INDIAN BULLION MARKET ASSOCIATION LIMITED

ANKITA GANDHI & ASSOCIATES
CHARTERED ACCOUNTANTS
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To,
The Members of
INDIAN BULLION MARKET ASSOCIATION LIMITED.

Report on the Ind AS Standalone Financial Statements

Qualified Opinion

We have audited the accompanying Ind AS standalone financial statements of **INDIAN BULLION MARKET ASSOCIATION LIMITED** ("the Company/IBMA"), which comprise the Balance Sheet as at March 31st, 2021, the Statement of Profit and Loss, the statement of cash flows and the statement of changes in equity, notes to the financial statements of then ended and a summary of significant accounting policies and other explanatory information.(herein after referred to as "Standalone Ind AS financial statements").

In our opinion and to the best of our knowledge and according to information and explanations given to us and subject to read notes on Financial Statements prepared by the Management, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraphs above, the aforesaid Ind AS 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, of the state of affairs of the Company as at 31st March 2021 and its losses, cash flows and its statement of change in equity for the year ended on that date.

Basis for Qualified Opinion

a) ***As per standalone Ind AS financial statements, it has been observed that the trade receivables and the other receivables have been considered as doubtful and hence have been provided at full value. The management has explained that as per principal of conservatism, the receivables have been provided for completely, although legal matters for recovery of debts are still under pendency (detailed summary has been provided by the Company in notes to accounts). Management is hopeful for recovery of the debts and quantification of the same is not possible. For receivables without conflict, management has stated that efforts were made in prior years by sending balance confirmation communication, yet the same couldnot be confirmed. Company had sent legal notices for recovery.***
b) ***Company has carried out the reconciliation of balances of exchange operations between NSEL and IBMA. There is a difference of Rs. 53 Lacs which is not receivable from NSEL, but from Various TM's/ Clients of IBMA. Thus, the balance which was earlier appearing to be outstanding from NSEL, with respect to exchange operations has been corrected in the current year. However, the recovery of the same is subject to Confirmation from TM's/clients.***

306, 3rd Floor, Exim Link Bldg, Link Road, Near Runwal Greens, Nahur-Mulund (W) , Mumbai - 78

c) ***During the year, the Company has not provided interest on Loan from National Spot Exchange Limited (NSEL) @ 10% which comes to Rs.1,47,90,000/-. NSEL has Written off the loans in their books however they have conserved the legal right to recover loan and interest thereon, if the same is demanded in future, it will result in understatement of losses.***

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

a) As per the standalone Ind AS financial statement, Company has recorded losses of Rs.38,48,480/- for the current year resulting in negative net worth of Rs. 91,06,85,336/-. There has been discontinuation of most of the activities carried out by the Company post 31st July 2013, there have been on going litigations and civil proceedings initiated against the Company, as well as by the company. Economic Offence Wing [EOW] has filed Miscellaneous Applications (MA) for attachment of Bank Accounts of the Company and Serious Fraud Investigation Office [SFIO] has filed winding up petition against Company in NCLT, which may endanger the entities ability to continue as going concern. No conclusive evidence can be obtained in this behalf.
   However, the management has filed all the required responses/ clarifications/ affidavits in all the relevant matters and expects favorable verdicts. Also, the management of the holding Company has agreed to provide all the required financial help to the Company subject to the compliance of court/ regulatory requirements. Further, The Company is expecting Vat refunds from the department, which will enable the Company to meet its running expenses. There are some legal cases wherein Company is expecting favorable outcomes, in the near future, thereby ensuring the ability to continue as Going Concern.
b) The contingent VAT liability of the company has increased from Rs. 2,50,36,76,586/- to Rs.3,68,79,98,013/-. However, the same is disputed and not certain, management is of the opinion that the liability is contingent.

c) The Management has assessed the impact of the outbreak of COVID-19 on the day to day business operations of the Company, based on the assessment management concludes that no adjustments are required in the current financial year. However certain legal cases and department assessments which were scheduled for hearing has been delayed which has impacted the Cash flow of the company.

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

The Company's board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board Reports, Corporate Governance and Shareholder's Information, but does not include the standalone financial statement and our auditor's report there on. Our opinion on the standalone financial statement does not cover the other information and we do not express any form of assurance conclusion thereon

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on our work we have performed, we conclude that there is material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

Management's Responsibility for Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows, the statement of changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, 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 Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

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

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

Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143 (3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

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

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of sub-section (11) of section 143 of the Act, we give in the **"Annexure B"** a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, and subject to our observations, 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;

   b. Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   c. The Balance Sheet, the Statement of Profit and Loss, Cash Flow statement, statement of change in equity are 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 Accounting Standards specified under section 133 of the Act, read with Rule of Companies (Accounts) as applicable.

e. The going concern matter described under the Emphasis of Matters paragraph above, in our opinion, unfavourable verdicts in the matters involving SFIO and EOW, may have an adverse effect on the functioning of the Company;

f. On the basis of the written representations received from the directors as on 31st March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls refer to our separate Report in **"Annexure A".**

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

   i. As per notes to 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. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable loses;

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

   iv. The Company has provided requisite disclosures in its Standalone Ind AS financial statements and these are in accordance with the books of accounts maintained by Company.

For Ankita Gandhi & Associates
(Chartered Accountants)
Reg No: 141004W

Ankita Gandhi

Ankita C Gandhi
(Proprietor)
Membership No.: 162282
Date: 18th May, 2021.
Place: Mumbai
UDIN: 21162282AAAABN5420

ANNEXURE "A" TO THE AUDITOR'S REPORT

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

(Referred to in paragraph 9(f) under 'Report on other Legal and Regulatory Requirements' of our report of even date)

We have audited the internal financial controls over financial reporting of **Indian Bullion Market Association Limited.** ("The Company "/IBMA) as of March 31, 2021 in conjunction with our audit of the Standalone Financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls systems over financial reporting and their operating effectiveness.

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

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

Meaning of Internal Financial controls over financial Reporting.

A company 's internal financial control over financial reporting is a Process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial Statements for external purposes in accordance with Generally Accepted Accounting Principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transaction and dispositions of the assets of the company;

(2) provide reasonable assurance that transaction is recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the statements

Inherent Limitations of Internal Financial Controls over financial Reporting.

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, after rectifying certain discrepancies, the Company has in all material respects, an adequate internal financial controls systems over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal Controls stated in the Guidance Note of the Audit of Internal Financial Control Over Financial Reporting issued by the Institution of Chartered Accountants of India.

For Ankita Gandhi & Associates
Chartered Accountants
Reg No: 141004W

Ankita Gandhi

Ankita C Gandhi
(Proprietor)
Membership No.: 162282
Date: 18th May, 2021.
Place: Mumbai
UDIN: 21162282AAAABN5420

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF

INDIAN BULLION MARKET ASSOCIATION LIMITED

(Referred to in paragraph 8 under 'Report on other Legal and Regulatory Requirements' of our report of even date)

i.
  a. The Company has maintained proper records showing full particulars, including quantitative details and situation of Tangible and intangible Assets.
  b. During the year, Company has carried out physical verification of Fixed Assets. No material discrepancies noticed.
  c. There are no Immovable properties held by Company, so this clause is not applicable.
  d. No Proceedings have been initiated or pending against the company for holding any Benami property under Benami Transaction Act.

ii.
  a. The Company does not hold any inventory at the end of the financial year.
  b. The Company has not been sanctioned working capital limits in excess of Rs. 5 Crore in aggregate from bank or financial institutions on the basis of security of current assets.

iii. The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(a) to (c) of the Order are not applicable to the Company and hence not commented upon.

iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and I86 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.

v. According to explanation and information given to us, the Company has not accepted any deposit during the year and hence reporting under clause V of the order is not applicable.

vi. As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.

vii. According to the information and explanation give to us in respect of statutory dues:

a. The undisputed statutory dues, including Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, other material statutory dues have been regularly deposited with the appropriate authorities except for the TDS for Q4 which is outstanding on the Audit report date. ESIC is not applicable to the company. Details of undisputed sales tax dues (including interest) which have not been deposited on the last day of the financial year concern for the period of more than six months from the date they become payable , as per **Annexure "C".**

b. Dues of Income tax, sales tax, service tax, duty of customs, duty of excise, value added tax have not been deposited on account of any disputes and the amount involved in the forum before which dispute is pending. According to information and explanations given to us, following demands are disputed in respect of Income Tax and Sales Tax as at 31st March 2021 as per **Annexure "D".**

viii. The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under this clause of the order is not applicable to the company.

ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under this clause of the order is not applicable to the Company.

x. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the Company by its officers or employees has been notice do reported during the year, Serious Fraud Investigation Office [SFIO] has filed winding up petition against the company in NCLT, which pertains to the earlier years , when the company was operational.

xi. Based upon the audit procedures performed and the information and explanations given by the management, no managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

xii. The Company is not a Nidhi Company and hence reporting under this clause of the Order is not applicable.

xiii. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable; for all the transactions with the related parties and the details of

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related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

xiv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of this clause of the Order are not applicable to the Company and hence not commented upon.

xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

xvi. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

For Ankita Gandhi & Associates
Chartered Accountants
Reg No: 141004W

Ankita Gandhi

Ankita C Gandhi
(Proprietor)
Membership No.: 162282
Date: 18th May, 2021
Place: Mumbai
UDIN: 21162282AAAABN5420

Aneexure - "C"

Undisputed Liability

TDS Liability Unpaid

Quarter	Year	Amount
Q4	2020-21	83,911

VAT Liability Unpaid

Sno	State	Princiapl	Interest	Period for which it relates
1	Gujarat		1,10,13,476	
2	Delhi		16,18,150	
4	Haryana	2,36,23,695	3,33,57,007	
5	Punjab	5,74,72,198	7,87,35,784	Fy 2013-2014
		8,10,95,893	**12,47,24,417**	

Disputed Liability

Aneexure - "D"

S No	Name of the statue	Nature of dues	Principal Amount	Interest	Penalty	Total Demand	Period		
1	Income tax	Income Tax Demands	1,50,31,090	-		1,50,31,090	AY 2011-12		Under ITAT Appeal
2	Income tax	Income Tax Demands	11,97,52,020	-		11,97,52,020	AY 2012-13		Under ITAT Appeal
3	Income tax	Income Tax Demands	6,75,02,780	-		6,75,02,780	AY 2013-14		Under ITAT Appeal
4	Income tax	Income Tax Demands	1,93,82,470	-		1,93,82,470	AY 2014-15		
			22,16,68,360	-	-	**22,16,68,360**			
1	Gujarat	Sales tax	35,67,710	-	31,11,375	66,79,085	FY 2010-11	Demand VAT	Appeal
2	Gujarat	Sales tax	12,75,481	-		12,75,481	FY 2012-13	Demand VAT	Appeal
3	Gujarat	Sales tax	5,85,660	-		5,85,660	FY 2012-13	Demand CST	Appeal
4	Gujarat	Sales tax	7,59,218			7,59,218	FY 2013-14	Demand VAT	
5	Gujarat	Sales tax	1,59,42,960			1,59,42,960	FY 2013-14	Demand CST	
6	Maharashtra	Sales tax	3,73,03,581	3,01,08,459	93,49,196	7,67,61,236	Fy 2013-14	Demand VAT	
7	Maharashtra	Sales tax	1,57,443			1,57,443	FY 2010-11	Demand VAT	Appeal
8	Andhrapradesh	Sales tax		4,31,250	5,00,000	9,31,250	Fy 2014-15	Penalty	Appeal
9	Rajasthan	Sales tax	2,83,525	-		2,83,525	FY 2009-10		
10	Rajasthan	Sales tax	2,39,96,831	69,59,081		3,09,55,912	FY 2011-12	Demand VAT	
11	Rajasthan	Sales tax	3,63,660	1,01,825		4,65,485	Fy 2012-13	Demand VAT	
12	Rajasthan	Sales tax	5,25,840	1,63,010		6,88,850	Fy 2012-13	Demand CST	
13	Rajasthan	Sales tax	21,69,512	7,70,778	-	29,40,290	Fy 2013-14	Demand VAT	Appeal
14	Rajasthan	Sales tax	1,56,922	58,795		2,15,717	Fy 2013-14	Demand CST	
15	Rajasthan	Sales tax	10,20,317	3,29,143		13,49,460	Fy 2014-15	Demand VAT	
16	Rajasthan	Sales tax	1,000	-		1,000	Fy 2015-16	Penalty	
17	Rajasthan	Sales tax	14,040	-		14,040	Fy 2015-16	Demand CST	
18	Rajasthan	Sales tax	5,000	-		5,000	Fy 2016-17	Penalty	
19	Punjab	Sales tax	1,65,62,58,967	-		1,65,62,58,967	Fy 2012-13	Demand VAT	Appeal
20	Punjab	Sales tax	1,16,70,69,741			1,16,70,69,741	Fy 2013-14	Demand VAT	Appeal
21	Uttar Pradesh	Sales tax	9,10,500	-		9,10,500	FY 2010-11	Demand VAT	
22	Uttar Pradesh	Sales tax	2,08,53,000	-		2,08,53,000	FY 2011-12	Demand VAT	
23	Uttar Pradesh	Sales tax	10,10,00,000	-		10,10,00,000	FY 2012-13	Demand VAT	
24	Haryana	Sales tax	56,09,81,108	2,62,50,024		58,72,31,132	Fy 2013-14	Demand VAT	Appeal
25	Haryana	Sales tax	1,46,63,061	-	-	1,46,63,061	FY 2012-13		Appeal
		Total	**3,60,98,65,077**	**6,51,72,365**	**1,29,60,571**	**3,68,79,98,013**			

Indian Bullion Market Association Limited

Balance Sheet as at 31st March, 2021

Assets	Note	As at 31st Mar, 2021 (Audited)	As at 31st March, 2020 (Audited)
Non-current assets			
(a) Property, Plant and Equipment	4	3 12 276	1 33 302
(b) Intangible assets	5	58 323	68 321
(c) Financial Assets			
(i) Investments	6	46 000	46 000
(ii) Other Financial Assets	7	21 15 496	13 65 643
Total Non- Current Assets		**25 32 095**	**16 13 266**
Current assets			
a) Inventories	8	-	-
(b) Financial Assets			
(i) Investments	9	1,42,686	13,58,829
(ii) Trade receivables	10	-	-
(iii) Cash and cash equivalents	11	13 22 838	15 26 435
(iv) Bank balances other than (iii) above	12	20 32 637	20 32 637
(v) Other Financial Assets	13	2 95 000	2 99 425
(c) Other current assets	14	24 13 23 414	24 31 40 428
Total Current Assets		**24 51 16 576**	**24 83 57 754**
Total Assets		**24 76 48 670**	**24 99 71 020**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	15	14 53 89 490	14 53 89 490
Retained Earning		-105 60 74 826	-105 22 26 345
Total Equity		**-91 06 85 336**	**-90 68 36 855**
Current liabilities			
(a) Financial Liabilities			
i) Borrowings	16	14 79 00 000	14 79 00 000
ii) Trade payables	17	78 00 94 988	77 89 41 182
iii) Other financial liabilities	18	2 44 40 664	2 44 40 664
(b) Provisions		-	
(c) Current Tax Liabilities (Net)		-	
(d) Other current liabilities	19	20 58 98 354	20 55 26 028
Total Current Liabilities		**115 83 34 006**	**115 68 07 875**
Total Equity and Liabilities		**24 76 48 670**	**24 99 71 020**

For Ankita Gandhi & Associates
Chartered Accountants
FRN No. 141004W

Ankita Gandhi

Ankita C. Gandhi
Proprietor
Membership No:162282
Place : Mumbai
Date : 18-05-2021

For and on behalf of Board
Indian Bullion Market Association Limited

Anand Daksha Whole-time Director & CEO DIN 08600992	Yogesh Borkar Non-Executive Director DIN 08813256	Girish Gangir Chief Financial Officer
Urvish Desai Company Secretary Membership No. A33700	Bipin Dhanesha Independent Director DIN 05223465	Ujjwala Deshpande Independent Director DIN 07556885

Place : Mumbai
Date : 18-05-2021

Indian Bullion Market Association Limited

Statement of Profit and Loss for the Year ended 31st March, 2021

PARTICULARS	Note	Year Ended 31st March, 2021 (Audited)	Year Ended 31st March, 2020 (Audited)
Income			
Revenue from operations	20		1 90 500
Other income	21	2 26 180	4 92 570
Total Income		**2 26 180**	**6 83 070**
Expenses			
Change in Inventories	22		1 39 600
Employee benefits expense	23	1 200	1 200
Finance costs	24		1 04 195
Depreciation and amortisation expense	25	23 172	12 781
Other expenses	26	40 50 289	1 15 48 714
Total expenses		**40 74 661**	**1 18 06 490**
(Loss) before tax		- 38 48 480	-1 11 23 420
Tax expense / (credit):			
(a) Current tax expense			
(b) Deferred Tax			
Total tax expense			
Total Comprehensive Income/(loss) for the year		**- 38 48 480**	**-1 11 23 420**
Earnings per share:	27		
Basic per share (in Rs.)		(0.26)	(0.77)
Diluted per share (in Rs.)		(0.26)	(0.77)
Face Value Per Share (in Rs.)		10.00	10.00

The accompanying notes are an integral part of the financial statements

For Ankita Gandhi & Associates
Chartered Accountants
FRN No. 141004W

Ankita Gandhi

Ankita C. Gandhi
Proprietor
Membership No:162282
Place : Mumbai
Date : 18-05-2021

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

Anand Daksha
Whole-time Director & CEO
DIN 08600992

Yogesh Borkar
Non-Executive Director
DIN 08813256

Girish Gangir
Chief Financial Officer

Urvish Desai
Company Secretary
Membership No. A33700

Bipin Dhanesha
Independent Director
DIN 05223465

Ujjwala Deshpande
Independent Director
DIN 07556885

Place : Mumbai
Date : 18-05-2021

INDIAN BULLION MARKET ASSOCIATION LIMITED
Cash Flow Statement for the year ended 31st March, 2021

