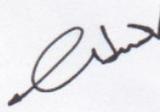
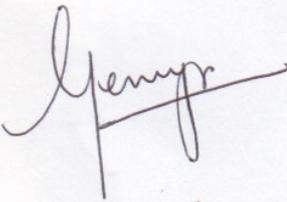
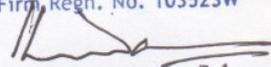
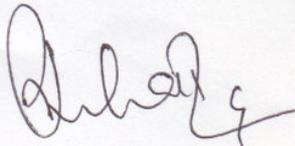


**FORM A**

1	Name of the company	Inditrade Capital Limited (Formerly known as JRG Securities Limited)
2	Annual financial statements for the year ended	31.03.2014
3.	Type of Audit observation	Unqualified
4	Frequency of observation	NA
5	Signed by:  i. Mr. Guruswami Raj G, Manager   ii. Ms. Geniya Banerjee, CFO   iii. Mr. S Sundararaman, Statutory Auditor  <b>For Haribhakti &amp; Co. LLP</b> Chartered Accountants Firm Regn. No. 103523W <b>S. Sundararaman</b> Partner Membership No. 028423  iv. Mr. P. Viswanathan, Chairman of Audit Committee 	



READY  
FOR A  
REBOUND



INDITRADE CAPITAL LIMITED  
(FORMERLY KNOWN AS JRG SECURITIES LIMITED)  
ANNUAL REPORT 2013-14

## FORWARD-LOOKING STATEMENT

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements-written and oral-that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions.

The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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# “READY FOR A REBOUND”

Financial Year 2014 was marked with slow economic growth, high inflation and interest rates, low industrial output, currency volatility and resultantly lackluster equity capital markets.

Inditrade Capital took this time to focus on strengthening itself internally by boosting its product portfolio, optimizing distribution and franchise, integrating technology in operations, rationalizing processes and actively managing resource allocation.

We feel confident we are ready to capitalize our strengths and tap market opportunities effectively as soon as they arise in the future.



INDITRADE  
CAPITAL LIMITED.

ATTRACTIVE  
PROXY OF INDIA'S  
FINANCIAL  
SERVICES SECTOR.

ATTRACTIVELY  
POSITIONED TO  
CAPITALISE ON  
THE IMMINENT  
REBOUND OF  
THE COUNTRY'S  
ECONOMY AND ITS  
CAPITAL  
MARKETS.

### Lineage

Inditrade Capital Limited (formerly JRG Securities Limited) commenced services in 1994 as an equity broking financial services provider. Over the years, the Company has emerged as one of the most trusted financial services provider with a strong presence in Southern India.

Duckworth Limited, a subsidiary of Baring India Private Equity Fund II Ltd., acquired a significant stake in the Company in 2007. Since then Inditrade has undergone several transformations – expanding into new geographies, adopting state-of-the-art technology, strengthening credit and risk management systems, creating new products and strengthening client relationships through a service focus.

### Location

Inditrade (headquartered in Kochi) has 39 Pan-India branch offices, 238 sub-brokers and authorised personnel in Kerala, Tamil Nadu, Karnataka, Andhra Pradesh and Maharashtra.

### Commitment

- We are a highly professional service provider
- We ensure a holistic customer experience

- We are a dynamic, motivated team with product and sectoral expertise
- We are reliable partners as our dealings are transparent
- We invest in long-term partnerships with stakeholders
- We differentiate ourselves as a smart solutions provider

### Subsidiaries

- Inditrade Derivative and Commodities Limited (formerly JRG Wealth Management Limited)
- JRG Fincorp Limited
- Inditrade Insurance Broking (P) Ltd (formerly JRG Insurance Broking (P) Limited)
- Inditrade Business Consultants Limited (formerly JRG Business Investment Consultants Limited)

### Memberships and affiliations

- Affiliated as depository participants with the NSDL and the CDSL
- Member of the NSE, the BSE, and the MCX-SX (for equity trading)
- Affiliated with the MCX, the NMCE, the NCDEX, the IPSTA and the NCMSL
- Complies with the regulatory requirements set down by the SEBI, the IRDA, the FMC and the RBI

## Services

Equity brokerage	Commodity brokerage	Insurance	Non-banking financial services	Internet trading and phone-based services
Intermediation services relating to Equities, derivative products and others.	Intermediation services relating to a full basket of commodities, including agro-products, precious metals, metals, bullion and energy among others.	Various products in life insurance, general insurance, pension plans and health insurance segments.	Products include margin finance, loan against shares, loan against commodities, mutual fund and IPO	Cutting edge e-platform to facilitate the full basket of services including equities, derivatives, commodities and currency derivative products.

# CHAIRMAN'S MESSAGE

*Dear Shareholders,*

Financial year 2014 has remained a lackluster year for the Indian retail investor for the most part. The economy chugged along at a dull pace recording a growth rate of 4.7%, the least in a decade. Underlying weaknesses in the Indian economy came to surface this year as we witnessed economic growth on a downtrend, the current account deficit widening to 4.6% mid-year, populist, imprudent fiscal policy measures being announced, sticky double digit consumer inflation and the INR depreciating by roughly 20% against the US dollar in a short span of a month in August 2013. The RBI weighed in immediately after and successfully arrested the currency weakness but its broad monetary policy of tightening interest rates to control inflation reaped very little success by the end of the year as food prices soared and there were no signs of inflation cooling off.

World economy fared significantly better this year recording a GDP growth of 3%. Policy matters around quantitative easing, possibility of tapering, EU debt refinancing and local currency depreciation, all had its impacts on flows to emerging markets including India, adding to volatility in flows in a subdued capital markets situation in India. The last quarter saw a significant positive with the ensuing general elections in India and strong expectations of a growth and execution focused government at the centre. The capital markets soared post February 2014 reflecting increasing investor confidence of a stable pro-growth government having the ability of bringing India back to its growth path. That said, while the capital markets valuations and volumes increased, most of this was owing to FII participation. The retail investor was still cautious and remained largely non-participative in the markets.

Since the global credit crisis in 2008, the retail investor has continued to shy away from the capital markets and

allocate household savings to inflation protected asset classes including mortgages, gold jewellery and coins, and attractive high yield debt, rather than equities and mutual funds. The retail brokerage market continued to shrink as high yield cash volumes were replaced by low yield futures and options products, and diminishing retail participation, weighing heavily on brokerage houses, forcing them to offer deep price discounts to retail clientele. These trends continued throughout the financial year, although there are some early signs of green shoots in the next financial year with a positive election outcome and the hope that economic growth gets retail investors interested in the markets; but it is still early to say when this will pan out.

Your Company has during this phase strengthened itself to be ready to tap the market when the opportunity arises. Investments in technology, systems and processes have been made to enhance and standardize service offerings across our retail distribution, increase productivity and reduce fixed and variable costs of operations, reporting and compliance. A complete programme of cost rationalization was undertaken. Your Company has made timely resource allocations to other revenue opportunities like equities arbitrage opportunities to boost financial performance and reward investors. Your Company and management are actively engaged in maximizing shareholder wealth in these tough and challenging times and I appreciate the patience of every shareholder, employee, business associate and stakeholder in extending their support and contributing to our valuable franchise.

With my best regards,

**P. Viswanathan**

*Chairman, Inditrade Capital Ltd.*

## BUSINESS REVIEW

# EQUITY BROKERAGE

₹ 13.23 crore

Revenue  
in 2013-14

49.88%

Proportion of  
total revenue

₹ 125.16 crore

Average daily turnover  
in 2013-14

### Overview

India recorded a second straight year of sub-5% growth. The economy grew at a rate of 4.7% increasing marginally from 4.5% in 2012-13. Industrial activity declined and key policy rates remained on the higher side during the year under

review. The rupee remained volatile, touching a low of ₹68.36 per dollar on 28th August 2013.

The BSE sensx opened at 18,836 at the beginning of the year and closed at 22,386 at the end of 2013-14; correspondingly,

NSE CNX NIFTY moved from 5,682 to 6,704 in FY 2013-14, recording an increase of 17.96% over the previous year. Traded volumes increased from ₹32,57,086 crore 2012-13 to ₹33,41,338 crore in 2013-14.

## RETAIL SERVICES

Inditrade strengthened its position in retail trading platform employing a dedicated team of dealers and advisors in its research team with the objective to provide personalized trade and execution services to active traders, retail investors and high net worth investors. The Company invested significantly in its

technological platform, strengthened its research team and acquired relevant certifications.

### Highlights, 2013-14

- Inditrade increased the number of registered clients across verticals to 233,916 as on 31st March 2014.

- The Company focused on reactivating dormant clients.
- The National Stock Exchange of India Limited (NSE) conducted an inspection, observing that 'there are no adverse findings' with Inditrade, which enhanced client confidence.

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## RETAIL BROKING – ONLINE BUSINESS

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The Company's online presence through its portal [www.inditrade.com](http://www.inditrade.com) website, empowering clients to trade online across equities, commodities, currencies and mutual funds, among others.

