



PRIMARY DEALERS'
Association of India

turbulent GROWTH



18th ANNUAL REPORT 2014-15



Shri. G. Padmanabhan, ED RBI addressing the PDs, at the Annual get-together



Shri. B. Prasanna, Chairman, PDAI

BOARD OF DIRECTORS



Shri. B. Prasanna
Managing Director & CEO
ICICI Securities Primary
Dealership



Shri. Pradeep Madhav
Managing Director
STCI Primary Dealer



Shri. Manish Wadhawan
Managing Director &
Head of Interest Rates Global Markets
HSBC Bank



Shri. Rajesh Agrawal
Managing Director & Head - Trading
Global Markets Group
Bank of America



Shri. S. K. Dubey
Managing Director
PNB Gilts



Shri. A. N. Appaiah
Managing Director & CEO
SBI DFHI
(From 11.08.2015)



Shri. Iswar Padhan
General Manager - Treasury
IDBI Bank
(From 09.04.2015)



Shri. Saif Kabir
CEO
Morgan Stanley India Primary
Dealer
(From 11.08.2015)



Shri. Salil Kant Saran
Managing Director & CEO
SBI DFHI
(upto 10.08.2015)



Shri. Manoj Swain
Executive Director
Morgan Stanley India
Primary Dealers (upto 10.08.2015)



Shri. Manas Sen
Dy. General Manager
IDBI Bank
(upto 08.04.2015)

BOARD OF DIRECTORS

Shri. B. Prasanna

Shri. Pradeep Madhav

Shri. Manish Wadhawan

Shri. Rajesh Agrawal

Shri. S.K. Dubey

Shri. A.N. Appaiah (From 11.08.2015)

Shri. Iswar Padhan (From 09.04.2015)

Shri. Saif Kabir (From 11.08.2015)

Shri. Salil Kant Saran (Upto 10.08.2015)

Shri. Manoj Swain (Upto 10.08.2015)

Shri. Manas Sen (Upto 08.04.2015)

ICICI Securities Primary Dealership Limited

STCI Primary Dealer Limited

The Hongkong and Shanghai Banking Corporation Ltd.

Bank of America

PNB Gilts Limited

SBI DFHI Limited

IDBI Bank Limited

Morgan Stanley India Primary Dealer Pvt. Ltd.

SBI DFHI Limited

Morgan Stanley India Primary Dealer Pvt. Ltd.

IDBI Bank Limited

AUDITORS

Messers M.P. Chitale & Co.

Chartered Accountants

Haman House

Ambalal Doshi Marg, Fort,

Mumbai - 400 001

BANKERS

Canara Bank

REGISTERED OFFICE

PRIMARY DEALERS' ASSOCIATION OF INDIA

C/o SBI DFHI Limited

Voltas House, 3rd Floor, 23, J.N. Heredia Marg, Ballard Estate, Mumbai - 400 001.

Tel : 022 6634 5101 / 102

Fax : 022 22654 578

Email : vvlaxman@gmail.com

Website : www.pdai.org.in

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the Eighteenth Annual Report of the Primary Dealers' Association of India (PDAI) together with the audited financial statements for the financial year ended March 31, 2015.

Economic Outlook

India's economic growth improved moderately in fiscal 2015 following a sharp recovery in fiscal 2014. As per the Central Statistical Organizations' (CSO) estimates, the gross domestic product (GDP) growth was 7.3% year-on-year (YoY) in fiscal 2015 compared to 6.9%YoY growth in the previous financial year. Acceleration in Investment growth led the revival and consumption growth was also marginally stronger.

The acceleration in economic activity was broad based across the Industrial and Services sectors although agriculture sector growth declined. Deficient south-west monsoons in fiscal 2015 led the sharp moderation in agriculture GDP growth to 0.2%YoY compared to 3.7% in fiscal 2014. Industrial growth was supported by acceleration in Manufacturing and Electricity output that offset the drag from weaker Mining sector growth. The Services sector growth was driven by Construction and Financing segments. Even as GDP growth accelerated in fiscal 2015, the inflationary pressures abated sharply. The Consumer Price Inflation (CPI) has declined sharply from 8.3%YoY in March 2014 to 5.2%YoY in March 2015. The retail inflation averaged 6.0%YoY in fiscal 2015. Food inflation led the decline even as core inflation i.e. inflation excluding food and fuel prices also softened significantly. Efficient food management policy by the Government led the moderation in food inflation even as monsoons were sub-par. Core inflation was led lower by decline in rental inflation. Inflation at the wholesale level declined more dramatically. The wholesale price index (WPI) inflation fell into the negative territory in November 2014 – for the first time since 2009 – and stayed negative for rest of fiscal 2015. The WPI inflation averaged 2.0%YoY in fiscal 2015 compared to 6.0%YoY in the previous fiscal.