PARTICULARS	Amount Rs. For the year ended March 31, 2021	Amount Rs. For the year ended March 31, 2020
A. Cash Flow from Operating Activities before taxation		
(Loss) before taxation	- 38 48 480	-1 11 23 420
Adjustments for -		
Depreciation and amortisation	23 172	12 781
Interest Expenses		1 04 195
Interest Income	- 1 92 273	- 3 33 742
Profit(loss) on sale of investments	63 886	1 27 393
Operating profit/ (loss) before working capital changes	- 39 53 695	-1 12 12 792
Movements in working capital :		
Increase / (Decrease) in trade payables	11 53 805	- 21 06 315
Increase / (Decrease) in other current liabilities	3 72 326	- 6 68 294
Decrease / (Increase) in Inventories		1 39 600
Decrease / (Increase) in short term loans and advances	4 425	- 1 70 458
Decrease / (Increase) in other current assets	18 17 013	1 67 01 077
Decrease / (Increase) in other financial asets	- 7 49 853	- 3 48 516
Cash generated from/ (used in) operations	**- 13 55 978**	**23 34 302**
Less: Taxes paid/ (refunds)	-	-
Net cash flow from/ (used in) operating activities	**- 13 55 978**	**23 34 302**
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	- 1 92 148	- 1 06 238
Proceeds from sale of current Investments	11 52 257	85 13 778
Purchase of Investments		-1 00 00 000
Interest Income	1 92 273	3 33 742
Net cash flow from/ (used in) Investing Activities	**11 52 381**	**- 12 58 719**
C. Cash Flow from Financing Activities		
Interest Paid	-	- 1 76 179
Net Cash flow from(/sued in) Financing Activities		**- 1 76 179**
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	- 2 03 597	8 99 405
Cash and Cash Equivalents (Opening Balance)	15 26 435	6 27 030
Cash and Cash Equivalents (Closing Balance)	**13 22 838**	**15 26 435**

R

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	13 22 838	15 26 435
- In Deposits Accounts (Maturing Less than 3 Months)	-	-
Cash and Cash Equivalents in Cash Flow Statement	13 22 838	15 26 435
- In Deposit Accounts (Maturing More than 3 Months)	20 32 637	20 32 637
Cash and bank balance	**33 55 475**	**35 59 072**

Note :- The above cashflow statement has been prepared under the Indian Accounting Standard 7 - Statement of Cash Flow Statement, notified persuant to the Companies (Accounting Standards Rules), 2006 (as amended).

The accompanying notes are an integral part of the financial statements

For Ankita Gandhi & Associates
Chartered Accountants
FRN No. 141004W

Ankita Gandhi

Ankita C. Gandhi
Proprietor
Membership No:162282
Place : Mumbai
Date :18-05-2021

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

Anand Daksha
Whole-time Director & CEO
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Company Secretary
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Independent Director
DIN 05223465

Ujjwala Deshpande
Independent Director
DIN 07556885

Place : Mumbai
Date :18-05-2021

Indian Bullion Market Association Limited

Statement of change in equity (SOCIE) as at 31st Mar , 2021

Amount Rs.

	Equity share capital	Retained earnings	Total attributable to equity shareholders
Balance as at 1st April, 2019	14 53 89 490	-104 11 02 926	-89 57 13 436
Total comprehensive income/(loss) for the year ended 31st March 2020	-	-1 11 23 420	-1 11 23 420
Total comprehensive income /(loss) for the year ended 31st March 2021		- 38 48 480	- 38 48 480
Balance at the year end	**14 53 89 490**	**-105 60 74 826**	**-91 06 85 336**

1. Company overview

Indian Bullion Market Association Limited (hereafter IBMA/Company) has been incorporated to carry on trading business as a buyer, seller and commission agent in physical market and through as an Institutional Trading and Clearing Member (ITCM) of National Spot Exchange Ltd (NSEL) which offered trading, clearing and settlement services to its constituent Members and commodity exchanges in gold, silver, base metals and agricultural commodities.

2. Basis of Preparation

2.1. Statement of compliance and Basis of Preparation

These financial statements are prepared in accordance with Indian Accounting Standards (Ind-AS) notified under section 133 of the Companies Act, 2013("the 2013 Act") read with Companies (Indian Accounting Standards) Rules, 2015, subsequent amendments thereto and the relevant provision of the 2013 Act.

The financial statements have been prepared on accrual basis under the historical cost convention except for certain financial instruments which are measured at fair values as required by relevant Ind-AS.

Accounting policies have been consistently applied except where a newly issued Ind-ASs is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.2. Functional and presentation currency

These financial statements are presented in Indian Rupees(INR), which is the Company's functional currency. All amounts have been rounded to the nearest Rupees, unless otherwise indicated.

2.3. Going Concern Basis Assumption

A) Management's assessment of entity's ability to continue as going concern:

Following events/ conditions that individually or collectively may cast significant doubt on Company's ability to continue as going concern:

a) Negative net worth of the Company as at 31st March, 2021.
b) Stoppage of operational activities since August 2013 i.e.: for more than 5 years therefore negligible revenue from operations
c) Negative operational losses in last few years.
d) Pending legal and regulatory proceedings against the Company if successful, will result in claims that the Company is not likely to satisfy:
(i) Winding up petition filed against the Company
(ii) Several legal cases filed against the Company

B) Management's plan to alleviate substantial doubt on Company's ability of continue as going concern

a. Holding Company (National Spot Exchange Limited, "NSEL") has committed to provide financial support by way paying all statutory dues and legal expenses.
b. Company is expecting cash refund of VAT from VAT authorities. Expected cash flow will help company to float for at least next 2 years.
c. Company has received award in its favour in case of Harley Carmbel (India) Pvt Ltd. Once the same is executed it will help in improving cash flow of the Company.

d. Management is hopeful that it will get favorable decision in cases wherein the Company has filed cases against various parties and also will successfully defend the cases filed against the Company.
e. Company is contesting the winding up petition filed against the Company and hopeful of getting favorable order. At appropriate time, the Company is contemplating to commence one of the activities as specified in the Memorandum of Association, subject to necessary regulatory approvals.
f. The Company is making all out efforts in monetizing its trade and other receivables.

Management has made a fair estimate of the ability of the company to carry on business for near term period. 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, Management has considered above mitigating factors, and on the above basis, Standalone Ind-AS Financial Statements have been prepared on Going Concern basis and that no adjustments are required to the carrying value of assets and liabilities.

The management is also of the opinion that business activities shall resume in due course of time and thereby the future Cash flow will be in order.

2.4. Use of estimates and making judgements

The preparation of Standalone Ind-AS Financial Statements is in conformity with Ind AS which requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities (disclosure of contingent liabilities) at the date of the Financial Statements and the results of operations during the reporting period. Although, these estimates are based upon Management's best knowledge of current events and actions, actual results could differ from these estimates. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Areas involving critical estimates & judgements are:

- Measurement of defined benefit obligation-key actuarial assumptions
- Recognitions of deferred tax asset: availability of future taxable profits
- Impairment testing
- Recognition and measurement of provisions and contingencies
- Estimations of income tax
- Estimation of useful life of PPA and intangible assets
- Estimation of contingent liabilities
- Impairment of trade and other receivables

3. Summary of Significant Accounting Policies

3.1. Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company regularly reviews significant unobservable inputs and valuation adjustments.

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized. When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible.

3.2. Revenue

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 commercial taxes as applicable on the date of transaction.

3.3. Other income

(i) Dividend income is recognized when the Company's right to receive dividend is established.
(ii) Interest income on Bank FDR is recognized on a time proportion basis taking into account the amount outstanding and the applicable rate.
(iii) In case of interest income on recoverable under litigation, are recognized on receipt basis.

3.4. Property, plant and equipment

i. Recognition and measurement:

Property, Plant and Equipment (PPE) are carried at cost less accumulated depreciation and any accumulated impairment losses, if any.

The cost of PPE comprises its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates and any costs directly attributable to bring in the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent expenditure relating to PPE is capitalized only when it is probable / convinced that future economic benefits will contribute to these flow to the company and cost of the item can be measured reliably.

The useful lives and residual values of company's assets are determined by management at the time the asset is acquired and reviewed periodically via a vis Replacement Market Cost, at each financial year-end.

Borrowing costs / Financial Cost that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of the asset. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of such asset in the form / an item of property, plant and equipment is / are accounted / recognized in profit or loss.

ii. Depreciation

Depreciation is calculated to write off the proportionate cost of items of property, plant and equipment in ratio of their estimated life measured at the time of assets acquired / installed for use, less their estimated residual values using the straight-line method over their estimated useful lives, and is recognized in profit or loss.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Depreciation has been provided on the straight-line method on the basis of useful life as follows.

Assets	Use full life
Office Equipment	2 to 10 Years
Computer Hardware	3 to 6 Years
Furniture and Fixtures	5 to 10 Years

Assets costing up to Rs. 5,000/- are fully depreciated in the year of acquisition.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in net profit in the statement of profit and loss.

a) Intangible assets

Trademarks are amortized over 8 years, considering their related useful life. Software is amortized over 6 years, considering their related useful life. Any additions to the base software are amortized over the remaining useful life of the software.

b) Financial instruments

Particulars	Initial recognition	Subsequent recognition
Non-derivative financial instruments		
a) Financial assets	At fair value including directly attributable transaction costs	**At amortised cost:** if it is held within business model where purpose is to hold asset for contractual cash flows that are solely payments of principal and interest on principal outstanding.
b) Financial assets	At fair value including directly attributable transaction costs	**At fair value through other comprehensive income:** if it is held within business model where purpose is to hold asset for contractual cash flows that are solely payments of principal and interest on principal outstanding and also selling financial assets.
c) Financial assets	At fair value excluding directly attributable transaction costs	**At fair value through statement of profit and loss:** if financial asset is not classified in any of the above categories.

d) Financial liabilities	At fair value including directly attributable transaction costs	**At amortised cost:** using effective interest method except certain items.
Derivative financial instruments		
Financial assets or financial liabilities	At fair value	**At fair value through statement of profit and loss:** if financial assets or financial liabilities are not designated as hedges.
Share capital		
	Ordinary shares classified as equity.	Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

De-recognition of financial instruments: A financial asset is de recognized by the Company only when:

- It expires; or
- the Company has transferred the rights to receive cash flows from the financial asset; or
- if the Company has not retained / handed over the control of the financial asset; or
- the Company has transferred substantially all risks and rewards of ownership of the financial asset.