The Company's registered online clients increased by 40.10% over the previous

year (9,283 clients as on 31st March, 2014)

The Company introduced an app through Google Play Store, allowing users to analyze data conveniently and make comprehensive investment decisions with "iTrade on-the-go".

The Company relaunched its new generation web-based trading platform with enhanced features like multiple-OS compatibility, multi-browser compatibility, among others.

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## DEPOSITORY SERVICES

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Inditrade provided depository services, leveraging relationships with NSDL and CDSL. The Company provided a number of facilities - trading, demat account settlement, clearing services (for all security transactions), pledging and unpledging of shares, market and off-market share transfer from one account to another, share dematerialisation and rematerialisation. The Company also opened demat accounts for holding securities and mutual funds.

Inditrade strengthened its offering through the following facilities:

- Automated pay-in facility
- Speedy settlement process; enhanced liquidity
- Complete information access – anytime, anywhere - through a centralised helpdesk
- Hassle-free automated pay-in of the sell obligation - no need for physical instruction

- Immediate disbursement of non-cash benefits like bonuses and rights
- Customised statements for privilege customers and personalised services

### Highlights, 2013-14

- Total NSDL depository accounts were 90,645 as on 31st March 2014 and 7,259 with CDSL.
- NSDL's inspection revealed that there was 'no deviation observed', strengthening stakeholder confidence.

## BUSINESS REVIEW

# COMMODITY BROKERAGE

₹ 6.20 crore

Revenue  
in 2013-14

23.36%

Proportion of total  
revenue

₹ 85.49 crore

Average daily turnover  
in 2013-14

### Overview

Inditrade ventured into commodities trading in 2003, and since then has emerged as a one-stop financial intermediary. The Company offers online and offline commodity services to retail clients on the MCX, the NCDEX, the NMCE and the IPSTA, where it enjoys memberships.

Inditrade provides superior research capabilities. Customers are serviced by a relationship manager for comprehensive investment needs. The commodity broking business trades agro-commodities (rubber, cardamom, turmeric, chili, cumin seeds and refined soya), base metals, metals, bullion (gold and silver) and energy.

The Company recorded a trading turnover of ₹5,421.06 crore for bullion, ₹5,414.10 crore for crude oil, ₹3,590.59 crore for silver, ₹3,209.76 crore for copper, ₹2,782.46 crore for rubber and ₹1,575.05 crore for other agri-commodities.

### Highlights 2013-14

- The Company's registered commodity client base was 19,383 as on 31st March 2014
- The Company's commodities volume crossed ₹26,502 crore
- The Company took adequate steps to reactivate dormant commodity clients

### Research services

Inditrade created a strong research team providing in-depth analyses (technical and fundamental) to diverse customer segments (active listed stocks, currencies and commodities) supported by comprehensive research reports.

The relationship management team conducted seminars, workshops and investor meets to enhance awareness. The Company offered a customised single screen market watch for the MCX and the NCDEX with NSE/BSE real-time commodity information and client ledger positions.

### Road ahead

The Company selected to focus on attracting fresh customers through awareness-generating programmes and quality recommendations.

With reduced volatility across most commodities, the Company continued to focus on proprietary arbitrage trading, capitalising on the difference between spot and futures prices.

The Company laid a major emphasis on physical traders and corporates with an exposure in commodities, may give/take deliveries and use futures as a platform to hedge risks.

By working closely with exchanges on client awareness programmes and executing branch-level training programmes, the Company plans to regain its erstwhile momentum.

## BUSINESS REVIEW

# N B F C

₹ 5.49 crore

Revenue  
in 2013-14

20.73 %

Proportion of total  
revenue

### Overview

The Company commenced its NBFC business in 2007-08 through a subsidiary JRG Fincorp Limited. The NBFC is registered with the Reserve Bank of India as a non-deposit taking NBFC, providing agri-commodity and capital market loans to complement its portfolio of financial products and services. The Company tied up with the NCMSL (subsidiary of NCDEX) by virtue of a collaterals management agreement.

**Margins funding:** This service allows borrowing against a basket of shares and securities empowering the customer by allowing for leverage against collateral value. JRG Fincorp ensures a delightful

customer experience by ensuring that interest rates are attractive, the entire documentation process is hassle-free for the customer while not even burdening the customer with processing fees. All this said, risk management of this asset class is key and JRG Fincorp has a specialized team dedicated to prudently supervise and manage risk.

JRG Fincorp Limited's margin funding book size as on 31st March, 2014 was ₹22.11 crore comprising more than 500 clients.

**Loans against shares:** The key features of this service comprises borrowings against an extensive list of shares,

simplified documentation, flexible repayment options (EMIs, flexible and bullet payments), quick loan processing, attractive interest rates and no prepayment penalty.

**Commodity funding:** The Company provide funding for cardamom, pepper, rubber, chili, steel, gold and silver, among others.

### Highlights, 2013-14

- The Company forayed into segments like promoter funding, real estate funding and loans against shares
- The Company generated an interest income of ₹5.49 crore through its lending activities

# NOTICE

To the 20th Annual General Meeting

Notice is hereby given that the 20th Annual General Meeting of Members of Inditrade Capital Limited (Formerly known as JRG Securities Limited) will be held on Friday, September 26, 2014 at 10.30 a.m. at "The Renai Cochin", P.B Number.2310, Edappally-Palarivattom Road, Palarivattom, Kochi, Kerala - 682 025 to transact the following business:

## A. ORDINARY BUSINESS:

### 1. Adoption of Audited financial statements

To receive, consider and adopt the financial statements of the Company for the year ended March 31, 2014, including audited Balance Sheet as at March 31, 2014, the Statement of Profit and Loss account for the year ended on that date and the reports of the Board of Directors (the Board) and Auditors thereon.

### 2. Appointment of Director

To appoint a director in place of Mr. Munish Dayal (DIN: 01683836), who retire by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

### 3. Appointment of Auditors

To re-appoint auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of the 4th consecutive AGM and to fix their remuneration.

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

**"RESOLVED THAT** pursuant to the provisions of Section 139 of Companies Act, 2013 read with The Companies (Audit and Auditors) Rules, 2014 and as per the recommendations of the Audit Committee of the Board of Directors, M/s Haribhakthi & Co. LLP, Chartered Accountants,(Firm Registration No. 103523W) Chennai be and are hereby re-appointed as the statutory auditors of the Company to hold the office from the conclusion of this Annual General meeting till the conclusion of fourth consecutive Annual General Meeting, subject to the ratification of the appointment by the members at every Annual General Meeting held after this Annual General meeting on a remuneration as may be determined by the Board of Directors".

## B. SPECIAL BUSINESS:

### 4. Appointment of Mr. P. Viswanathan as an Independent Director of the Company

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement(s), (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. P. Viswanathan (DIN: 00011136), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company, not liable to retire by rotation, to hold the office for a term of five(5) consecutive years from the date of this AGM"

### 5. Appointment of Mr. B. R. Menon as an Independent Director of the Company

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement(s), (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. B. R. Menon (DIN: 00113329), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of

Director, be and is hereby appointed as Independent Director of the Company, not liable to retire by rotation, to hold the office for a term of five(5) consecutive years from the date of this AGM”

#### 6. Appointment of Mr.Guruswami Raj as the Manager of the Company

To consider and if thought fit to pass with or without modification(s) the following resolution as Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 (corresponding to Sections 198, 269, 384 to 388 and any other applicable provisions of the Companies Act, 1956 read with Section II of Part II of Schedule XIII to the Companies Act, 1956) the consent of the Company be and is hereby accorded for the appointment of Mr. Guruswami Raj G , Company Secretary and Compliance Officer as the Manager of the Company for a period of 2 years with effect from 14th March 2014 on the

terms and conditions including remuneration set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty and power to the Board of Directors (hereinafter referred to as ‘the Board’ which expression shall also include the Nomination and Remuneration Committee of the Board), in the exercise of its discretion, to grant increments and to alter and vary from time to time the terms and conditions of the said appointment, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, proper, expedient or desirable to give effect to this Resolution and/or to make modification as may be deemed to be in the best interest of the Company.”

By the order of **the Board of Directors**

Place : Gurgaon  
Date : 07.08.2014

**Guruswami Raj G**  
Company Secretary

## Notes

1. The statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.
2. A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote in the meeting instead of him/her and the proxy need not be a member of the Company.
3. The instrument appointing the proxy, duly completed, must be deposited at the Company’s Registered Office, not less than 48 hours before the meeting. A proxy form for the AGM is enclosed.
4. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/ authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the

- Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
5. Members/proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
6. The Register of Members and Transfer Books of the Company will be closed from Friday, 19th September 2014 to Friday, 26th September 2014, both days inclusive.
7. Members may also note that the Notice of the 20th AGM and the Annual Report 2014 will be available on the Company’s website, [www.inditrade.com](http://www.inditrade.com). Physical copies of these documents will also available at the Company’s Registered Office for inspection during normal business hours on working days.
8. Members holding shares in physical form are requested to

consider converting their holding to dematerialized form to eliminate all risks associated with physical shares. Members can contact the Company or Registrar and Share Transfer Agent (RTA) in this regards.