After tightening monetary policy in fiscal 2014 following the strains in the currency market, RBI adopted for an accommodative stance again towards the close of fiscal 2015. The benchmark repo rate was kept unchanged at 8% for the first three quarters of fiscal 2015, before a cumulative easing of 50bps in the last quarter. The RBI opted for monetary policy easing as CPI inflation significantly undershot the interim target of 8%YoY fixed for January 2014, as was recommended by the Urjit Patel Committee. RBI wants to guide inflation lower towards 6%YoY in January 2016. The cash reserve ratio (CRR) was kept unchanged at 4% of net demand and time liabilities (NDTL) in fiscal 2015.

On the external sector front, India's current account deficit (CAD) was 1.4% of GDP in the fiscal 2015 vis-à-vis 1.7% of GDP in fiscal 2014. The continued moderation in CAD was led by lower merchandise good imports that offset the modest fall in exports. The decline in imports was in turn driven mainly by lower crude oil imports, reflecting the sharp drop in global prices of the commodity. The Services exports also improved moderately in fiscal 2015, compressing the CAD further. Even as CAD shrunk, capital inflows improved significantly in the fiscal 2015. Improved macro-stability and a stable political regime at the Centre attracted foreign capital. Both the Foreign direct investment (FDI) and Portfolio capital inflows were strong. As the capital inflows comfortably exceeded CAD, the surplus of USD61.4 bn was recorded in the Balance of Payments, which compares favorably with USD3.9 bn surplus in fiscal 2014. RBI efforts to keep INR stable led the central bank to intervene aggressively in the foreign exchange market to buy dollars. Thus, there was net accretion of foreign exchange reserves in fiscal 2015.

The central government restricted the fiscal deficit to 4.1% of GDP in fiscal 2015 (as against 4.2% budgeted) from 4.5% of GDP in fiscal 2014. The government managed to achieve a lower deficit by substantially curtailing plan expenditure from

the budgeted levels even as significant shortfall was observed in tax collections. The government has provided for a three year fiscal roadmap in Budget 2015, wherein it seeks to lower the fiscal deficit to 3.9% of GDP in fiscal 2016, 3.6% of GDP in fiscal 2017 and 3% of GDP in fiscal 2018.

Government bond yields declined steadily over fiscal 2015 as decelerating inflation gradually strengthened the expectations of monetary policy easing. The yield on the benchmark 10 year bond fell from the peak of 9.1% in early April 2014 to 7.74% at the end of fiscal 2015.

The trading volumes in dated government bonds have increased from around 59 Lac Cr in FY13 to around 79 lac cr in FY14, and to 91 lac crore in FY15, a CAGR of nearly 24% in YoY terms. The total turnover by PDs in the same period has increased from Rs 18 Lac Cr to Rs 28 Lac Cr to Rs 34 Lac Cr in FY15, a CAGR of closed to 35%. The share of PDs in total turnover has substantially increased from 16% in FY13 to around 19% in FY15. This clearly proves the able role played by the PDs in improving trading volumes in our market. Further, these volumes are only those of the SAPDs as given out by CCIL and can only get substantially better after including the Bank PD volumes.

In terms of the overall turnover ratio (defined as settlement volume divided by the outstanding government debt), the Indian bond market compares favourably with most in the Asian peer group. The ratio has improved dramatically to 2.47 in FY15 from a mere 1.3 in FY 08. We are currently much better than countries like Indonesia (ratio of 1.30) and Malaysia (ratio of 1.78) and only a little lower than South Korea (ratio of 3.02). The Incremental Turnover Ratio (defined as the annual settlement volume divided by the annual issuance of government debt) is at a healthy 16 times in FY15, a huge improvement from a mere 6 times in FY12 and FY11. The real story however lies in the comparison of this incremental turnover ratio across various maturity buckets. While the 5-9 and 10-14 bucket gets churned 34 times and 19 times respectively, the 15-19 and >20 bucket gets traded at a very poor 1.7 times and 1.39 times of the respective issue sizes. Nearly 35% of the annual issuances happen in those two buckets and hence are responsible for bringing down the overall turnover ratio. This clearly means that existing public sector long term investors in these buckets, like Insurance companies and Provident Funds, by virtue of their propensity to invest and hold, skew the overall turnover ratio downwards. So while PDs have been doing more than their bit, this market requires the long term investors to participate more actively in secondary market.