Any gain or loss on de recognition is recognized in statement of profit and loss including cumulative gain or loss in case of financial assets subsequently valued at fair value through other comprehensive income. In case of financial assets subsequently fair valued through profit or loss gain or loss is presented on a net basis.

c) Impairment

i. Financial assets:

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit or loss.

ii. Non-financial assets:

Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

d) Inventories

Inventories of trading goods are stated at cost or net realizable value whichever is lower. Final Cost consists / comprises of cost of purchase and other overhead incurred / 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) Leases

Effective April 01, 2019, the Company had adopted Ind AS 116 "Leases" by applying the modified retrospective approach. The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration.

Company as a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right -of-use assets are subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight -line method from the commencement date over the shorter of lease term or useful life of right -of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right -of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company's incremental borrowing rate is used. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, any remaining amount of the re-measurement is recorded in statement of profit and loss.

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand -alone price of the lease component and the aggregate stand-alone price of the non-lease components by applying Ind AS 115 Revenue to allocate the consideration in the contract.

Company has selected not to apply the requirements in paragraphs 22–49 of Ind As 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value and are recognized as an expense on a straight-line basis over the lease term.

Company as a Lessor: Company does not lease out any asset, hence no policy is disclosed.

f) **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.

g) Retirement Benefits and Other Employee Benefits:

Employee benefits

i. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

iii. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

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

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv. Gratuity

In accordance with the Payment of Gratuity Act, 1972, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company. The gratuity fund is managed by the Life Insurance Corporation of India (LIC). The Company's obligation in respect of the gratuity plan, which is a defined benefit plan, is provided for based on actuarial valuation using the projected unit credit method. All actuarial gains or losses are immediately recognized in other comprehensive income and permanently excluded from profit or loss. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income.

v. Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Re-measurement gains or losses are recognised in profit or loss in the period in which they arise.

vi. Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

h) Finance Costs:

Interest expense is recognized using the effective interest method.

i) Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

i. Current tax

Current tax comprises the expected tax payable or recoverable on the taxable income or loss for the year and any adjustment to the tax payable or recoverable in respect of previous years. The amount of current tax payable or recoverable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognized for:

temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

temporary differences related to investments in subsidiaries, Associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans of the Company and the reversal of temporary differences. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves. Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

j) 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.

k) Provisions, Contingent liabilities and contingent assets

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

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

Contingent assets are neither recognized nor disclosed.

l) Operating cycle

Since there is no operating activity during the year, the Company has assumed its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

m) 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.

n) Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

Company's accounting policies and disclosures require the measurement of fair values, for both financial and non- financial assets and liabilities.

When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

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

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

o) IND AS STANDARDS ISSUED BUT NOT YET EFFECTIVE

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified any IndAS or amendment to existing Ind AS which is not yet effective. Hence their impact on current or future financial statements, if any, cannot be ascertained.

INDIAN BULLION MARKET ASSOCIATION LIMITED
Notes to financial statements for the Year Ended 31.03.2021
Fixed Assets

4. Property Plant and Equipment

(in Rs.)

Particulars	Gross Block			Depreciation / Amortization/ Impairment			Net Block	
	Cost as at 1.04.2020	Additions during the Year	**As at 31.03.2021**	Upto **1.04.2020**	For the Year	**As at 31.03.2021**	**As at 31.03.2021**	**As at 1.04.2020**
TANGIBLE ASSETS								
Office Equipments	92,292	-	92,292	87,807	-	87,807	4,485	4,485
Computers Hardware	10,42,222	6,607	10,48,829	9,91,768	1,209	9,92,977	55,852	50,454
Furnitures & Fixtures	79,648	1,85,541	2,65,189	1,286	11,965	13,251	2,51,938	78,362
Total	**12,14,162**	**1,92,148**	**14,06,310**	**10,80,861**	**13,174**	**10,94,035**	**3,12,276**	**1,33,302**
Previous year	**11,31,924**	**82,238**	**12,14,162**	**10,76,985**	**3,876**	**10,80,861**	**1,33,302**	**54,940**

5. Intangible assets

(in Rs.)

Particulars	Gross Block			Depreciation / Amortization/ Impairment			Net Block	
	Cost as at 1.04.2020	Additions during the Year	**As at 31.03.2021**	Upto **1.04.2020**	For the Year	**As at 31.03.2021**	**As at 31.03.2021**	**As at 1.04.2020**
INTANGIBLE ASSETS (Other than internally generated)								
Trade Mark	93,500	-	93,500	70,964	2,400	73,364	20,136	22,536
Computer Software	6,39,441	-	6,39,441	5,93,656	7,598	6,01,254	38,187	45,785
Total	**7,32,941**	**-**	**7,32,941**	**6,64,620**	**9,998**	**6,74,618**	**58,323**	**68,321**
Previous year	**7,08,941**	**24,000**	**7,32,941**	**6,55,715**	**8,905**	**6,64,620**	**68,321**	**53,226**

Indian Bullion Market Association Ltd.

Notes forming part of the financial statements for the year ended 31st March, 2021

			Amount Rs.	Amount Rs.
6	**Non Current Investments**		**As at 31st Mar, 2021**	**As at 31st March, 2020**
	Investment in National Savings Certificate (Held in the name of individual c/o Indian Bullion Market Association Ltd given to VAT authorities)		46 000	46 000
		TOTAL	**46 000**	**46 000**
7	**Other Non Current Financial Assets** (considered good unless otherwise stated)			
	LIC Group Gratuity account	A)	11 36 445	10 62 991
	Security deposits		9 98 500	3 22 102
	Less: Provision for doubtful Deposits		50,500	50,500
		B)	9 48 000	2 71 602
	Interest accrued on investment	C)	31 050	31 050
	Other Receivable			
	Considered Good		-	-
	Considered Doubtful		76,67,47,568	76 67 47 568
			76,67,47,568	76 67 47 568
	Less :- Provision for doubtful other receivables		76,67,47,568	76 67 47 568
		D)	-	
		TOTAL(A+B+C+D	**21 15 495**	**13 65 643**
9	**Current investments**			
	Investments in Mutual Funds Nippon India Liquid Fund-Direct Plan Growth Plan - Growth Option		1,42,686	13,58,829
	(28.350 units, Market Price Rs.5033.0251 as on 31.03.2021) (280.252 units, Market Price Rs.4848.5966 as on 31.03.2020)			
		TOTAL	**1,42,686**	**13 58 829**
10	**Trade receivables**			
	Considered good		-	-
	Considered doubtful		7 51 81 839	7 51 81 839
			7,51,81,839	7,51,81,839
	Less: Provision for doubtful trade receivables		7 51 81 839	7 51 81 839
		TOTAL	-	-
11	**Cash and Cash equivalents**		**As at 31st Mar, 2021**	**As at 31st March, 2019**
	Balances that meet the definition of Cash and Cash equivalents as per IND AS 7 - Cash Flow Statements			
	Cash in hand		47 608	50,910.00
	Balances with banks			
	In current accounts		12 00 198	14 00 493
	In client & settelment A/c		75 032	75 032
		TOTAL	**13 22 838**	**15 26 435**

12	**Bank Balances other than above**			
	In deposit accounts with original maturity of more than 12 months		20 32 637	20 32 637
		TOTAL	**20 32 637**	**20 32 637**
13	**Other Financial assets**			
	Advances Recoverable in Cash or Kind (unsecured considered good)		4 23 967	4 28 392
	Less: Provision for Receivable		1 28 967	1 28 967
		TOTAL	**2 95 000**	**2 99 425**
14	**Other current assets**			
	Receivable from NSEL(holding company) for settlement obligation (Net)		18 76 44 271	18 76 44 271
	Balance with Government authorities		2 39 19 040	2 58 51 474
	Prepaid expenses			-
	Advance tax & tax deducted at source (net of provision for tax)		2 94 71 743	2 94 71 743
	Interest accrued on fixed deposits		2 88 359	1 72 940
		TOTAL	**24 13 23 414**	**24 31 40 428**

Indian Bullion Market Association Ltd.

Notes forming part of the financial statements for the year ended 31st March, 2021

15 Equity Share capital

	Balance at the end of the year		Balance at the beginning of the year	
	Number of shares	Amount Rs	Number of shares	Amount Rs
Authorised:				
Equity shares of Rs 10/- each	1,50,00,000	15,00,00,000	1 50 00 000	15 00 00 000
Preference shares of Rs.10 each	1,50,00,000	15,00,00,000	1 50 00 000	15 00 00 000
Issued, subscribed and fully paid up:				
Equity shares of Rs 10/- each	1,45,38,949	14,53,89,490	1 45 38 949	14 53 89 490
TOTAL	1,45,38,949	14,53,89,490	1 45 38 949	14 53 89 490

Rights, preferences and restrictions attached to equity shares:

a) The company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts in the proportion of equity shares held.