9. Electronic copy of the Annual Report is being sent to all the members holding shares in demat mode and whose Email ID are available with the Depository Participant(s)/ Registrar and Share Transfer Agent (RTA)/ Company and to all the members holding shares in physical mode whose Email ID are registered with the Company/RTA for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their Email address, physical copies

of the Annual Report for 2013-2014 is being sent in the permitted mode.

10. Additional Information pursuant to Clause 49 of the listing agreement with the stock exchange in respect of the Director's seeking appointment/reappointment at the AGM has furnished and forms a part of the notice. The director has furnished the requisite consents/declarations for their appointment/reappointment.
11. All documents referred to in the accompanying Notice and Explanatory statement shall be opened for inspection at the Registered Office of the Company during the normal business hours (9:30 am to 5:30 pm) on all working days upto the date of AGM.

#### 11. E-Voting:

Pursuant to section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rule, 2014, the Company is pleased to provide E-voting facility through Central Depository Services (India) Limited (CDSL) as an alternative, for all members of the Company to enable them to cast their votes electronically on all the resolutions set forth in the Notice convening 20th Annual General Meeting of the Company.

The Notice and the instructions for e-voting along with Attendance Slip and Proxy Form being sent in electronic form to all the members whose Email ID are registered with the Company /Depository Participant(s)/RTA for communication purposes unless any member has requested for a hard copy of the same.

##### I. In case of members receiving e-mail:

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

##### For Members holding shares in Demat Form and Physical Form

PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
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### For Members holding shares in Demat Form and Physical Form

DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on EVSN for the relevant <Inditrade Capital Limited> on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/ NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you

will not be allowed to modify your vote.

- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

#### II. In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period commences on 20th September 2014, (Saturday) (9.00 a.m) to 22nd September, 2014 (6.00 p.m). During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form,

as on the cut-off date (Record Date) of 22nd August 2014 (Friday), may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

#### General Instruction for E-Voting

- Shareholders can update the mobile number and Email ID in the user profile details of the folio which may be used for sending future Communication.
- Mr. Jayan K, Partner, SVJS & Associates, Company Secretaries, Kochi will be acting as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- The Results shall be declared on or after the AGM of the Company. The Results declared along with the

Scrutinizer’s Report shall be placed on the Company’s website [www.inditrade.com](http://www.inditrade.com) within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Bombay Stock Exchange Limited.

- Facility for e-Voting will be provided to the Members who are not able to cast their vote at the AGM venue. A member can opt for only one mode i.e. either through e-voting or voting at the AGM. If a member casts votes by both modes, then voting done through e-voting shall prevail and the voting at AGM shall be treated as invalid.
- Resolutions passed through e-voting would be deemed to be passed as on the date of AGM.
- Members are requested to send their queries, if any, on the accounts or operations of the Company in advance to the Registered Office of the Company addressed to the Company Secretary or by email ID to [guruswamy.raj@inditrade.com](mailto:guruswamy.raj@inditrade.com) to enable the Company to keep the information ready.

By the order of the **Board of Directors**

Place : Gurgaon

Date : 07.08.2014

**Guruswami Raj G**

Company Secretary

## Explanatory Statement Pursuant to Section 102 of the Companies Act.2013

As required under Section 102 of the Companies Act, 2013(Act), the following explanatory statement sets out all material facts relating to the business mentioned under resolutions Nos. 4 to 7 of the accompanying Notice:

### Resolutions No. 4 & 5:

The Company had, pursuant to the provisions of clause 49 of the listing Agreement entered with the Stock Exchange, appointed Mr. P. Viswanathan and Mr. B. R. Menon, as the independent

directors of the Company on 15/09/2009 and 27/05/2008 respectively in compliance with the requirement of the clause 49 of the Listing Agreement.

Pursuant to the provisions of section 149 of the Act, which came in to effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation.

Based on the recommendations of the Nominations and Remuneration Committee, the Board has appointed Mr. P. Viswanathan and Mr. B. R. Menon, as the Independent Directors of the Company not liable to retire by rotation, to hold office for a term of five (5) consecutive years from the date of this AGM.

Mr. P. Viswanathan and Mr. B. R. Menon, the non- executive independent directors of the Company have furnished their declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act.

In the opinion of the Board, each of these directors fulfill the conditions specified in the Act and the Rules framed there under for appointment as Independent Director and they are independent of the management. In compliance with the provisions of section 149 read with Schedule IV of the Act, the proposed appointments of these directors as Independent Directors are now being placed before the Members for their approval.

The Board considers that the continued association of Mr. P. Viswanathan and Mr. B. R. Menon would be of immense benefit to the Company and hence it is desirable to continue to avail their services as Independent Directors. Accordingly the Board recommends each of the Resolutions in relation to the appointment of Directors for the approval by the Shareholders of the Company.

Mr. P. Viswanathan and Mr. B. R. Menon are deemed to be interested in their respective appointments. No other Director or Key Managerial Personnel of the Company or their relatives are interested or concerned, financial or otherwise in the aforesaid Ordinary Resolutions detailed in nos.4 & 5 and the Board recommends resolutions set forth herein for approval of the members.

#### **Resolution No. 6:**

Mr. Guruswami Raj G, aged 49 years was appointed as the Company Secretary & Compliance officer of the Company w.e.f

08th August, 2013. Mr. Guruswami Raj G is a Post-graduate in Commerce and Associate Member of the Institute of Company Secretaries of India (ICSI). He has more than 24 years of work experience, out of which more than 8 years in the field of Corporate Secretarial, legal and managerial functions.

The Remuneration Committee and Board of Directors of the Company appointed Mr. Guruswami Raj G as the Manager of the Company, for a period of 2 years commencing 14th March, 2014 subject to the approval of the shareholders in the annual general meeting on the terms and conditions including the remuneration determined by the Remuneration Committee/ Board of Directors.

Mr. Guruswami Raj G is holding the post of Company Secretary and Compliance Officer of the Company in addition to the post of Manager. The remuneration payable to him comprises of salary, allowance and other perquisites and the aggregate value is ₹13.15 Lacs (₹ Thirteen lacs fifteen thousand only) per annum with such annual / accelerated increments as may be considered by the Board / Nomination and Remuneration Committee from time to time, upto an amount not exceeding the limits provided in Schedule V to the Companies Act, 2013.

Except Mr. Guruswami Raj G, Manager, being an appointee, no other Director or Key Managerial Personnel of the Company or their relatives are interested or concerned, financial or otherwise in the aforesaid Ordinary Resolutions detailed in no.6 and the Board recommends resolutions set forth herein for approval of the members.

By the order of **the Board of Directors**

Place : Gurgaon  
Date : 07.08.2014

**Guruswami Raj G**  
Company Secretary

## Disclosure under clause 49 of the Listing Agreement in respect of Directors seeking appoint/re-appointment at the 20th Annual General Meeting

### A) Mr. Munish Dayal

Name of the Director	Mr. Munish Dayal
DIN	01683836
Date of Birth	03/04/1966
Date of Appointment(Initial Appointment)	30/10/2007
Qualification	MBA(Delhi University), Faculty of Management Studies, Delhi
Experience in specific functional area	Has more than 20 years of extensive experience in the financial services industry. He has worked with Citigroup for six years in senior roles across major markets (London, Europe, Singapore, Middle East India) in functions ranging from Retail Banking, Cash Management, Asset Based Finance to Custody, culminating as the Head of Small Business and Mass Markets Group for Asia Pacific. He was also one of the early members of the senior management team at Yes Bank - a recently established Bank, and was instrumental in scaling up the SME and Mid Market Product businesses of the Bank as a key profit centre.
Directorship in other Indian Companies	1. Infracore Technology Limited 2. JRG Fincorp Limited 3. Proactive Data Systems Private Limited 4. RMZ Infotech Private Limited 5. RMZ Ecoworld Infrastructure Private Limited
Membership in Board Committee of other Companies	Member of Audit Committee in Infracore Technology Limited.
Number of Shares held	NIL
Inter se relationship with any other director	NIL