Role of the Association

PDAI works closely with RBI by giving suggestions/ feedback on issues associated with government borrowing program, auction calendar, underwriting and other related issues. PDAI has in the past many years functioned as a very effective link between RBI on one hand and the market participants on the other. Together with FIMMDA, our endeavor has been that there is adequate representation on developmental efforts that needs to be addressed like new products, streamline existing processes and sometimes even offer suggestions on conduct of money market operations as and when it is sought for by the regulator. PDAI ensure that PD industry is well represented in RBI deliberations and also in FIMMDA's response/ suggestions to RBI.

PDAI's persuasion on various issues for market development and streamlining process were accepted by RBI. These developments were not only aimed at benefit of PD industry but also for wider market participants. Some of the major accomplishments, in the recent past, were the following:

- Short selling limits increased by RBI to 0.75% from 0.50% for liquid securities (Maximum limit 600 crores)
- Short selling allowed in voice market
- Re-repo announced by RBI, guidelines to be issued later by RBI
- IRF started and PDs allowed to be direct trading members of the exchanges
- As a one-time relaxation, PDs were allowed to borrow under term repo across March end

- Shut period in G-sec eliminated by RBI
- Repo on CROMS allowed across shut period on reporting segment

Financial Results

(Amount in Rs.)

Particulars	Year Ended 31st March, 2015	Year Ended 31st March 2014
Surplus before tax	9,38,871	12,28,404
Provision for tax	2,400	60,000
Surplus after tax carried to Balance Sheet	9,36,471	11,68,404

Material changes and commitments affecting the financial position of the Company

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

Capital

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

Members

During the year under review, Deutsche Securities India Private Limited has ceased to be the member of the Association.

During the current financial year, Yes Bank Ltd and Deutsche Bank AG have been admitted as members of the Association. At present the total number of members of the Association stands at 21.

Directors

Mr. Iswar Padhan, Mr. A.N. Appaiah and Mr. Saif Kabir have been appointed as Directors in the casual vacancies caused on account of cession of Mr. Manas Sen, Mr. Salil Kant Saran and Manoj Swain respectively as the Directors of PDAI.

In terms of Article 43(B)(b) of the Articles of Association, Mr. B. Prasanna, Mr. Pradeep Madhav and Mr. S.K. Dubey will retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

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

Number of Meetings of the Board

The Board of Directors duly met three times respectively on 26th June, 2014; 25th August, 2014 and 10th December, 2014 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

Particulars of Remuneration

No Managerial Remuneration has been paid to the Directors.

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

Particulars of contracts or arrangement with related parties

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

Particulars of loans, guarantees or investments

The Association has not given any loans or provided any guarantees and made any investments during the financial year ending March 31, 2015.

Auditors

The Auditors, M/s. M. P. Chitale & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if re-appointed. The Board recommends to the members for re-appointment of the Auditors and fixation of their remuneration.

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

Directors' Responsibility Statement

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

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departures from the same;
- ii. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit of the Company for the year ended on that date;
- iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the Directors have prepared the annual accounts on a 'going concern' basis; and
- v. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

(A) Conservation of Energy and Technology Absorption

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

(B) Research and Development

The Company at present has no Research and Development Facilities.

(C) Foreign Exchange Earnings and Outgo :

- | | |
|------------------------------|-----------|
| 1. Foreign Exchange Earnings | – Rs. Nil |
| 2. Foreign Exchange Outgo | – Rs. Nil |

Deposits

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

Corporate Social Responsibility

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

Subsidiary, Associate And Joint Venture Companies

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

Risk Management Policy and Internal Adequacy

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

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

Material Orders passed by the Regulators, Courts or Tribunals

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

Extract of the Annual Return

The extract of annual return as provided under Section 92(3) of the Act in Form MGT-9 is given in Annexure II and forms part of this report.

Acknowledgments

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

Registered Office

PRIMARY DEALERS' ASSOCIATION OF INDIA
C/o SBI DFHI LIMITED
Voltas House (3rd Floor), 23 J.N. Heredia Marg,
Ballard Estate, Mumbai-400 01.