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

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

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

	As on 31st March, 2021		As on 31st March, 2020	
	No.	% holding in the class	No.	% holding in the class
National Spot Exchange Ltd	88,51,725	60.88%	88 51 725	60.88%

16 Short-term borrowings

		As on 31st March, 2021	As on 31st March, 2020
Loans from Related Parties (Unsecured)		14 79 00 000	14 79 00 000
		14 79 00 000	**14 79 00 000**
The above amount includes			
- Secured borrowings		-	-
- Unsecured borrowings		14 79 00 000	14 79 00 000
	TOTAL	**14 79 00 000**	**14 79 00 000**

17 Trade payables

Related Parties		73 65 91 476	73 65 91 476
Dues to Other than MSMED		4 35 03 512	4 23 49 707
	TOTAL	**78 00 94 988**	**77 89 41 183**

18 Other Financial Liabilities

Margin from client & trading members		2 44 28 493	2 44 28 493
Advance received against goods and services		12 171	12 171
	TOTAL	**2 44 40 664**	**2 44 40 664**

19 Other Current Liabilities

Statutory dues		20 57 68 353	20 55 26 027
(includes contributions to PF, TDS, VAT, GST etc.)			
Sitting fee payable to Directors		1 30 000	
	TOTAL	**20 58 98 354**	**20 55 26 028**

Indian Bullion Market Association Ltd.

Notes forming part of the financial statements for the year ended 31st March, 2021

		Amount Rs. Year ended 31st Mar. 2021	Amount Rs. Year ended 31st March. 2020
20 Revenue from operations			
Sale of traded goods		-	1,90,500
	TOTAL	-	1,90,500
21 Other income			
Interest income on			
Fixed Deposit with Banks		1 18 818	1,42,618
Gratuity fund with LIC		73 455	76,915
Reversal of interest charged on vat		-	1,14,209
		1,92,273	3,33,742
Income on sale of Investment		63 886	1,27,393
Fair value change in Mutual Fund (Nippon India)		- 29 978	31,436
	TOTAL	2,26,180	4,92,570
22 Increase/(Decrease) in inventories			
Inventories at the end of the year		-	-
Stock in Trade (In respect of goods acquired for trading)			
Inventories at the beginning of the year		-	1,39,600
Stock in Trade (In respect of goods acquired for trading)			
	TOTAL	-	1,39,600
23 Employee benefits expense			
PF Admin charges		1 200	1,200
	TOTAL	1,200	1,200
24 Finance Costs			-
Interest expense on:			
Delayed payment of tax		-	1,04,195
	TOTAL	-	1,04,195
25 Depreciation and amortisation expense			
Depreciation on tangible assets		13 174	3,876
Amortisation of intangible assets		9 998	8,905
	TOTAL	23,172	12,781
26 Other expenses			
Travelling and conveyance		3 67 956	3,40,661
Directors' sitting fees		6 11 110	9,22,222
Profession Tax		2 500	2,500
Rent-Office		2 95 200	-
Postage & Courier		23 780	6,166
VAT Expenses		-	4,92,675
Printing & Stationery		41 853	1,93,802
Provision for Receivable (in cash or in kind)		-	1,28,967
Electricity Charges		16 545	-
Penalty for PT Return		6 000	-
House Keeping Expenses		2 08 000	1,90,900
Office Expenses		29 714	59,483
Books & Periodicals		-	9,191
Legal and professional charges		21 46 860	89,39,898
Statutory Audit fees to auditor		1 50 000	1,00,000
Demat Charges		53 100	48,675.00
Meeting Expenses		31 080	8,500
Miscellaneous expenses		66 591	1,05,074
	TOTAL	40,50,289	1,15,48,714
27 Earnings per share (EPS)			
Total comprehensive income for the year		(38,48,480)	(1,11,23,420)
Weighted average number of equity shares in calculating basic and diluted EPS(Nos.)		1,45,38,949	1,45,38,949
EPS- Basic & Diluted (excluding extra ordinary items)		(0)	(14)
Face Value per share		10	10

Financial instrument disclosure **Amount Rs.**

28. **Contingent liability**

(Amount Rs)

	Particulars	As at 31.03.2021	As at 31.03.2020
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.	NIL	NIL
c)	Contingent liabilities not provided towards Sales tax demand. (refer note 53(A)(b))	3,68,79,98,013	2,50,36,76,586
d)	Contingent liabilities towards Bank guarantees not provided for.	3,90,000	3,90,000
e)	Disputed liabilities not provided towards Income tax demand. (refer note 53(B))	22,16,68,360	22,16,68,360
f)	Karvy Comtrade Limited claim of Interest and penalty under disputes. (refer note 50)	42,11,929	42,11,929
g)	Interest on Loan from NSEL (refer note 51)	5,91,60,000	4,43,70,000
h)	Interest on Admitted Vat Liability (refer note 53(A) (c))	2,29,11,346	2,39,03,743

29. **Actuarial Assumptions:**

<u>Gratuity Plan:</u>

During the year, Company has not made any 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.

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 2021 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. 11,36,445/- as on the balance sheet date which has been arrived at considering quarterly rate of interest of 7.1%p.a. for Q1, 6.95% p.a. for Q2, 6.76% p.a. for Q3 and 6.84% p.a. for Q4 of FY 2020-21. (Refer Note 7).

30. **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)
63 Moons Technologies Ltd. Formerly known as Financial Technologies (India) Ltd.

(C) Fellow subsidiaries and subsidiary of ultimate holding company
1. Farmer Agricultural Integrated Development Alliances Limited (FAIDA)
2. Westernghats Agro Growers Company Limited (WAGCL)
3. Ticker plant Limited

(D) Key Management Personnel (KMP):

1. Mr. Anand Daksha: WTD & Chief Executive Officer (Appointed w.e.f. 1st August, 2020)
2. Mr. Arun Pinto: WTD & Chief Executive Officer (Resigned w.e.f. 31st July, 2020)
3. Mr. Bipin Dhanesha: Independent Director (Appointed w.e.f 10th January 2019)
4. Ms. Ujjwala Deshpande: Independent Director (Appointed w.e.f 10th January, 2019)
5. Mr. Saji Cherian : Non-Executive Directors (Appointed w.e.f. 21st January, 2021)
6. Mr. Yogesh Borkar: Non-Executive Directors (Appointed w.e.f. 1st August, 2020)
7. Mr. Girish Gangir: Chief Financial officer (Appointed w.e.f. 1st August, 2020)
8. Mr. Rajkumar Jain : Chief Financial officer (Resigned w.e.f. 31st July, 2020)
9. Mr. Diwaker Dubey : Company Secretary (From 24th August 2018 till 25th April 2019)
10. Mr. Urvish Desai : Company Secretary (Appointed with effect from 30th July, 2019)

Remuneration to all Key Managerial Personnel have been paid directly by Holding company NSEL. NSEL has relinquished all remuneration of deputed employees paid by it.

Transactions with other related parties are disclosed in Annexure: "A".

31. National Savings certificates (NSC) value shown in note no 6 as Non-current investments of Rs. 46,000 under lien to Rajasthan Vat department. All NSC was for 6 Years which matured in FY 2015-16. Interest accrual upto the date of maturity has been accounted in Books of Accounts. NSC has not been redeemed as original NSC lien to Rajasthan Vat department where department has raised demand which is disputed and is under appeal stage.

32. Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006.
Disclosures Required Under Section 22 Of The Micro, Small and Medium Enterprises Development Act, 2006:

a. An amount of NIL (Previous Year Rs. Nil) and Rs Nil (Previous Year Rs. Nil) was due and outstanding to suppliers as at the end of the accounting year on account of Principal and Interest respectively.
b. No interest paid during the year.
c. Rs Nil interest is accrued and remains unpaid at the end of the year.

Based on the records available with the Company, it had not received any positive confirmation 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.

33. 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 (Trading cum clearing members) 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.18,76,44,271/- is shown as "Receivable from NSEL settlement obligation" under "Other current assets" in the balance sheet. (Refer Note 14).

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.

d) Out of the recoveries made from defaulting members of Exchange, Competent Authority (CA) have disbursed some amounts to members and clients.. Company had sought the details of disbursement, however, no details has been received from CA of such recoveries and disbursement to members. In absence of details of such recoveries and disbursement with the Company, Company has not updated it.

e) Company has carried out reconciliation of balance between IBMA & NSEL in respect of exchange operations during the year and found that there is no difference between IBMA & NSEL balance pertaining to Exchange trade obligations. The difference of Rs. 53,57,809/- is relating to other charges receivable from various TM/Clients. The classification of transaction between TM/clients could not be specifically identified due to voluminous transactions. Hence, the amount of Rs. 53,57,809/- is transferred to "Receivable from Various Clients/TM" Account.

34. 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.9,21,47,632/- pertaining to the client have been deposited into Fixed deposits by NSEL and equivalent amount is reduced from the exchange's obligation to IBMA.

On 10th May 2016, SEBI informed to NSEL vide their letter No SEBI/OW/13565/2016 dated 10th May 2016 that based on Supreme Court Order requested to transfer the deposit lying in the name of Sahara company to SEBI in the SEBI Sahara Account. Accordingly, money had been transferred on 29th June 2016.