### B) Mr. P. Viswanathan

Name of the Director	Mr.P.Viswanathan
DIN	00011136
Date of Birth	08/09/1950
Date of Appointment(Initial Appointment)	15/09/2009
Qualification	FCA
Experience in specific functional area	Started career with ICI - for 6 years in the Financial Accounting, Management Accounting and Data Processing services. Moved to consulting with M/s. Ferguson & Co for 5 years – Consultancy assignments included setting up of financial accounting and MIS systems for a large Paper and boards company, distribution study for a Government organization, market survey and organizational studies.  After a stint in consulting, shifted back to Industry as the CFO in WIPRO Information Technology. Set up decentralized accounting systems and organization and was involved

	in setting up processes and systems for Finance and accounting functions including budgeting and MIS systems. After 2 years in WIPRO co founded Alacrity Housing Ltd in Chennai. Built Alacrity along with the founder as the largest Real Estate in Chennai in a short span of 4 years. Was instrumental in setting documentation procedures and business polices which have since become industry standards. Quit Alacrity after 5 years and joined the Sanmar Group. Served Sanmar for 17 years as CEO of Property Development, Financial Services and Shipping. Major tasks involved setting up a property development organization, divesting financial services business and turning around the shipping business. Took an early retirement as the Managing Director, Sanmar Shipping Ltd. Post retirement an independent consultant and advisor to Shriram Properties limited. Also on the Boards of 2 companies as independent director invited by Private Equity Investors with a large stake. Have had P & L accountability for over 20 years in various businesses. Has handled international financial closing, conducted due diligence, involved in M & A activity, raised money from specialized financial institutions, written accounting, ethics and policy manuals and have lectured at management seminars.
Directorship in other Indian Companies	<ol style="list-style-type: none"> <li>1. JRG Fincorp Limited</li> <li>2. Inditrade Derivatives and Commodities Limited</li> <li>3. Inditrade Business Consultants Limited</li> <li>4. SECOVA e Services Private Limited</li> <li>5. Auro Mira Energy Company Private Limited</li> <li>6. Covai Senior Care Constructions Private Limited</li> </ol>
Membership in Board Committee of other Companies	Audit Committee Chairman in Inditrade Derivatives and Commodities Limited, JRG Fincorp Limited and Inditrade Business Consultants Limited
Number of Shares held	NIL
Inter se relationship with any other director	NIL

### C) Mr. B. R. Menon

Name of the Director	Mr. B.R Menon
DIN	00113329
Date of Birth	16.03.1960
Date of Appointment(Initial Appointment)	27.05.2008
Qualification	Graduate in Law
Experience in specific functional area	Has over 25 years experience as an Advocate and has appeared several important cases before the Supreme Court of India and Various High Courts. He has also appeared in the Matter before the Courts in the United Kingdom and Australia besides the ICC Tribunal for arbitration. He has also appeared in the matters before the Company Law Board, The National Consumer Forum, CEGAT and other statutory Authorities. He has also advised major national, transactional and multinational Companies on merger, acquisitions, Commercial Litigation and Arbitration.
Directorship in other Indian Companies	Mechventure Consultants & Advisors Private Limited
Membership in Board Committee of other Companies	NIL
Number of Shares held	22649
Inter se relationship with any other director	NIL

# DIRECTORS' REPORT

*Dear Shareholders,*

Your Directors are pleased to present the 20th Annual Report and the Company's audited accounts for the financial year ended March 31, 2014.

## Financial results

(₹ in Crores)

Particulars	Standalone		Consolidated	
	2014	2013	2014	2013
Total Revenue	15.37	20.17	31.96	40.92
Total Expenditure	16.28	23.20	32.88	45.71
Profit/ (Loss) before tax and exceptional items	(0.91)	(3.03)	(0.92)	(4.79)
Exceptional Item	-	-	2.91	-
Provision for Tax	-	-	0.96	1.15
Profit /(Loss) after tax and exceptional item	(0.91)	(3.03)	(4.79)	(5.94)
Profit /(Loss) after tax and minority interest			(5.67)	(6.56)

## Results of Operations

On a standalone basis, during the year under review, your Company earned revenue of ₹15.37 crores as against ₹20.17 crores in the previous year. This was a result of a continued lackluster market, as well as, your Company's concerted efforts to rationalize costs and retain only profitable customers and business associates. The Management completed a fixed

cost optimization program this year under which negative contribution branches were consolidated into larger branches. Further, management undertook an effort to optimize technology costs, communication costs and employee costs so as to contain expenses in a tough industry environment.

As a result of this effort, while 'loss-making revenues' came off, expenses were contained significantly. The expenditure incurred

was ₹16.28 crores as against 23.20 crores in the previous year or a saving of 29.83%. This resulted in a loss of ₹0.91 crores as against of loss ₹3.03 crores in previous year. The year ended with a positive outlook as the loss is reduced by 70% as compared to the previous year.

The total consolidated revenue of your Company for the year ended 31st March 2014 was ₹31.96 crores as against ₹40.92 crores in the previous year and the expenditure incurred was ₹32.88 crores against ₹45.70 crores in the previous year. As a result of the Company's cost optimization plan, the Company saved ₹12.90 crores by shutting down unprofitable branches, renegotiating service contracts with vendors, and focusing on productivity and efficiencies. The Company recorded a EBITDA of ₹2.75 crores this year as compared to EBITDA of ₹0.36 crores last year.

The Company has demonstrated prudence by building a treasury book, where investments have contributed to realised profits of ₹2.04 crores in this financial year.

Your Company has recorded a consolidated loss before taxes of ₹0.92 crores as against a loss of ₹4.79 crores during the previous year. After tax expense of ₹0.96 crores, exceptional item of ₹2.91 crores and minority interest of ₹0.87 crores, the consolidated

loss for the year stood at ₹5.67 crores as against a loss of ₹6.56 crores in the previous year.

### Business Updates

During the year under review, the Company, along with its subsidiaries provided a bouquet of services to its clients. The services include equity broking, derivatives trading, commodities derivatives trading, currency derivatives trading, insurance services, NBFC products like margin funding, loan against shares, loan against commodities. The Company intends to offer more gamut of service to the clients.

The Company was EBITDA focused and shifted more priority to cost management by rationalizing unprofitable branches and business associates, employee costs, technology, infrastructure and operating costs. This resulted in a cost saving of ₹12.90 crores this year.

### Recent updates

During the year under review the name of your Company has been changed from JRG Securities Limited to Inditrade Capital Limited. Company got the approval from Registrar of Companies (ROC), Kerala on 23rd October, 2013. Consequent to the change in name, the company has filed necessary applications to change its name with all Stock Exchanges and Depositories.

During the year under review the Company was subjected to inspection by Regulatory Authorities. National Stock Exchange of India Limited (NSE) and National Security Depository Limited (NSDL) had observed that “there are no adverse findings” and “no deviation observed” respectively.

### Subsidiary Companies

Your Directors present herewith a broad overview of the operations and financials of Subsidiaries of your Company:

#### a) Inditrade Derivatives and Commodities Limited

Inditrade Derivatives and Commodities Limited recorded total revenue of ₹7.33 crores as against ₹10.95 crores during the previous year in line with slowing commodity prices and volumes last year. The expenditure during the year stood at ₹10.52 crores, which resulted in a loss of ₹3.19 crores as against a loss of ₹4.36 crores in the previous year.

#### b) JRG Fincorp Limited

NBFC Subsidiary, JRG Fincorp Limited recorded revenue of ₹8.17 crores as against ₹7.81 crores during the previous year. The expenditure during the year stood at ₹5.17 crores, which resulted in a profit of ₹3.00 crores before tax. The profit after tax for the year stood at ₹2.03 crores as against profit of ₹1.61 crores during the previous year.

The Company built a treasury book using free cash and generated profits before tax of ₹2.26 crores.

#### c) Inditrade Business Consultants Limited

Inditrade Business Consultants Limited, recorded revenue of ₹1.52 crores as against ₹2.72 crores in the previous year. The expenditure during the year stood at ₹1.23 crores, and

exceptional item of ₹2.91 crores, which resulted in a loss of ₹2.61 crores as against loss of ₹0.16 crores during the previous year.

#### d) Inditrade Insurance Broking Private Limited

Inditrade Insurance Broking Private Limited recorded revenue of ₹0.29 crores as against ₹0.39 crores in the previous year. The total expenditure stood ₹0.39 crores, which resulted in a loss of ₹0.10 crores as against a loss of ₹0.09 crores in the corresponding previous year.

### Accounts of Subsidiaries

The Ministry of Corporate Affairs vide its General Circular No. 02/2011 dated February 08, 2011 has granted a general exemption from attaching the financial statements of its subsidiaries along with the accounts of holding company subject to fulfillment of condition specified in the said circular. Accordingly, your Company is not attaching the financial statement of its subsidiaries viz. Inditrade Derivatives and Commodities Limited, Inditrade Insurance Broking Private Limited, JRG Fincorp Limited and Inditrade Business Consultants Limited along with the Balance Sheet of your Company for the year under review.

Further, the Company assures that annual accounts of the subsidiary companies and the related detailed information shall be made available to shareholders of the Company and its subsidiary companies seeking such information at any point of time. The annual accounts of the subsidiary companies shall also be kept for inspection by any shareholders at the Registered Office of the Company and of the subsidiary companies concerned. The Company shall furnish a hard copy of its details of accounts of subsidiaries to any shareholder on demand.

## Dividend

The Company incurred loss during the current financial year under review and therefore Board of Directors do not recommend dividend to the shareholders for the financial year 2013-2014.