By order of the Board

Chairman

Date: 11th August, 2015

ANNEXURE 1

Form No. AOC-2

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

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

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

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

None during the year under review

(b) Nature of contracts/ arrangements / transactions

None during the year under review

(c) Duration of the contracts / arrangements / transactions

Not applicable

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

Not applicable

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

Not applicable

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

Not applicable

(g) Amount paid as advances, if any

Not applicable

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

Not applicable

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

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

None during the year under review

(b) Nature of contracts/ arrangements / transactions

None during the year under review

(c) Duration of the contracts / arrangements / transactions

Not applicable

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

Not applicable

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

Not applicable

(f) Amount paid as advances, if any

Not applicable

ANNEXURE 2

Form No. MGT-9

**EXTRACT OF ANNUAL RETURN
as on financial year ended on 31st March 2015**

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

I. REGISTRATION AND OTHER DETAILS:

- i) CIN : U67120MH1997NPL112605
- ii) Registration Date : 22nd December, 1997
- iii) Name of the Company : Primary Dealers' Association of India
- iv) Category / Sub-Category of the Company : Company Limited by Guarantee
Company licensed under Section 25
- v) Address of the Registered office and contact details : Voltas House (3rd Floor), 23 J N Heredia Marg, Ballard Estate, Mumbai – 400 001
- vi) Whether listed company : No
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any: : Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sl. No.	Name and Description of main products / services	NIC code of the Product / Service	% to total turnover of the company
1	Membership Fees from Association of Primary dealers	91110	39.28

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

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

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

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

(ii) Shareholding of Promoters

NOT APPLICABLE

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Fixed Income Money Market & Derivatives Association of India							
2	Foreign Exchange Dealers' Association of India							
3	Indian Banks' Association							
	Total							

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

NOT APPLICABLE

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

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

NOT APPLICABLE

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

(v) *Shareholding of Directors and Key Managerial Personnel ::*

NOT APPLICABLE

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

V. INDEBTEDNESS

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

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

NOT APPLICABLE

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

B. Remuneration to other Directors :

NOT APPLICABLE

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

	4. Other Non-Executive Directors					
	<ul style="list-style-type: none"> • Fee for attending board committee meetings • Commission • Others, please specify 					
	Total (2)					
	Total (B) = (1 + 2)					
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

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

NOT APPLICABLE

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

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

NOT APPLICABLE

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

INDEPENDENT AUDITORS' REPORT

To the members of Primary Dealers Association of India

1. Report on the Financial Statements

We have audited the accompanying financial statements of **Primary Dealers Association of India** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, and the Income and Expenditure Account for the year then ended, and a summary of significant accounting policies and other explanatory information hereafter referred to as financial statements.

2. Management's responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

- 3.1 Our responsibility is to express an opinion on these financial statements based on our audit.
- 3.2 We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.
- 3.3 We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
- 3.4 An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for purpose of expressing an opinion on whether the Company has in place an adequate internal financial control systems over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.
- 3.5 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its income for the year ended on that date. \

5. Report on Other Legal and Regulatory Requirements

As required by section 143(3) of the Companies Act 2013, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. The Balance Sheet and Income & Expenditure Account dealt with by this Report are in agreement with the books of account
 - d. In our opinion, aforesaid financial statements comply with the Accounting Standards referred to in Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representations received from the directors as on March 31, 2015 and taken on records by Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164 (2) of the Act
6. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company does not have any pending litigations.
 - (ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
 - (iii) The requirements of transferring amounts to the Investor Education and Protection Fund does not apply to the Company
7. In our opinion and to best of our information and according to the explanations given to us, the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, does not apply to the Organisation since it is a Company licensed to operate under section 8 of the Companies Act 2013.

For M P Chitale & Co.

Chartered Accountants
ICAI FR No. 101851W

Ashutosh Pednekar
Partner
ICAI M No. 041037

Place : Mumbai

Date : 11th August, 2015

Balance Sheet as at March 31, 2015

Particulars	Note No.	As at 31-Mar-15 (₹)	As at 31-Mar-14 (₹)
A EQUITY AND LIABILITIES			
1. Own Funds			
(a) Corpus Contribution	1	2,775,000	2,775,000
(b) Reserves and Surplus	2	22,759,625	21,823,154
		25,534,625	24,598,154
2. Current Liabilities			
(a) Other Current Liabilities	3	480,554	195,338
(b) Short-term provisions	4	-	-
		480,554	195,338
Total		26,015,179	24,793,492
B ASSETS			
1. Current Assets			
(a) Receivables	5	75,000	-
(b) Cash and Bank Balances	6	23,820,838	22,057,580
(c) Other current assets	7	2,119,341	2,735,912
		26,015,179	24,793,492
Total		26,015,179	24,793,492
Notes on Accounts	10		