COURT CASES INITIATED BY THE COMPANY:

35. The Company had entered into an agreement with M/s SNP Design Pvt. Ltd. (hereinafter referred as "SNP") to carry out commodity derivative transactions for and on behalf of SNP for a period of one year on March 1, 2012 duly renewed on March 1, 2013. Trades were executed by the Company on behalf of SNP till July 31, 2013 and a sum of Rs.77,47,18,046/- is due and recoverable from SNP as per the terms and conditions of the agreement. SNP had disputed the entire amount payable to the Company.

Board of Directors of the Company had approved to initiate action to proceed on the matter legally. Accordingly, the Company has filed a Civil Suit No. 745 of 2015, subsequently converted into Commercial Suit No. 30 of 2015, for recovery on May 28, 2015 before the Hon'ble High Court of Bombay against (i) SNP Designs Pvt. Ltd. (ii) Mr. Anjani Sinha (iii) Mrs. Shalini Sinha (iv) Mr. Prajwal Kumar Badwe and (v) Mr. Shashank Raj for an amount of Rs.100,22,28,718/- (Rupees One Hundred crore Twenty Two Lakhs Twenty Eight Thousand Seven Hundred and Eighteen only). The aforesaid amount includes Rs.77,47,18,046/- (Rupees Seventy Seven Crores Forty Seven Lakhs Eighteen Thousand Forty Six Only) i.e., the aggregate value of loss caused by SNP to the Company for various trades executed by the Company on behalf of SNP along with interest thereon amounting to Rs.22,75,10,673/- (Rupees Twenty Two Crores Seventy Five Lakh Ten Thousand Six Hundred and Seventy Three only). As Service of Writ Summons and Notice of Motion could not be done on Defendant Nos. (i), (iv) and (v) as mentioned above. The Court therefore granted permission to serve the summons through paper publication in two newspapers, one in English and other in local language. Since these Defendants are from Delhi, IBMA published the Writ of Summons and in Business Standard, English Edition and Business Standard, Hindi Edition on February 22, 2017. And the service Affidavit has been filed before the High Court Bombay. IBMA is represented by Mr. Abhijeet Marathe, Advocate & Solicitor. By last order dated 23rd January 2017 the court has directed the plaintiff to serve the copy of the Writ of Summons & Notice of Motion on Defendant No 1, 4, 5 by substituted service. Accordingly, Service affidavit has been filed proving the service by way of paper notice in two local Newspaper, one is English and other regional language Newspaper.

The above Suit came for hearing before Hon'ble High Court on 4th December 2020 under the caption case management hearing. The Hon'ble High Court Justice passed the following order

The Plaintiff to file List of Documents along with a Compilation and an Affidavit and also Affidavit/s of Evidence of its witness/es in lieu of examination-in-chief within four weeks from today.

Thereafter IBMA has decided to file an Affidavit of Evidence of 1 witnesses, i.e. of Mr. Shreekant Javalgekar . The matter again came for hearing before Hon'ble High court on 4th January 2021 when the Court was pleased to pass following order.

Learned Counsel for the Plaintiff seeks further time to file his client's list of documents along with compilation and affidavit of evidence in lieu of examination in chief. The Plaintiff may do so within two weeks from today. S.O. to 18 January 2021 for exparte hearing.

When IBMA sought further 2 weeks' time to file an affidavit of Evidence and accordingly the matter is adjourned to 18th January 2021. In the light of above IBMA was to file an affidavit of evidence before 18th Jan 2021 of the above said 1 witnesses. However, Affidavit of Evidence Could not be filed before 18th January 2021 and also matter did not reach on 18th January before J. Coolabawala due to paucity of time. However, on 19th January 2021 the Defendants had filed their Vakalatnama in the present Suit on behalf of Advocate Sudha Dwivedi.. Thereafter matter was listed before J. Coolabawala on various dates, but did not reach due to the paucity of time. Affidavit of Evidence along with affidavit u/s 65B of the Evidence Act, is ready and will be filed once High Court resumes its normal functioning.

Additionally, Grant Thornton India LLP had observed vide their forensic report that Mrs. Shalini Sinha, Managing Director and a majority shareholder of SNP is wife of Mr. Anjani Sinha (erstwhile Director of the Company). Pursuant to such findings by Grant Thornton India LLP 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 Indian Accounting Standard 24.

Further, as per records available with the Company, the instructions to carry out the trades for and behalf of SNP were 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 October 23, 2013 and was arrested on account of a complaint against him in another matter pertaining to the holding company.

36. IBMA had entered into a procurement agreement with Harley Carmbel Pvt. Ltd. (hereinafter referred as "Harley") for buying spices and other commodities in the state of Kerala on November 25, 2011 read with the addendum to the agreement dated December 01, 2011. As per the terms of agreement, IBMA bought commodities on behalf of Harley as per the terms of agreement however, Harley failed to make full payment of its obligations amounting to Rs.2,93,57,807/-. IBMA had sent legal notice to the party but the party denied owing any amount to the company.

IBMA had filed an Arbitration Application No. 233 of 2016 under Sec 11 of the Arbitration and Conciliation Act, 1996 for appointment of a sole Arbitrator. The Hon'ble High Court of Bombay had vide its order dated December 1, 2016 appointed Mr. Minoo Siodia as the sole Arbitrator. Accordingly, IBMA had filed its statement of claim for recovery of Rs. 3,04,91,573/- against Harley with interest @ 21% from 23.01.2014 till realization. Arbitration proceedings. Harley has filed a Counter Claim for Rs. 8,37,200/- against the Company. The Learned sole Arbitrator was pleased to pass an Award in favour of IBMA to the tune of Rs. 234, 84, 441.30. on 27th November 2019. Vide Award dated 27.11.2019 Award has been passed in favour of IBMA to the tune of Rs. 2,34,84,441.30/- along with interest at 12% p.a. from date of award till payment or realization Pursuant to the above Award, IBMA has filed Execution Petition before the Alapujha Court (Kerala). In the said Execution Petition, the Court initially had passed an order of an attachment of the assets of the Judgement Debtor with direction to give the details of assets i.e. boundaries and etc. However, the IBMA in spite of efforts, could not identify the boundaries of assets and consequently on next date Court had vacated the attachment order passed in the Execution Petition. Thereafter, again IBMA had filed an application seeking an attachment of the assets of the Judgment Debtor. The said application is posted on 5th June 2021 for hearing.

COURT CASES PENDING AGAINST THE COMPANY: -

37. M/s Shri Khemisati Exims Pvt. Ltd has filed commercial suit no. 167 of 2016 before the Hon'ble High Court of Bombay against various parties including IBMA (IBMA is Defendant no. 9 in the matter) on August 13, 2016. The Company has received summons to answer plaint on June 30, 2017. This suit is to recover an amount of Rs.3,80,43,567.67 (Rupees Three crore eighty lakh forty three thousand five hundred sixty seven and sixty seven paise) with interest thereon @ 18% per annum. The matter was listed on September 4, 2017 and written statement dated September 4, 2017 filed by the Company was taken on record. The Company has denied any obligation to pay any amount / compensation to M/s Shri Khemisati Exims Pvt. Ltd. The matter is not listed thereafter.
IBMA is represented by Vaish Associates. Written Statements has been filed on 04.09.2017 by Defendant No 9. No next date is shown on the website.

38. Mr. Ketan Shah has filed commercial suit no. 70 of 2017 before the Hon'ble High Court of Bombay against various parties including IBMA (IBMA is Defendant no. 24 in the matter) on August 16, 2016 which was registered on February 6, 2017. The Company has received summons to answer plaint on July 11, 2017. This suit is to recover an amount of Rs.22,67,14,466.81 (Rupees Twenty two crore sixty seven lakh fourteen thousand four hundred sixty six and eighty one paise) with interest thereon @ 18% per annum. The matter was listed on September 7, 2017 and written statement dated September 4, 2017 filed by the Company was taken on record. The Company has denied any obligation to pay any amount / compensation to Mr. Ketan shah. The matter was last listed on December 19, 2018
Plaintiff has filed the Chamber Summons for amending the Plaint as per the schedule annexed to the chamber Summons. IBMA has filed an affidavit in Reply on 07.01.2019 to the Chamber Summons. No next date is shown on the website.

39. M/s LOIL Continental Foods Ltd and others have filed Civil Suit no. 145 of 2016 in the Court of Civil Judge (Senior Division), Khamano, District Fatehpur Sahib, Punjab against the Company to seek refund of Rs. 84,539,664, Rs. 79,180,092 and Rs. 38,831,616 respectively from the Company. The Company received summons dated February 20, 2018 on February 26, 2018 to appear for hearing scheduled on April 23, 2018. Company was not served with suit along with the summons. The Company appeared in the matter through local counsel on the scheduled hearing date on April 23, 2018. Matter is adjourned for filing of written statement by IBMA on July 18, 2018 subsequently again adjourned to 26th September 2018.

In this matter IBMA has filed an application under Order 7 Rule 10 & 11. Of Code of Civil Procedure. Now the matter is adjourned for filing of the reply by the plaintiff to our Application under O 7 R 10 & 11. The matter was posted 02.03.2021 and 09.03.2021 and 16.03.2021. However, on 16.03.2021 Court has disposed of the application filed by IBMA u/o 7 and Rule 10 and 11 of CPC and proceeded exparte against IBMA and posted the matter on 04.05.2021. On 04.05.2021 IBMA will file an application for recalling/ settting a side of order dated 16.03.2021. Next date for filing an application is 13.07.2021.