### Details of utilisation of IPO proceeds:

(Amount in lacs)

Particulars*	Envisaged in the prospectus	Change in utilization *	Amount utilized as on 31st March 2013	Utilized during the year	Total fund utilized (Including change in utilization)	Amount remaining to be utilized
Middle Eastern Operations	560.00	(366.66)	193.34	-	193.34	-
Technology up gradation						
Computer software	160.00	-	110.00	-	110.00	
Computer hardware		-	50.00	-	50.00	
Regional offices	600.00	-	628.81	-	628.81	
Issue expenses	130.00	-	147.86	-	147.86	
Opening new branches in India	-	200.00	124.07	14.67	138.74	61.26
Infrastructure development for i-trade	-	40.00	15.23	-	15.23	24.77
Other infrastructural requirements.	-	126.66	123.23	-	123.23	3.43
Total	1450.00		1392.54	14.67	1407.21	89.46
<b>Means of finance</b>						
Issue proceeds					1360.54	
Internal accruals					46.67	
Total utilized					1407.21	

\*In the Annual General Meeting of the Company held on 25th July 2009, the shareholders gave their consent to change the utilization of the aforesaid monies totaling to ₹366.66 Lakhs, raised by the Company during the IPO of its shares, from those specified in the object clause in the prospects, inter alia to utilizing the monies for expansion activities by opening new branches, infrastructure development for I-Trade and other infrastructure and technology requirements.

## Transfer of Amounts to Investor Education and Protection Fund

Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, relevant amounts which remained unpaid or unclaimed for a period of seven years have been transferred by the Company, from time to time on due dates, to the Investor Education and Protection Fund. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 27th September 2013 (date of last Annual General Meeting) on the Company's website (www.inditrade.com), as also on the Ministry of Corporate Affairs' website.

## Corporate Governance

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI. The Report on corporate governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report. The requisite certificate from a Practising Company Secretary, Kochi conforming compliance with the conditions of corporate governance as stipulated under the aforesaid Clause 49 is attached to the Report on corporate governance.

## Directors

Presently the Board of your Company consists of three Directors of which two are Independent Non-Executive Directors, in compliance with Clause 49 of the Listing Agreement with Bombay

Stock Exchange Limited. As part of the requirements under Clause 49 of the Listing Agreement, Mr. P. Viswanathan(DIN: 00011136),Independent Non Executive Director, is nominated on the Board of JRG Fincorp Limited, Inditrade Derivatives and Commodities Limited and Inditrade Business Consultants Limited, subsidiaries of your Company.

Mr. B. R. Menon (DIN: 00113329) and Mr. Munish Dayal (DIN: 01683836), directors of the Company who retired at the 19th Annual General Meeting of the Company held on 27th September, 2013 were re-appointed as directors of the Company.

Mr. Pradeep Mallick (DIN: 00061256), Director of the Company resigned from the Board w.e.f. 08th November, 2013.

Mr. Anand Tandon (DIN: 02197457), Managing Director and Mr. Rahul Bhasin (DIN: 00236867), Director of the Company have resigned from the Board w.e.f. 13th February, 2014.

Board of Directors has appointed Mr. Guruswami Raj G as the Manager of the Company for a period of 2 years w.e.f. 14th March 2014, subject to the approval of Shareholders in the ensuing Annual General Meeting.

In accordance with the provisions Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr.Munish Dayal(DIN: 01683836), Director, retiring by rotation at the ensuing Annual General Meeting is eligible for re-appointment.

Pursuant to Section 149 and other applicable provisions of the Companies Act, 2013, your Directors are seeking the appointment of Mr.P.Viswanathan (DIN: 00011136), and Mr. B. R. Menon (DIN: 00113329) as Independent Non-Executive Directors of your Company for five consecutive years from 26th September, 2014.

The Company has received declarations from all the Independent Directors of the Company conforming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with Bombay Stock Exchange Limited.

Details of the proposal along with necessary resolutions for the appointment / re-appointment of the aforesaid Directors have been included in the Notice convening the ensuing AGM and Explanatory Statement under Section 102 of the Companies Act, 2013.

## Employee Stock Option Plan (ESOP)

In order to attract and retain talent in the Company, ESOP scheme (JRG ESOP 2008) is in place. This will encourage our employees to participate in the growth of the Company. Disclosure as per Clause 12 of the SEBI (Employees Stock Option Scheme and Employees Stock Option Purchase Scheme) Guidelines, 1999 is annexed to this report as **Annexure A**.

## Fixed deposits

During the year, your Company did not accept/renew any deposits within the meaning of Section 58A of the Companies Act, 1956 and the rules made there under.

## Particulars of employees

No employee of the Company was in receipt of remuneration exceeding the amount prescribed under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, during the financial year 2013-2014.

## Management's Discussion and Analysis Report

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with Bombay Stock Exchange Limited, is presented in a separate section forming part of the Annual Report.

## Auditors and Auditors' Report

M/s. Haribhakthi & Co. LLP, Chartered Accountants, Chennai, Statutory Auditor of the Company, retires at the ensuing Annual General Meeting and has confirmed their eligibility and willingness to accept office, if re-appointed.

The Company has received a confirmation from M/s. Haribhakthi & Co. LLP, Chartered Accountants, to the effect that their appointment, if made, would be within the limits prescribed under Section 139 of the Companies Act, 2013. The Audit Committee and Board of Directors recommend the re-appointment of M/s. Haribhakthi & Co., Chartered Accountants, as Statutory Auditors of the Company to hold the office from the conclusion of this AGM till the conclusion of fourth consecutive AGM, subject to the ratification of the appointment by the members at every AGM.

## Information under Section 217(1) (e) of the Companies Act, 1956

### A. Conservation of energy

The operations of your Company are not energy-sensitive in

nature. However, measures are introduced to reduce the energy consumption at all levels in the organization by optimal use of technology.

### **B. Technology absorption**

The Company adopted the latest state-of-the-art software and hardware tools available in the market for rendering stock-broking and other services more efficiently and effectively.

### **C. Foreign exchange earnings and outgo**

There was no foreign exchange earnings and outgo during the year 2013-2014.

## **Directors' Responsibility Statement**

In accordance with the provisions of Section 217 (2AA) of the Companies Act, 1956, the Board of Directors affirms:

- (a) That in the preparation of the Accounts for the year ending March 31, 2014 the applicable Accounting Standards were followed and there are no material departures there from.
- (b) That the accounting policies have been selected and applied consistently and have made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2014 and of the loss of the Company for the year ended on that date.
- (c) That proper and sufficient care was taken for the 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 fraud and other irregularities.
- (d) That the accounts for the year ended March 31, 2014 was prepared on a 'going concern' basis.

## **Acknowledgments**

Your Directors place on record their sincere appreciation for the assistance and guidance provided by the regulators, stock exchanges, other statutory bodies and Company's bankers for the assistance, cooperation and encouragement extended to the Company. Your Company's employees are instrumental in your Company scaling new heights, year after year. Their commitment and contribution is deeply acknowledged. Your involvement as shareholders is also greatly valued. Your Directors look forward to your continuing support.

For and on behalf of **the Board**

Place : Gurgaon

Date : 7th August, 2014

**P. Viswanathan**

Chairman

## ANNEXURE A

Particulars	Grant till date							
	2008 scheme							
Options granted	100000	210000	52500	10000	38000	282250	184802	107105
Pricing formula	Fair value based on market price							
Options vested	43750	110875	17875	5000	12250	75938	92401	26777
Options exercised	Nil							
Total no. of shares arising as result of exercise of Options	Nil	67125	Nil	Nil	Nil	Nil	Nil	Nil
Options lapsed or forfeited	100000	154000	44000	5000	25000	215250	184802	107105
Variation of terms of Options	Nil							
Money realised by exercise of Options	Nil							
Total number of Options in force	Nil	56000	8500	5000	13000	67000	Nil	Nil
Employee-wise details of options granted to:								
(i) Senior Management Personnel	No. of options							
Biju Xaviour - Vice President	Nil	15000				7500		
Gijo T Rockey - Vice President (Surveillance)	Nil	10000				7500		
(ii) Any other employee who receives a grant in any one year of Options amounting to 5% or more of Options granted during that year	Nil							
(iii) Identified employees who were granted Options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil							

Particulars	Grant till date							
	2008 scheme							
Options granted	100000	210000	52500	10000	38000	282250	184802	107105
Diluted earnings per share pursuant to issue of shares on exercise of Options calculated in accordance with AS 20 'Earnings per Share'	(0.39)							
Weighted average exercise price of Options granted during the year	0							
Weighted average fair value of Options granted during the year	0							
Description of method and significant assumptions used to estimate the fair value of Options	Fair value of Options granted has been estimated using the Black Scholes Option pricing Model							
Risk-free interest rate	6.15%	6.15%	6.15%	7%	7%	8.50%	8.50%	8.50%
Expected life	7years							
Expected volatility	33%	33%	33%	45%	45%	45%	45%	45%
Expected dividend	0%							
The price of the underlying share in the market at the time of Options grant	Rs.37.73	Rs.39.90	Rs.39.90	Rs 41.00	Rs 49.00	Rs 35.90	Rs 34.70	Rs. 15.80

# CORPORATE GOVERNANCE REPORT

(Pursuant to Clause 49 of the Listing Agreement)

## 1. Company's Philosophy on Code of Governance

Corporate Governance essentially involves aligning and enhancing interests of various Stakeholders of the Company and encompasses every sphere of management, from action plans and internal controls to performance measurement and corporate disclosures. The Company endeavors to conduct its affairs in a fair and transparent manner and maintains the highest ethical standards in all its dealings.