For Primary Dealers' Association of India

As per our report attached

For M.P. Chitale & Co.
Chartered Accountants

Ashutosh Pednekar
Partner

Place: Mumbai
Date: 11th August, 2015

Shri B. Prasanna
Managing Director & C.E.O
ICICI Securities Primary Dealership Limited
ICICI Centre, Mumbai - 400020.

Shri Rajesh Agrawal
Managing Director & Head -
Trading Global Market Group
Bank of America N.A.,
Express Towers, Mumbai - 400 021.

Shri Saif Kabir
Chief Executive Officer
Morgan Stanley India Primary Dealer Pvt Ltd
One Indiabulls Centre, Mumbai - 400 013.

Place : Mumbai
Date : 11th August, 2015

Shri Manish Wadhawan
Managing Director
Head of Interest Rates Global Markets
**The Hongkong and Shanghai
Banking Corporation Limited**
M. G. Road, Mumbai - 400 001.

Shri A. N. Appaiah
Managing Director & C.E.O.
SBI DFHI Limited
Voltas House, Mumbai - 400 001.

Shri Iswar Padhan
General Manager- Treasury
IDBI Bank Ltd.,
IDBI Tower, Cuffe Parade, Mumbai-400 005.

Income and Expenditure Account for the year ended March 31, 2015

Particulars	Note No.	For the year ended 31-Mar-15 (₹)	For the year ended 31-Mar-14 (₹)
A INCOME			
1. Membership fees		1,425,000	1,575,000
2. Other income	8	2,203,163	2,039,285
3. Total Revenue (1 + 2)		3,628,163	3,614,285
4. EXPENSES			
a) Retainer fees		606,744	485,396
b) AGM Expenses		4,335	2,000
c) Conference & Seminar Expenses		1,861,484	1,553,046
d) Office expenses		38,640	47,029
e) Printing and stationery		52,925	51,976
f) Accounting charges		13,110	12,360
g) Professional taxes		2,500	2,500
h) Payments to auditors	9	109,554	107,978
i) Website expenses		-	123,596
Total Expenses		2,689,292	2,385,881
5. Surplus before tax (3 - 4)		938,871	1,228,404
6. Tax expense:			
Provision for tax current year		2,400	60,000
7. Surplus after tax carried to Balance sheet (5 - 6)		936,471	1,168,404
Notes on Accounts	10		

For Primary Dealers' Association of India

As per our report attached

For M.P. Chitale & Co.
Chartered Accountants

Ashutosh Pednekar
Partner

Place: Mumbai
Date: 11th August, 2015

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IDBI Bank Ltd.,
IDBI Tower, Cuffe Parade, Mumbai-400 005.

Notes forming part of the financial statements

Particulars	As at 31-Mar-15 (₹)	As at 31-Mar-14 (₹)
Note 1 Corpus Contribution		
Corpus Contribution		
Opening Balance	2,775,000	2,775,000
Add: Entrance fees received during the year	-	-
Total	2,775,000	2,775,000
Note 2 Reserves and Surplus		
Reserves & Surplus		
Opening Balance	21,823,154	20,654,750
Add : Excess of income over expenditure as per statement of income & expenditure	936,471	1,168,404
Total Closing Balance	22,759,625	21,823,154
Note 3 Other Current Liabilities		
Other Payables		
a) TDS payable	56,858	9,610
b) Professional tax payable	-	-
c) Advance membership fees	75,000	75,000
d) Accounting charges payable	13,110	12,360
e) Payable to auditors	99,944	98,368
e) Advance from Members	76,312	-
e) Expense Payable	159,330	-
Total	480,554	195,338

For Primary Dealers' Association of India

As per our report attached

For M.P. Chitale & Co.
Chartered Accountants

Ashutosh Pednekar
Partner

Place: Mumbai
Date: 11th August, 2015

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Notes forming part of the financial statements