40. Special PMLA case 21 of 2018, Directorate of Enforcement V/S IBMA and Anr. filed before Designated PMLA Court, Mumbai. This complaint has been filed by Directorate of Enforcement U/S 3 and 4 of Prevention of Money Laundering Act, against IBMA and others. IBMA is represented by Vaish Associates. On 21.12.2018 .. On 07.11.2019, after recording the appearance of the Authorised representative of IBMA court was pleased to adjourned the matter to 15.02.2020 for appearance. The said matter was kept on 9th October before Special Designated Court and simply adjourned to 10th December, 2020 and thereafter was adjourned to 06.02.2021 in view if the current Covid-Pandamic situation. The next date of the matter is 5th May 2021. Further, the matter is adjourned to 5th July, 2021.

41. Competent Authority V/S IBMA (MA 1400 of 2018): - Competent Authority has filed Misc. Application against IBMA praying therein to make attachment absolute of the banks account mentioned in the notification dated 19th October, 2018 issued under the MPID Act. IBMA is represented by Vaish Associates. IBMA has filed its Vakalatnama and has filed its appearance. Reply has been filed by IBMA. On 24.04.2019 advocate of IBMA has argued on the intervention filed by Pankaj Saraf. The IBMA has also filed affidavit of Evidence in the matter. However, meanwhile Hon'ble Bombay High Court vide its Judgement dated 22.08.2019 passed in WP 1181 of 2018 declared that NSEL is not a Financial Establishment. Therefore, IBMA being subsidiary of NSEL has filed an application for dismissal of said application in view if the above judgement. The Competent Authority has filed its reply to the said application and IBMA has also filed Rejoinder to the reply of Competent Authority. Matter was kept on 17.01.2020 for argument on the said application. The said application was heard finally at length on 4.03.2020 and kept for order on 5.03.2020. However, the MPID Court was pleased to reject the application filed by IBMA for dismissal of Misc. Application 1400 of 2018 and kept the proceeding in abeyance till decision of SLP filed by Government of Maharashtra against the order passed by the Bombay High Court in Writ Petition No. 1181 of 2018. The next date of the matter is 9th June 2021.

42. Union of India (SFIO) v/s IBMA: SFIO has filed the Company Petition No. CP 465 of 2019 u/s 271(1)(e) read with section 271 (C) of Companies Act 2013 for winding up of the respondent Company IBMA by the provisions of the Companies Act 2013 before NCLT, Mumbai. Further prayer has been made for the appointment of Official Liquidator to take charge of the affairs of the company and wind up the company by the law. IBMA is represented by Vaish Associates. On 13.02.2019, petition was heard and admitted. Further it was directed that reply, if any, may be filed within 15 days from the date of order with a copy in advance to the opposite party. On 04.03.2019 IBMA has filed its interim reply to the petition. Matter was kept for hearing on 07.05.2019. The hearing of the company petition as well as the Miscellaneous Application seeking inspection of the documents was scheduled on 06.09.2019.

Further IBMA has filed MA 865 of 2019 in CP 465 of 2019 for direction to SFIO to grant the Applicant inspection and provide copies of the documents referred to in Exhibit 'A' including inspection of the electronic version of the email referred. The said MA is pending for hearing. However, the matter was listed on 9th April 2021 before NCLT, Mumbai. When matter was called out, IBMA sought time to file an additional affidavit seeking maintainability of the present winding up Petition in the light of the order passed by the Hon'ble Bombay High Court in Criminal Application No. 94 of 2020. The next date of the matter is 7th May 2021 for filing additional affidavit by IBMA. Further, the matter is adjourned to 26th July, 2021.

43. MPID Special Case 05 of 2019: EOW has filed the 4th charge sheet in the Designated MPID Court u/s. 3 of Maharashtra Protection of Interest of Depositors in Financial Establishment Act 1999 against IBMA & Ors which is numbered as MPID Special Case 05 of 2019. The MPID Court was pleased to take the cognizance and issued process. IBMA is represented by Vaish Associates. On 07.11.2019, after recording the appearance of the Authorised representative of IBMA. Court was pleased to adjourn the matter to 15.02.2020 for appearance. The above matter was kept on 09.10.2020 and same has simply been adjourned to 10.12.2020, thereafter the matter was adjourned to 06.02.2021 in view the current covis19, pandemic. On 06.02.2021 matter was against simply adjourned to 05.05.2021 for the appearance of the parties. Further, the matter is adjourned to 5th July, 2021.

44. Company Petition No. 19 of 2019: The SFIO has filed complaint before City Sessions Court, Mumbai under the various provisions of Companies Act and IPC. The City Sessions Court was pleased to take cognizance of the complaint and issued process against IBMA on 29.07.2019. The IBMA has been duly served with the summons and will cause it appearance on next date i.e. 20.01.2020. On 20.01.2020, IBMA had filed vakalatnama and matter is adjourned to 15th June 2020. The above matter was kept on 15.06.2020 and same has simply been adjourned to 29.03.2021, in view the current covis19, pandemic. On 29.03.2021, matter is simply adjourned to 12.07.2021.

OTHER MATTERS & DISCLOSURES:

45. Company has put all efforts to recover the trade debts and other receivables. The likelihood of recoverability of such receivables has been impacted due to the abrupt closure of the business, loss of credibility of the Company and several other factors. The company has made full provision against such receivables. Total provision till 31st March 2021 for such doubtful trade receivable is Rs 7,51,81,839/- and for other receivables is Rs 76,67,47,568/-.

46. 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 Financial Liabilities" (Refer Note 18). 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 Current assets" in the balance sheet. (Refer Note 14)

47. The Hon'ble Bombay High Court on December 04, 2017 dismissed 63 Moons Technology Ltd (63MTL) application against the merger order u/s 396 of the Companies Act. 63MTL has filed an Special Leave Petition in the Supreme Court against the Bombay High Court Order. The Hon'ble Supreme Court vide its order dated 30th April 2019 allowed the appeals and set aside the impugned judgment dated December 4, 2017 passed by Hon'ble High Court of Bombay.

48. The Company has already disposed of its inventory. Hence no closing stock at the year end.

49. The Company has received letter on 3rd May 2018, from M/s Karvy Comtrade Limited (Karvy) informing that the stock of silver equal to 21 kg out of 21.210 kg has been sold amounting to Rs.8,05,350/- on 23rd March ,2018, which been accounted under protest. However, Action on the part of Karvy was unilateral and without our knowledge and/or prior intimation. We have referred the matter to Legal Dept. for appropriate action on Karvy. To that extent our stock has been reduced by 21 Kg and balance stock (i.e. 0.21 kg) has been written off through profit and loss account as at 31st March 2018.

50. M/s Karvy Comtrade Ltd., has informed vide letter dated 30th March, 2017 that interest and penalty debited by MCX on account of shortage of Margin and cross deals by IBMA. The said amount is in turn debited to our account without our knowledge / consent. We have not accounted/accepted the said debit amount of Rs. 42,11,929/- Company had denied the said charges.

51. IBMA has outstanding payable balance of Rs 14,79,00,000 against loan taken in earlier years from NSEL towards working capital needs. Applicable rate of interest on loan is 10% pa. However, IBMA has not accounted interest expenses on above loan from FY 2017-18 onwards since amount is not debited by NSEL. Loan has been written off in the books of NSEL in earlier year but NSEL has kept legal right to recover the Loan and interest, based on the confirmation given by NSEL. Company had requested NSEL to give waiver of interest. In view of the above factors and to reflect fair position, Company has not made provision for interest on loan during the year in consistent with earlier years and disclosed the same under Contingent liability. Had the company made the provision for interest of current year, loss for the year would have been higher by Rs 1,47,90,000/-. Total Interest upto current year is Rs. 5,91,60,000/-. (refer note 16)

52. As per the assessment of the Management, necessary disclosures which arise 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) <u>Risk of un-identified financial irregularities</u>

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) <u>Risk of adverse outcome of investigation/enquiry by law enforcement agencies</u>

Several agencies such as the Economic Offence Wing (EOW), Ministry of Corporate Affairs (MCA), Enforcement Directorate (ED), Serious Fraud Investigation Office (SFIO), Central Bureau Investigation(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. 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.

53. **Sales Tax and Income Tax liabilities/compliances**

(A) Sales Tax

(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 (VAT/CST) by selling party.
ii. Non-filing of sales tax (VAT /CST) 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 deposited 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	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	66,79,085	-
F.Y. 11-12	12,75,481	-

F.Y. 13-14	7,59,218	-
F.Y. 11-12 CST	5,85,660	-
F.Y. 13-14 CST	1,59,42,960	-
Andhra Pradesh VAT		
F.Y. 13-14 (Penalty & Interest)	9,31,250	-
Rajasthan VAT		
F.Y. 09 -10	-	2,83,525
F.Y. 11 -12	-	3,09,55,912
F.Y. 12 -13	-	4,65,485
F.Y. 13-14	-	29,40,290
F.Y. 14-15	-	13,49,460
F.Y. 15-16	-	1,000
F.Y. 16-17	-	5,000
Rajasthan CST		
F.Y. 12-13	-	6,88,850
F.Y. 13-14	-	2,15,717
F.Y. 15-16	-	14,040
Punjab VAT		
F.Y. 12-13	1,65,62,58,967	-
F.Y. 13-14	1,16,70,69,741	
Maharashtra VAT		
F.Y.10-11	-	1,57,443
F.Y. 13-14	7,67,61,236	-
Haryana VAT		
F.Y. 12-13	1,46,63,061	-
F.Y. 13-14	58,72,31,132	-
Uttar Pradesh VAT		
F.Y.10-11	9,10,500	-
F.Y.11-12	1,58,65,990	49,87,010
F.Y.12-13	9,43,33,326	66,66,674
Total	**3,63,92,67,607**	**4,87,30,406**

(c) Interest on admitted liability

Company had admitted liability of VAT of earlier years in various states against which interest and penalty of Rs 12,47,24,417/- on delayed payment of has already been provided in books of accounts till FY 2017-18. Company has not provided any interest and penalty during the year on said liability as the Company expects waiver of interest and penalty under VAT departments' amnesty scheme coming in to effect time to time in various states. However, Company has disclosed liability of interest for the current year as Contingent liability.