At 'Inditrade' we focus on four key building blocks – Trust, Transparency, Technology and Talent. The Directors and Management of your Company continue to be committed to adhere to the governance standards and ensuring to comply with regulatory requirements in the true sense, even beyond the letter of law.

## 2. Board of Directors

### i. Composition and Category of directors

The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors and Board's composition is in compliance with requirements of Clause 49 of the Listing Agreement. As on March 31, 2014 the Company's Board comprised 3 (Three) directors of which 2 (two) are Independent Non-Executive Directors. The Chairman of the Board Mr. P. Viswanathan is a non-executive independent director. The composition of the Board and category of Directors are as follows:

Name of the Directors	Category
Mr. Munish Dayal [DIN- 01683836]	Professional Non- Executive Director
Mr. P. Viswanathan [DIN- 00011136]	Independent Non- Executive Director
Mr. B. R. Menon [DIN- 00113329]	Independent Non- Executive Director

None of the Directors are, inter se, related to any other Director on the Board.

ii. Attendance of Directors at Board meetings, last Annual General Meeting (AGM) and number of other Directorships and Chairmanships / Memberships of Committees of each Director in various companies as on 31.03.2014:

Name of the Directors	No of Board Meetings held in 2013-14	Attendance at meetings during 2013-14 (3)		No. of Other Directorship(s)#	No. of Membership(s)/ No. of Chairmanship(s) of Board Committees in other Companies ##
		Board Meetings	Last AGM		
(1)	(2)			(4)	(5)
Mr.P.Viswanathan	4	4	Yes	3	3 as Chairman
Mr. B.R Menon	4	2	No	Nil	Nil
Mr. Munish Dayal	4	4	Yes	2	2
Mr. Rahul Bhasin*	4	1	No	-	-
Mr.Anand Tandon**	4	2	Yes	-	-
Mr. Pradeep Mallick***	4	2	Yes	-	-
Mr. Gopichand S****	4	1	No	-	-

\* Mr. Rahul Bhasin ceased to be Director from 13th February 2014.

\*\* Mr.Anand Tandon ceased to be Director from 13th February 2014

\*\*\* Mr. Pradeep Mallick ceased to be Director from 8th November 2013.

\*\*\*\* Mr. Gopichand S ceased to be Director from 6th August 2013.

# The Directorships, held by Directors as mentioned above, do not include Alternate Directorships and Directorships in foreign companies, companies registered under Section 25 of the Companies Act, 1956 and private limited companies.

## In accordance with Clause 49 of the Listing Agreement, Memberships/Chairmanships of only Audit Committees and

Shareholders'/Investors' Grievance Committees in all public limited companies (excluding Inditrade Capital Limited) have been considered.

Mr. Rahul Bhasin, Mr. Anand Tandon, Mr. Pradeep Mallick and Mr. Gopichand S Directors of the Company had resigned from the Company during the financial year; we have not furnished the details in column No. 4 & 5 regarding their No. of other Directorship(s) and the No. of Membership(s)/ No. of Chairmanship(s) of Board Committees in other Companies as on 31.03.2014.

Video/tele-conferencing facilities were used, on occasions, to facilitate Directors present at other locations, to participate in the meetings.

### iii. Number of Board meetings held with dates

Four Board meetings were held during the year. The details of Board meetings are given below:

Date of Board Meeting	Board Strength	Number of Directors Present
15th May 2013	6	4
06th August 2013	7	5
08th November 2013	5	4
13th February 2014	3	3

### Board Committees:

Details of the Board Committees and other related information are provided hereunder:

Composition of Committees of the Board		
Audit Committee	Stakeholders Relationship Committee	Nomination and Remuneration Committee
1. Mr.P.Viswanathan Independent Non-Executive Director - Chairman.	1.Mr. B.R Menon Independent Non-Executive Director – Chairman.	1.Mr. B.R Menon Independent Non-Executive Director – Chairman.
2. Mr. B.R Menon Independent Non-Executive Director	2.Mr.P.Viswanathan Independent Non-Executive Director	2.Mr.P.Viswanathan Independent Non-Executive Director.
3. Mr. Munish Dayal Professional Non- Executive Director	3.Mr. Munish Dayal Professional Non- Executive Director	3.Mr. Munish Dayal Professional Non- Executive Director

### Meetings of Board Committees held during the year and Directors' attendance:

Board Committee	Audit Committee	Stakeholders Relationship Committee	Nomination and Remuneration Committee
Meetings held	4	1	1
Directors' Attendance			
1. Mr.P.Viswanathan	4	NA	NA
2. Mr. B.R Menon	2	Nil	Nil
3. Mr. Pradeep Mallick	2	1	1
4. Mr. Munish Dayal	4	1	NA
5. Mr. Rahul Bhasin	NA	NA	1
6. Mr. Anand Tandon	NA	NA	NA
7. Mr. Gopichand S	NA	NA	NA

NA –Not a Member of the Committee.

### 3. Audit Committee:

#### i. Composition of the Committee:

Audit Committee comprises of Mr.P.Viswanathan as the Chairman and Mr. B.R Menon and Mr. Munish Dayal as Members of the Committee.

The Committee's composition meets with requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. All Members of the Audit Committee have knowledge of accounting and financial management. Mr. P. Viswanathan, Chairman of the Audit Committee is a Chartered Accountant by profession and has got over 36 years of experience in the field of finance and accounting.

#### ii. Meetings and Attendance during the year

Four meetings of the Audit Committee were held during the year. The details of meetings and attendance are given on page number 26.

#### iii. Powers of the Audit Committee includes the following:

- To investigate any activity within its terms of reference.
- To seek information from any employee of the Company.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise.

#### iv. Role of the Audit Committee inter alia, includes the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, reappointment and if required, the replacement or removal of statutory auditors and taxation of audit fees and other terms of appointment.
- Recommending the professional fee payable to statutory auditors for any other services rendered by them.
- Recommending to the Board, the appointment, re-appointment of Internal Auditors and fixation of the professional fee payable to them.

- Reviewing with the management, annual financial statements and auditor's report thereon before submission to the Board for its approval.
- Reviewing with the management, the quarterly financial statements before submission to the Board for its approval.
- Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of inter-corporate loans and investments.

Mr. Guruswami Raj G, Company Secretary of the Company is the Secretary to the Audit Committee.

### 4. Nomination and Remuneration Committee:

#### i. Composition of the Committee

The Nomination and Remuneration Committee comprises of Mr. B.R Menon as the Chairman, Mr.P.Viswanathan and Mr. Munish Dayal as Members of the Committee.

Pursuant to the provisions of 178 of the Companies Act, 2013, the name of the Remuneration/ESOP Committee of the Board had been changed as Nomination and Remuneration Committee on May 27, 2014.

#### ii. Meetings and Attendance during the year

One meeting of the Nomination and Remuneration Committee was held during the year. The details of meetings and attendance are given on page number 26.

#### iii. Role of the Nomination and Remuneration Committee inter alia, includes the following:

- To recommend/review remuneration of Key Managerial Personnel.
- To administer the Employees Stock Option 2008 and 2010 scheme of the Company.
- To carry out any other function as mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable

Composition and the terms of reference of the Nomination and Remuneration Committee is in line with the requirements of Clause 49 of the Listing Agreement and provisions of the Companies Act, 2013.

#### iv. Details of Directors' Remuneration including sitting fees:

Details of remuneration including sitting fees paid to Directors during 2013-14:

Name of the Director	Basic Pay	Perquisites	Sitting Fees	Stock Options granted
Mr. P. Viswanathan	Nil	Nil	90000	Nil
Mr. B. R Menon	Nil	Nil	22500	Nil
Mr. Pradeep Mallick	Nil	Nil	47500	Nil
Mr. Munish Dayal	Nil	Nil	Nil	Nil
Mr. Rahul Bhasin	Nil	Nil	Nil	Nil
Mr. Anand Tandon	Nil	Nil	Nil	Nil
Mr. Gopichand S	56637	59363	Nil	Nil

### 5. Stakeholders' Relationship Committee:

#### i. Composition of the Committee

Stakeholders' Relationship Committee comprises of Mr. B.R Menon as its chairman, Mr.P.Viswanathan and Mr. Munish Dayal as Members of the Committee.

Mr.Guruswami Raj G, Company Secretary acted as the Compliance Officer of the Committee.

Pursuant to the provisions of 178 of the Companies Act, 2013, the name of the Investor Grievance Committee of the Board had been changed as Stakeholders Relationship Committee on May 27, 2014.

#### ii. Meetings and Attendance during the year

One meeting of the Stakeholders' Relationship Committee was held during the year. The details of meetings and attendance are given on page number 26.

#### iii. Role of the Stakeholders Relationship Committee inter alia, includes the following:

The Stakeholders Relationship Committee is primarily responsible to review all matters connected with the Company's transfer of securities and redressal of shareholders' / investors' complaints. The Committee also monitors the implementation and compliance with the Company's Code of Conduct for prohibition of Insider Trading.

