on the basis of information available on the website of Ministry of Corporate Affairs, the company has included such transactions carried out with SNP for disclosures required to be made under related party transactions. The related party nature of the transactions was not disclosed by Mr. Anjani Sinha to the board of directors though he was required to disclose the same, for correct disclosures under Accounting Standard 18.
- 37.** IBMA had entered into a procurement agreement with Harley Carmbel Pvt Ltd. (Harley) for buying spices and other commodities in the state of Kerala. As per the terms of agreement, IBMA was to buy commodities on behalf of Harley, sell the commodities to Harley as per their needs on credit, and Harley was to pay back IBMA after the credit period. Subsequently the transactions were carried by IBMA as per the terms but Harley failed to make full payment of its obligations. An amount of Rs.2,93,57,807/- is outstanding from the party as on balance sheet date. IBMA had sent legal notice to the party but the party denied owing any amount to the company. An application has been made for proceeding under 156(3) of Cr P.C. 1973, before Court of additional chief metropolitan magistrate's 47th Court at Esplanade for getting process issued against Harley, under sections 409,420,465,467,468,471,474,477-A r/w 34 & 120-B of Indian Penal code.
- 38.** Company has evaluated the various events and its effect on various receivables as on 31st March, 2015. The likelihood of recoverability of such receivables has been impacted due to the abrupt closure of the business, loss of credibility and several other factors. The company is following up with the parties to recover such outstanding amount, has initiated legal action and is exploring further legal options to proceed against them. The company as a matter of prudence has made a provision for doubtful trade receivables of Rs.1,32,79,541/- and provision for doubtful other receivables of Rs.19,16,86,892/- in the current year by charging to the Statement of Profit and Loss.
- 39.** As an ITCM the company had received margin money from its constituent trading members and clients. The outstanding margin amount as on the balance sheet date was Rs.2,44,28,493/- and is shown under the head "Other Current Liabilities" (Refer Note 7). Out of the aforesaid amount the company had given cash margin of Rs.25,00,000/- to NSEL and same is shown under the head "Receivable from NSEL settlement obligation" under "Other assets" in the balance sheet. (Refer Note 12)

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Notes to Financial Statements for the Year ended 2014-15

- 40.** a) On writ petition filed in Hon'ble Bombay High Court by one Mr.Tarun Amarchand Jain HUF and others, the Hon'ble Court had vide their order dated 7th October, 2013 directed NSEL to not process any application for re-materialization of e-series stock in respect of entities associated with NSEL and Financial Technologies (India) Ltd including their employees and relatives. Further IBMA was directed to not settle any re-materialization in respect of such entities. As a result of such an order, a temporary stay was granted on rematerialization of IBMA proprietary holdings in e-series. The Hon'ble High court vide their order dated 28th October, 2013 had directed FMC to initiate a forensic audit in respect of E series contracts. M/s Chokshi & Chokshi, Chartered Accountants were accordingly appointed by FMC to conduct the forensic audit. The audit report confirmed the stock underlying the e-series to be intact and made no adverse observations of diversion of funds from contracts traded on NSEL exchange platform for buying the underlying commodities. The e-series rematerialization and financial settlement for non-associated entities was initiated by FMC post the receipt of audit report. Consequently, approximately 98.5% of the outstanding e-series contracts have been settled by 16th May, 2015 and payment made to approximately 33,000 e-Series investors through re-materialization / financial closure process.
- b) The company had filed a notice of motion with Hon'ble Bombay High Court on 20th February, 2015 praying inter-alia to modify the above referred order dated 7th October, 2013, directing NSEL to process application of rematerialization if any made by the company in respect of e-series contracts and to permit NSEL to infuse capital or loan to IBMA for payment of statutory dues, amounts for preservation, maintenance and protection of their assets and wages and salaries. The matter is currently listed for hearing at the Hon'ble High Court.
- 41.** Post the receipt of no objection from FMC, NSEL had initiated the rematerialization process and financial close out of the E series units. As per the said process the unit holders could take physical delivery of their respective units or could participate in the financial closure process whereby their units would be auctioned to bidders as per the competitive bidding process. The company as an authorized dealer had acted as a facilitator for conversion of E-series units in to physical commodities. During this process the company raised sales invoices at the applicable clearing rate on delivery of the underlying physical commodity to the extent of Rs.3,65,85,96,927/- in the current year.
- 42.** As per the assessment of the Management, necessary disclosures arising from the irregularities as stated above have been made in the financial statements. Since matters relating to several of the irregularities are sub-judice and the various investigations are on-going, any further adjustments/disclosures, if required, be made in the financial statements of the Company as and when the outcome of the above investigations is known and the consequential adjustments/disclosures are identified. However, following risks are still not fully covered.
- a) Risk of un-identified financial irregularities
 In view of the specific scope of the forensic audits and the limitations in the forensic audits and investigations, there is an inherent risk that material errors, fraud and other illegal acts may exist that could remain undetected.
- b) Risk of adverse outcome of investigation/enquiry by law enforcement agencies
 Several agencies such as the Police (EOW), Ministry of Corporate Affairs (MCA), Enforcement Directorate (ED), CBI and the Income Tax Department etc. are currently investigating/enquiring the extent of alleged irregularities and any breach of law. The matters are also sub judice before various forums including the Hon'ble Bombay High Court. The Company may be exposed to liabilities in case of any adverse outcome of these investigations or any other investigation which may arise at a later date.
- 43.** Sales Tax and Income Tax liabilities/compliances
- (a) Where company has acted as an agent for members/clients:
 The company had obtained sales tax registrations in seventeen states in India. IBMA had acted as an agent for few of selling and buying members on NSEL exchange platform in respective states as "dealer". Such transactions were carried out for principals (member/clients) by IBMA. Some of the state sales tax authorities are in advances stage or have completed assessments of such transactions. In some cases input tax credits (ITC) on purchases have been denied on account of following reasons:

- i. Non- payment of sales tax by selling party.
- ii. Non-filing of sales tax returns by selling party.
- iii. Non-matching of sales tax amount with the Sales Tax returns filed by selling party.
- iv. Lack of confirmation of sales tax payment by selling party etc.

As a fall out of above, demands have been raised against the company by several state government sales tax authorities. All such demands are contested at various forums. In all such cases, the company has taken steps to ensure that ITC on purchases are not denied and credits are promptly given to the company.

In cases where the selling dealer has collected tax, but not paid to state treasury, the company has requested administration to recover from the selling dealer/ not to hold company responsible for the same. In cases where confirmation of proof of payment by selling party is concerned, the company is using its resources to seek the same and furnish before the authorities.

As per the legal advice received by the company, such liabilities, if any, which arises for acting as an agent, primarily pertains to the principal for whom the company had acted as an agent. The liability of the company qua such demands shall be to the sales tax registering authorities shall be total, if the company is held responsible to make such payments, ultimately. In all such cases, at present the company has treated such liabilities as contingent liabilities in its books of accounts, pending arriving at final liability on assessment and pending recovery of such amounts from principals.

(b) Where company has carried out own trading activities:

In case of denial of input tax credit (ITC) on all transactions where purchases were made by the company, on its account, such liabilities on sales tax account is considered as "contingent liabilities" till assessment is completed. In case of demands, which are disputed and where the liability of payment of tax is not on the company, the same is disclosed for as contingent liability.

The summary of such demands and their treatment in the books of accounts of the company are as under.

PARTICULARS	(in Rs.)	
	For trades as an agent for members	For proprietary trades
	Disputed and disclosed as contingent	Disputed and disclosed as contingent
Gujarat VAT		
F.Y. 10-11	35,67,710/-	0
West Bengal VAT		
F.Y. 11-12	0	28,36,108/-
Andhra Pradesh VAT		
F.Y. 12- 13	0	0
May 2012	6,57,42,500/-	0
Nov 2012	3,09,459/-	0
Rajasthan VAT		
F.Y. 09 -10	0	2,83,525/-
F.Y. 10 -11	0	1,42,89,118/-
F.Y. 11 -12	0	3,09,55,912/-
Punjab VAT		
F.Y. 12-13	0	0
1.10.12 to 31.12.12	26,02,50,254/-	0
Delhi VAT		
F.Y. 11-12	0	5,023/-
F.Y. 12-13	0	25,85,384/-
TOTAL	32,98,69,923/-	5,09,55,070/-

INDIAN BULLION MARKET ASSOCIATION LTD
Notes to Financial Statements for the Year ended 2014-15

(c) Special Audit initiated u/s 142 (2A) of Income Tax Act, 1961:

- (1) The Income Tax Department had carried out a special audit of the Company under section 142 (2A) of the Income tax Act 1961 for the period from AY 2008-09 to AY 2011-12. Subsequent to our submissions in reply to the special audit report and hearings the assessing officer has passed an order for AY 2011-12 and made an addition of Rs.3,05,25,089/- resulting in a demand of Rs.1,08,39,608/-. The company being aggrieved and adversely affected by such order has filed an appeal before Commissioner of Income Tax (Appeals), Mumbai. As the matter is currently under appeal the said demand liability is not admitted by the company and hence disclosed as contingent liability.
- (2) Pursuant to filing of return of income for F.Y.2012-13 (A.Y. 2013-14) a sum of Rs.1,11,34,790/- was due and refundable to the company. The company had received an intimation u/s 245 of the Income Tax Act, 1961 to appropriate such refund for F.Y.2012-13 against demand for F.Y.2010-11 (A.Y. 2011-12) for Rs.1,08,39,608/-. The company has objected to such adjustments to be carried out by the Income Tax department and the matter is pending before the concerned assessing officer and hence no effect has been provided in books of accounts of the company.

44. Previous Year Comparatives

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure. The company had business operations only for part of the current year and hence the figures for the current financial year are not comparable with the earlier financial year.

As per our report of even date

For Patel, Shah & Joshi
Chartered Accountants
Firm Regn. no. 107768W

For and on behalf of the Board
Indian Bullion Market Association Limited

Jayant I. Mehta
Partner
Membership No. 042630

Saji Cherian
Director
DIN 02512505

Manmohan Anand
Whole-time Director
DIN 07159075

Arun Pinto
Chief Financial Officer

Hena Juthani
Company Secretary
Membership No. 38539

Place : Mumbai
Date : 16.05.2015

Place : Mumbai
Date : 16.05.2015

Place : Mumbai
Date : 16.05.2015

Place : Mumbai
Date : 16.05.2015

Place : Mumbai
Date : 16.05.2015



INDIAN BULLION MARKET ASSOCIATION LIMITED

Registered Office: 4th Floor, FT Tower, Suren Road, Chakala, Andheri (E), Mumbai - 400 093.

CIN: U74900MH2007PLC171717

Tel.: 022-67619900 | Fax: 022-67619931

e-mail: ls@ibma.co.in | website: www.ibma.co.in

ATTENDANCE SLIP
Annual General Meeting
Friday, 4th September, 2015 at 10:30 A.M.

I/ We hereby record my / our presence at the Annual General Meeting of the Company held at Hotel Residency, Suren Road, Chakala, Andheri (E), Mumbai – 400093

Member's Folio/ DP ID-Client ID	Member's/Proxy's name in block letters	Member's/Proxy's Signature
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Note: Please fill in this attendance slip and hand it over at the venue of the meeting.

**Form No. MGT-11
PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

INDIAN BULLION MARKET ASSOCIATION LIMITED

Registered Office: 4th Floor, FT Tower, Suren Road, Chakala, Andheri (E), Mumbai - 400 093.

CIN: U74900MH2007PLC171717

Tel.: 022-67619900 | Fax: 022-67619931

e-mail: ls@ibma.co.in | website: www.ibma.co.in

Name of the Member (s):	
Registered address:	
E-mail ID:	
Folio No./Client ID- DP ID:	

I/We, being the member (s) of _____ shares of the above named company, hereby appoint

- | | |
|------------|---------------------------------------|
| 1. Name: | Address: |
| E-mail Id: | Signature: _____, or failing him/her; |
| 2. Name: | Address: |
| E-mail Id: | Signature: _____, or failing him/her; |
| 3. Name: | Address: |
| E-mail Id: | Signature: _____ |

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Annual General Meeting of the company, to be held on the Friday, 4th September, 2015 at 10:30 A.M. at Hotel Residency, Suren Road, Chakala, Andheri (E), Mumbai - 400093 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.:

Ordinary Business:

- To consider and adopt the Audited Standalone Financial Statements for the Financial Year ended 31 March, 2015, the Reports of the Auditors and the Board of Directors thereon;
- To appoint M/s. Patel, Shah & Joshi, Chartered Accountants, Mumbai, (Firm Registration No. 107768W) as the Statutory Auditors
- To appoint a Director in place of Mr. Saji Cherian, who retires by rotation and being eligible, offers himself for re-appointment

Special Business:

- To Appoint Mr. Manmohan Anand as a Whole Time Director of the Company
- To approve Remuneration to be paid to Mr. Manmohan Anand, Whole Time Director of the Company
- To approve Alteration of the Capital Clause of Memorandum of Association of the Company
- To approve Issue and Offer of Non-Cumulative Non-Convertible Redeemable Preference Shares (NNRPS)

Signed this _____ day of _____ 2015.

Signature of Shareholder: _____

Signature of Proxy holder (s) : _____

Note: This proxy form in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.



INDIAN BULLION MARKET ASSOCIATION LIMITED

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