(B) Income tax Appeal and demand status: -

Income tax assessment and outstanding demands for A.Y. 2010-11 to A.Y. 2014-15:

Income tax assessment/appeal for period from AY 2008-09 is under progress at various levels. There are certain demands raised by the department. Additions have been made by department which are not justified and in certain cases appeal effect is not given or there are errors in orders which are not rectified. Company has filed objections and appeal to such additions, errors and demands. Matter is pending under various forum for hearing.

Year wise break up demand and forum where the same is pending is given below.

Sr.no	Assessment year	Demand (Rs.)	Forum where same is pending
1	2011-12	1,50,31,090	Income tax Appellate Tribunal
2	2012-13	11,97,52,020	Income tax Appellate Tribunal
3	2013-14	6,75,02,780	Income tax Appellate Tribunal
4	2014-15	1,93,82,470	-

In all the years under appeal. CIT(A) has given very little relief against addition made by assessing officer. Company is hopeful that all additions will be deleted and it will get sizeable relief. Against above demands, Company had paid Rs 20,00,000 in the year 2019-20 under protest.

54. **Leases**

Company as a Lessee:

Company has taken office premises on lease. Company has considered such leases as "short term leases" and accounted accordingly.

Disclosure for Non-cancellable leases is as follow:

Particulars	**As at 31 March 2021 Rs.**	**As at 31 March 2020 Rs.**
Lease expenditure charged to P&L		
Lease rentals	2,95,200	NIL
Future minimum lease rentals		
Not later than 1 years	13,06,514	NIL
Later than one year but not later than 5 years	24,83,926	NIL
Later than 5 years	NIL	NIL

Commitments (To the extent not provided):

55. **Financial Instrument Disclosure**

Financial Instrument **Amount Rs.**

Particulars		Amortised cost/ cost	FVTPL	FVTOCI	Fair value/ carrying value
As at 31st March, 2021					
Assets					
Investments					
	NSC	46 000	-	-	46 000
	In mutual funds	-	1,42,686.37	-	1,42,686.37
Other Financial Assets		24 10 495	-	-	24 10 495
Trade Receivables		-	-	-	-
Cash and cash equivalent		13 22 838	-	-	13 22 838
Bank balances other than above		20 32 637	-	-	20 32 637
	Financial Assets	**58 11 971**	**1,42,686.37**	**-**	**59 54 657**
Liabilities					
Trade Payables		78 00 94 988	-	-	78 00 94 988
Borrowings		14 79 00 000	-	-	14 79 00 000
Other Financial Liabilities		2 44 40 665	-	-	2 44 40 665
	Total Liabilities	**95 24 35 652**	**-**	**-**	**95 24 35 652**
As at 31st March, 2020					
Assets					
Investments					
	NSC	46 000	-	-	46 000
	In mutual funds	-	13 58 829	-	13 58 829
Other Financial Assets		16 65 068	-	-	16 65 068
Trade Receivables			-	-	
Cash and cash equivalent		15 26 435	-	-	15 26 435
Bank balances other than above		20 32 637	-	-	20 32 637
	Financial Assets	**52 70 139**	**13 58 829**		**66 28 968**
Liabilities					
Trade Payables		77 89 41 183	-	-	77 89 41 183
Borrowings		14 79 00 000	-	-	14 79 00 000
Other Financial Liabilities		2 44 40 665	-	-	2 44 40 665
	Total Liabilities	**95 12 81 848**	**-**	**-**	**95 12 81 848**

A

56. The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Aging analysis, Credit rating	Diversification of bank, deposits
Liquidity risk	Business commitment and other liabilities	Rolling Cash flow forecast	Availability of committed credit lines and borrowing facilities
Market risk – security prices	Investments in equity instruments and debt mutual funds	Sensitivity analysis	Portfolio diversification

(A) Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations. To manage trade receivable, the Company periodically assesses the financial reliability of customers, taking into account the financial conditions, analysis of historical bad debts and ageing of such receivables.

Financial instruments that are subject to such risk, principally consist of investments, trade and other receivables and loans and advances.

(B) Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and to ensure funds are available for use as per the requirements.

(i) Financing arrangements

Undrawn borrowing facilities at the end of the reporting year to which the Company had access is Rs. Nil (Previous Year Rs. Nil)

(ii) Maturities of financial liabilities

The tables below analyst the Company's financial liabilities into relevant maturity groupings based on their contractual maturities:

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of Financial Liabilities

(Amount Rs)

Particulars	Less than 1 Year	More than 1 Year	Total
As at 31st March 2021			
Borrowings	14,79,00,000	0	14,79,00,000
Trade Payables	78,00,94,988	0	78,00,94,988
Other Financial Liabilities	2,44,40,665	0	2,44,40,665
	95,24,35,652	**0**	**95,24,35,652**

(Amount Rs)

Particulars	Less than 1 Year	More than 1 Year	Total
As at 31st March 2020			
Borrowings	14,79,00,000	0	14,79,00,000
Trade Payables	77,89,41,182	0	77,89,41,182
Other Financial Liabilities	2,44,40,664	0	2,44,40,664
	95,12,81,846	**0**	**95,12,81,846**

(C) Market risk

.(ii) Interest rate risk

Liabilities
The Company's policy is to minimize interest rate cash flow risk exposures on external financing. At 31 March, 2021 and 31 March, 2020, the Company is not exposed to changes in interest rates, as there is no borrowings carrying variable interest rates.

Assets
The Company's fixed deposits are carried at amortized cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Capital management
The Company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders.

57. **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.

58. The company has considered internal and external sources of information up to the date these financial statement in evaluating the possible effects that may results from the pandemic relating to COVID-19 on the carrying amounts of trade and other receivable, intangible assets and certain investments. The Company has applied prudence in arriving at the estimate and assumptions and also performed sensitivity

analysis on the assumptions used. The Company continue to closely monitor any material changes to future economic condition and is confident about the recoverability of these assets.

For Ankita Gandhi & Associates
Chartered Accountants
FRN No. 141004W

Ankita C. Gandhi
Proprietor
Membership No162282
Place : Mumbai
Date : 18-05-2021

For and on behalf of Board
Indian Bullion Market Association Limited

Anand Daksha
Whole-time Director & CEO
DIN 08600992

Yogesh Borkar
Non-Executive Director
DIN 08813256

Girish Gnagir
Chief Financial Officer

Bipin Dhanesha
Independent Director
DIN 05223465

Ujjwala Deshpande
Independent Director
DIN 07556885

Urvish Desai
Company Secretary
Membership No. A33700

Place : Mumbai
Date : 18-05-2021

Annexure -"A"

Remuneration to Key Managerial Personnel (Paid directly by Holding company NSEL)

Sr. No.	Name of the Key Managerial Personnel	Remuneration paid (in Rs.)	
		For the Year ended 31st March 2021	For the Year ended 31st March 2020
1	Mr. Anand Daksha	-	-
2	Mr. Arun Pinto**	-	-
3	Mr. Bipin Dhanesha	-	-
4	Ms. Ujjwala Deshpande	-	-
5	Mr. Saji Cherian	-	-
6	Mr. Yogesh Borkar	-	-
7	Mr. Girish Gangir	-	-
8	Mr. Rajkumar Jain**	-	-
9	Mr. Diwaker Dubey**	-	-
10	Mr. Urvish Desai	-	-

** KMP's are resigned.

Transactions with related parties:

(in Rs.)

Sr. No.	Nature of transactions	Holding Company	Fellow Subsidiaries of Holding Company	Ultimate Holding Company	Key Management Personnel (Managing Director, Whole time director, Manager and other managerial personnel)
1.	<u>Short Term Borrowing taken</u>				
	Balance as at the start of the year	14,79,00,000 (14,79,00,000)	- (-)	- (-)	- (-)
	Balance as at March 31, 2021	14,79,00,000 (14,79,00,000)	- (-)	- (-)	- (-)
2.	Sundry Creditors & Other Payable Balance at the end of the year	73,38,55,726 (73,38,55,726)	- (-)	27,35,750 (27,35,750)	- (-)

3.	Contingent liabilities Interest payable to NSEL	5,91,60,000 (4,43,70,000)	- (-)	- (-)	- (-)
4.	Director Sitting Fees				
	During the year	- (-)	- (-)	- (-)	6,11,110 (9,22,222)
	Balance as at March 31, 2021	- (-)	- (-)	- (-)	1,30,000 (-)

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.