Composition and the terms of reference of the Stakeholders Relationship Committee are in line with the requirements of Clause 49 of the Listing Agreement and provisions of the Companies Act, 2013.

#### iv. Details of queries and grievances received and attended by the Company during the year 2013-2014 is given below:

Pending as on 1st April 2013	Received during the year	Resolved during the year	Pending as on 31.03.2014
Nil	Nil	Nil	Nil

### 6. General Body Meetings:

#### i. Details of Last General Meetings:

Details of last three Annual General Meetings are given below:

Details of last three Annual General Meetings				
Meeting	Date	Time	Venue	No of special Resolution Passed
19th	27.09.2013	10.00 A.M	Hotel Park Central, Kochi - 686 017	3
18th	12.09.2012	10.00 A.M	Hotel Presidency, Cochin - 682018	1
17th	26.09.2011	10.00 A.M	Hotel Presidency, Cochin - 682018	1

**ii. Special Resolutions were passed in the last three AGMs, with requisite majority:**

Financial year to which AGM relates	Date of AGM	Issue	Type of Resolution
2012-13	27.09.2013	1. Appointment of Mr. Anand Tandon as the Managing Director of the Company without remuneration. 2. Alteration of Articles of Association of the Company 3. Change the name of the Company from "JRG Securities Limited" to "Inditrade Capital Limited".	Special Resolution
2011-12	12.09.2012	Appointment of Mr. Gopichand S as the Managing Director at a remuneration of ₹30 Lakhs p.a	Special Resolution
2010-11	26.09.2011	Fixing the Remuneration of Managing Director	Special Resolution

**7. Disclosures:**

**i. Disclosures on Related Party Transactions**

During the year, the Company did not enter into any material transaction with its promoters, the Directors or the management and their relatives, amongst others. The details of related Party transactions are set out in Notes to Financial Statement.

**ii. Vigil Mechanism / Whistle Blower Policy**

The Company has adopted the Vigil Mechanism/Whistle Blower Policy on 27th May, 2014. Pursuant to which employees of the Company can raise their concerns relating to the fraud, malpractice or any other untoward activity or event which is against the interest of the Company or society as a whole.

**iii. Adoption of Mandatory and Non- Mandatory Requirements of Clause 49**

The Company has complied with all mandatory requirements of the Clause 49 of the Listing Agreement. The Company has adopted non-mandatory requirements of Clause 49 of the Listing Agreement.

**8. Means of Communication with Shareholders**

The quarterly and half-yearly/Annual financial results were forthwith communicated to the Bombay Stock Exchange Limited (BSE), where the shares of the Company are listed, as soon as they were approved and taken on record by the Board of Directors. Public notices and financial results were published in leading newspapers, namely, Business Line in English and Mangalam in Malayalam. The financial results, Corporate Governance Report and Shareholding pattern of the Company were also put up on Company's website www.inditrade.com.

**i. Publications of the financial results in the year 2013-2014:**

Quarter/Annual	Date of Board Meeting to approve the result	Date of Publication	English News Paper	Malayalam Newspaper
Annual	15.05.2013	17.05.2013	Business Line	Mangalam
Quarterly (I)	06.08.2013	08.08.2013	Business Line	Mangalam
Quarterly(II)	08.11.2013	10.11.2013	Business Line	Mangalam
Quarterly(III)	13.02.2014	15.02.2014	Business Line	Mangalam

**ii. Website:**

The Company's website (www.inditrade.com) contains a separate dedicated section 'Investor Relations' where shareholders' information is available. The Company's Annual Report is also available in a user-friendly and downloadable form.

## 9. General Shareholders Information:

i.

Incorporation Details	The Company is registered in the State of Kerala, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L67120KL1994PLC008265.		
AGM Date	26th September, 2014		
Time & Venue	At 10.30 a.m. at "The Renai Cochin", P.B Number.2310, Edappally- Palarivattom Road, Palarivattom, Kochi, Kerala - 682 025		
Date of Book Closure	From Closing of business hours of 19th September 2014 to 26th September 2014, both days inclusive.		
Financial Year	1st April to 31st March		
Approval of financial results proposed	QE	30 June 2014	1st or 2nd week of Aug 2014
	QE	30 Sep 2014	1st or 2nd week of Nov 2014
	QE	31 Dec 2014	1st or 2nd week of Feb 2015
	YE	31 Mar 2015	3rd or 4th week of May 2015
Listing on Stock Exchanges	The Bombay Stock Exchange Limited The listing fees for the financial year 2013-14 were duly paid to the above Stock Exchange within time.		

ii. Details of Listing with Exchange & Stock Code:

Name of the Stock Exchange	Stock Code
The Bombay Stock Exchange Limited	532745
ISIN allotted by depositories	INE347H01012

iii. Stock Market Price Data during the Financial year 2013-2014

Month	High Price	Low Price	Total Turnover (₹)
Apr-2013	9.6	6.99	7,52,374
May-2013	9.2	7.33	2,01,960
Jun-2013	8.7	5.65	2,72,985
Jul-2013	8.99	6.51	49,778
Aug-2013	8.4	6.96	42,321
Sep-2013	8.15	7.3	50,683
Oct-2013	8	6.64	1,45,948
Nov-2013	7.87	6.51	1,86,604
Dec-2013	7.55	6.49	93,830
Jan-2014	7.3	6.21	2,95,124
Feb-2014	7.03	5.58	13,72,180
Mar-2014	7.63	5.5	5,76,098

(Source: This information is compiled from the data available from the websites of BSE)

iv. Distribution of Shareholding as on 31st March 2014

Category Code	Category of shareholder	Number of shareholders	Total number of shares	As a percentage of (A+B+C)
(A)	<b>Shareholding of Promoter and Promoter Group</b>			
(1)	Indian	-	-	
(2)	Foreign	2	11531558	49.3802
	<b>Total Shareholding of Promoter and Promoter Group</b>	<b>2</b>	<b>11531558</b>	<b>49.3802</b>

iv. **Distribution of Shareholding as on 31st March 2014 (Contd.)**

Category Code	Category of shareholder	Number of shareholders	Total number of shares	As a percentage of (A+B+C)
<b>(B)</b>	<b>Public Shareholding</b>			
(1)	Institutions	1	698437	2.9908
(2)	Non-institutions	5885	11122631	47.6291
	<b>Total Public Shareholding</b>	<b>5886</b>	<b>11821068</b>	<b>50.6199</b>
<b>(C)</b>	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>			
(1)	Promoter and Promoter Group	-	-	-
(2)	Public	-	-	-
	<b>Grant Total(A)+(B)+(C)</b>	<b>5888</b>	<b>23352626</b>	<b>100.00</b>

v. **Shareholding Pattern by Size as on 31.03.2014**

Shareholding Pattern by Size as on 31.03.2014				
No. of shares	Shareholders		No. of shares	
001-500	4842	82.2351	767427	3.2863
501-1000	474	8.0503	371643	1.5914
1001-2000	223	3.7874	346462	1.4836
2001-3000	90	1.5285	232055	0.9937
3001-4000	44	0.7473	158825	0.6801
4001-5000	39	0.6624	187362	0.8023
5001-10000	64	1.0870	471676	2.0198
10001 & Above	112	1.9020	20817176	89.1428
<b>Total</b>	<b>5888</b>	<b>100.00</b>	<b>23352626</b>	<b>100.00</b>

vi. **Details of Shares held by the Director as on 31.03.2014**

No. of shares	Shareholders	No. of shares
Mr. P. Viswanathan	Independent Non Executive Director	Nil
Mr. B. R. Menon	Independent Non Executive Director	22,649
Mr. Munish Dayal	Professional Non Executive Director	Nil
Mr. Rahul Bhasin	Non Executive Director	Nil
Mr. Pradeep Mallick	Independent Non Executive Director	Nil
Mr. Anand Tandon	Executive Director (Managing Director till 13th February 2014)	1,85,000
Mr. Gopichand S	Executive Director (Managing Director till 06th August 2013)	Nil

vii. **Dematerialisation of Shares**

As on 31st March, 2014, 99.836% of shares of the Company has been dematerialized and the remaining 0.164% shares are also been taken up for dematerialization.