Particulars	As at 31-Mar-15 (₹)	As at 31-Mar-14 (₹)
Note 4 Short-term Provisions		
Provision for tax (Net of advance tax)	-	-
Total	-	-
Note 5 Receivables		
Outstanding for more than six months.	75,000	-
Total	75,000	-
Note 6 Cash and Bank Balances		
Cash and Cash equivalents		
i) Balances with bank in current accounts	1,824,339	239,607
ii) Balances with bank in deposit accounts (maturing within three months)	-	21,317,973
Total A	1,824,339	21,557,580
Others		
i) Balances with bank in deposit accounts (maturing within one year)	20,288,572	500,000
ii) Balances with bank in deposit accounts (maturing after one year)	1,707,927	-
Total B	21,996,499	500,000
Total - C = A + B	23,820,838	22,057,580

For Primary Dealers' Association of India

As per our report attached

For M.P. Chitale & Co.
Chartered Accountants

Ashutosh Pednekar
Partner

Place: Mumbai
Date: 11th August, 2015

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Notes forming part of the financial statements

Particulars	As at 31-Mar-15 (₹)	As at 31-Mar-14 (₹)
Note 7 Other Current Assets		
a) Accruals		
i) Interest accrued on bank deposits	16,97,674	2,555,814
b) Others		
i) Advance Tax (net of provision for tax)	419,167	180,098
c) Prepaid Expenses	2,500	-
Total	2,119,341	2,735,912
Note 8 Other Income		
Interest income		
- Interest on Deposits with Bank	2,203,163	2,039,285
Total	2,203,163	2,039,285
Note 9 Payments to Auditors		
Audit fees	60,000	60,000
Tax matters	30,000	30,000
Service tax	13,454	11,878
Out of pocket expenses	6,100	6,100
Total	109,554	107,978

For Primary Dealers' Association of India

As per our report attached

For M.P. Chitale & Co.
Chartered Accountants

Ashutosh Pednekar
Partner

Place: Mumbai
Date: 11th August, 2015

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IDBI Bank Ltd.,
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SCHEDULES FORMING PART OF ACCOUNTS

Note No. 10.

NOTES TO ACCOUNTS

1. Primary Dealers' Association of India is a Company Limited by Guarantee registered under Section 8 of the Companies Act, 2013.
2. Significant Accounting Policies
 - a) The Accounts of the company are maintained on accrual basis and under historical cost convention.
 - b) Membership fee is considered as Income.
 - c) Entrance Fees received from the members are contribution towards the corpus of the Association.
3. There was no expenditure or income or remittance in foreign currency during the year.
4. Provision for taxation has been made in the accounts after considering the exemption eligible to the Company under section 11 read with Section 2 (15) of the "Income tax Act 1961".
5. Previous year figures have been re-grouped wherever necessary.

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

For Primary Dealers' Association of India

For M.P. Chitale & Co.
Chartered Accountants

Ashutosh Pednekar
Partner

Place: Mumbai
Date: 11th August, 2015

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PDAI ANNUAL GET-TOGETHER



Panel 1 : "Strengthening of Business Profile of PDs - common operating problems" - in progress



Panel 2 : "Debt Market Evaluation - New Products" - in progress

PDAI ANNUAL GET-TOGETHER



Shri. Padmanabhan, at Executive Director, RBI along with the delegates of PDs annual get-together



A section of the audience

PDAI ANNUAL GET-TOGETHER



A section of the audience



Cultural Programing at Aamby Valley PDs Annual Get-together



PDAI MEMBERS

SBI DFHI Limited

ICICI Securities Primary Dealership Limited

PNB Gilts Limited

JP Morgan Chase Bank N.A

Citibank N.A.

Standard Chartered Bank

Bank of America

Corporation Bank

STCI Primary Dealer Limited

Kotak Mahindra Bank Limited

HDFC Bank Limited

Canara Bank

Bank of Baroda

IDBI Bank Limited

The Hongkong and Shanghai Banking Corporation Limited

Morgan Stanley India Primary Dealer Private Limited

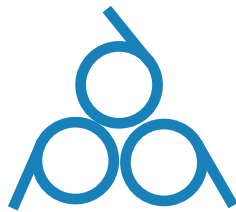
Nomura Fixed Income Securities Private Limited

Axis Bank Limited

Goldman Sachs (India) Capital Markets Private Limited

Deutsche Bank AG

YES Bank Ltd.



PRIMARY DEALERS' ASSOCIATION OF INDIA

C/o SBI DFHI LIMITED

Voltas House (3rd Floor),

23, J. N. Heredia Marg,

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