**Shares held in demat and physical modes as on March 31, 2014 are as below:**

Mode of holding	Shareholding	% to total paid up share capital
NSDL	21788847	93.303
CDSL	1525521	6.533
Physical	38258	0.164
<b>Total</b>	<b>23352626</b>	<b>100</b>

**viii. Details of utilization of IPO proceeds:***(Amount in lacs)*

No. of shares	Envisaged in the prospectus Shareholders	Change in utilization *	Amount utilized as on 31st March 2013	Utilized during the year	Total fund utilized (Including change in utilization)	Amount remaining to be utilized
Middle Eastern Operations	560.00	(366.66)	193.34	-	193.34	-
Technology up gradation						
Computer software	160.00	-	110.00	-	110.00	
Computer hardware		-	50.00	-	50.00	
Regional offices	600.00	-	628.81	-	628.81	
Issue expenses	130.00	-	147.86	-	147.86	
Opening new branches in India	-	200.00	124.07	14.67	138.74	61.26
Infrastructure development for i-trade	-	40.00	15.23	-	15.23	24.77
Other infrastructural requirements.	-	126.66	123.23	-	123.23	3.43
<b>Total</b>	<b>1450.00</b>		<b>1392.54</b>	<b>14.67</b>	<b>1407.21</b>	<b>89.46</b>
<b>Means of finance</b>						
Issue proceeds					1360.54	
Internal accruals					46.67	
Total utilized					1407.21	

\*In the Annual General Meeting of the Company held on 25th July 2009, the shareholders had given their consent to change the utilization of the aforesaid monies totaling ₹366.66 Lakhs, raised by the Company during the IPO of its shares, from what was specified in the object clause in the prospectus, inter alia, to expansion activities of the Company in India by opening new branches, infrastructure development for I-Trade and other infrastructure and technology requirements.

**ix. Unclaimed Dividend**

Section 124 of the Companies, Act 2013 mandates that the Company transfer the dividend that has been unclaimed for a period of seven years from the unpaid dividend account of the Company to the Investor Education and Protection Fund (IEPF). In accordance with the following schedules, the dividend for the years mentioned as follows, if unclaimed within a period of Seven years will be transferred to the IEPF:

Year	Type of dividend	Dividend per shares	Date of Declaration	Due date for transfer	Amount
2007	Final	₹1.50	31.07.2007	05.10.2014	107365.5
2008	Final	₹0.75	15.07.2008	20.09.2015	145063.5

During the Financial Year 2013-2014 Company has credited an unclaimed dividend of ₹86457 and unclaimed application money received by company of ₹56000 to IEPF pursuant to Section 205 C of the Companies Act, 1956.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 27th September 2013 (date of last Annual General Meeting) on website of the Ministry of Corporate Affairs.

**x. Share transfer system**

The Company appointed M/s. Big Share Services (P) Ltd as its Registrar & Transfer Agents. Share transfers are processed and approved, subject to receipt of all requisite documents.

The Company seeks to ensure that all transfers are approved for registration within the stipulated period. Pursuant to Clause 47 (c) of the Listing Agreement with Stock Exchanges, certificates on half-yearly basis have been issued by a Practising Company

Secretary for due compliance of share transfer formalities by the Company.

Pursuant to SEBI (Depositories and Participants) Regulations, 1996, certificates have also been received from a Practising Company Secretary for timely dematerialisation of the shares of the Company and for conducting a Reconciliation of Share Capital Audit on a quarterly basis for reconciliation of the share capital of the Company.

With a view to expediting the approval process, the Board of Directors authorised the Share Transfer Committee to approve the transfer of shares.

#### **xi. Equity Shares in the Suspense Account**

In terms of Clause 5A(I) and Clause 5A(II) of the Listing Agreement, the Company reports the following details in respect of equity shares lying in the suspense accounts which were issued in demat form and physical form, respectively:

Year	Number of Shareholders	Number of Equity shares
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on 1st April, 2013	3	450
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	Nil	Nil
Number of Shareholders to whom shares were transferred from the suspense account during the year	Nil	Nil
Aggregate Number of Shareholders and the outstanding shares in the suspense account lying as on 31st March, 2014	3	450

Note: The voting right on these shares lying in the Demat Suspense Account shall remain frozen till the rightful owners of such shares claim the shares.

#### **xii. Subsidiary Companies:**

Clause 49 defines a “material non-listed Indian subsidiary” as an unlisted subsidiary, incorporated in India, whose turnover or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year. Under this definition, Inditrade Derivatives and Commodities Limited and JRG Fincorp Limited are a material non listed subsidiary Company of the Company.

Pursuant to Clause 49 of the Listing Agreement, JRG Fincorp Limited and Inditrade Derivatives and Commodities Limited, which are material non listed subsidiary Companies of Inditrade Capital Ltd has on its Board, Mr. P. Viswanathan who is a Non-Executive Independent Director of the holding Company.

The Company monitors performance of subsidiary companies, inter alia, by the following means:

Financial statements of the subsidiary Companies are reviewed regularly by the Company’s Audit Committee.

Minutes of Board and Audit Committee meetings of unlisted subsidiary companies were placed and taken on record by the Board.

Mr. P. Viswanathan, Independent Non- Executive Director of the Company had been appointed as a director of JRG Fincorp Limited and Inditrade Derivatives and Commodities Limited from 24/01/2012 and 03/02/2012 respectively.

#### **xiii. Management Discussion and Analysis**

The Management Discussion and Analysis is given separately and forming part of this Annual Report.

#### **xiv. Re-appointment/appointment of Directors**

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Munish Dayal (DIN: 01683836), Director, retiring by rotation at the ensuing Annual General Meeting is eligible for re-appointment.

Pursuant to Section 149 and other applicable provisions of the Companies Act, 2013, your Directors are seeking the appointment of Mr.P.Viswanathan (DIN: 00011136), and Mr. B. R. Menon (DIN: 00113329) as Independent Non-Executive Directors of your Company for five consecutive years from 26th September, 2014.

The Company has received declarations from all the Independent Directors of the Company conforming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with Bombay Stock Exchange Limited.

#### xv. Code for prevention of Insider Trading Practices

In compliance with the SEBI regulation on prevention of insider trading, the Company instituted a comprehensive code of conduct for its management and staff in line with the SEBI Insider Trading Guidelines. The Code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of the Company, and cautioning them of the consequences of violations.

### 10. Adoption of Non- Mandatory Requirements of Clause 49

The Company has adopted following non-mandatory requirements of Clause 49 of the Listing Agreement:

#### i. Nomination and Remuneration Committee

The Company has constituted Nomination and Remuneration Committee meeting the requirements of Clause 49 of the Listing Agreement and the Companies Act, 2013.

#### ii. Audit Qualifications

During the period under review, there were no audit qualifications in the Companies' financial statements. The Company continues to adopt the best accounting practices and has complied with the Accounting Standards.

#### iii. Training of Board Members

All the Non-Executive Directors have rich experience and expertise in functional areas and attend various programs in their personal capacities that keep them abreast of relevant developments. There is no formal system of evaluating individual Directors.

Quarterly updates on relevant statutory is regularly circulated to the Directors and were discussed at each Board Meeting.

#### MD/CFO Certification

The Manager of the Company gives annual certification on financial reporting and internal controls to the Board in terms of clause 49. The Manager of the Company also gives quarterly certification on financial results while placing the financial results before the Board in terms of clause 41.

#### Investor Contact details

For queries relating to Compliance, Legal & Secretarial	For queries relating to Financial statements
Mr.Guruswami Raj G Company Secretary Tele:+ 91 9895213707 E mail: guruswamy.raj@inditrade.com	Ms. Geniya Banerjee Chief Finance Officer Tele: :+ 91 9397665680 E mail: geniya.banerjee@inditrade.com

Registrar and Share Transfer Agent

Bigshare Services Pvt. Ltd

E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai-400 072

E mail: bhagwan@bigshareonline.com

For and on behalf of the Board

Place : Gurgaon

Date : 7th August, 2014

**P. Viswanathan**

Chairman

# Certification on Corporate Governance

To  
The Members of  
**Inditrade Capital Limited (Formerly known as JRG Securities Limited)**

I have examined the compliance of conditions of Corporate Governance by Inditrade Capital Limited (Formerly known as JRG Securities Limited) (“the Company”) for the year ended on March 31, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Vivek Kumar**  
Company Secretary in Practice  
Membership No. 30180  
Certificate of Practice No. 11036

Place : Kochi  
Dated : 08th August, 2014

# Declaration on Code of Conduct

To  
The Members of  
**Inditrade Capital Limited (Formerly known as JRG Securities Limited)**

This is to confirm that the Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company. It is further confirmed that all directors and Senior Management Personnel of the Company have affirmed Compliance with Code of Conduct of the Company as at 31st March, 2014, as envisaged in clause 49 of the Listing Agreement with Bombay Stock Exchange Limited.

Place: Gurgaon  
Date: 7th August, 2014

**Guruswami Raj G**  
Manager

## MANAGEMENT DISCUSSION AND ANALYSIS

### Economy Overview:

India was in its sixth consecutive year of economic slowdown and recorded real GDP growth of just 4.7% in financial year 2013-14, almost half of that of peak GDP of 9.5% in financial year 2007-08. The last financial year saw continued sluggishness in the investment and capex cycles, high inflationary pressures with significant supply side gaps, a consequent decline in savings rates, sluggish real fixed capital formation, and very low market confidence. Government efforts to manage a weak local currency continued, but the current account deficit remained at 4.3% with Indian households continuing to demand for anti-inflationary savings in the form of gold. Physical savings allocation by households increased to 64%, the highest in the last decade, clearly showing consumer preferences of storing wealth in a negative real interest rate scenario.

A volatile monsoon this year kept inflation high, especially high food prices, which continued to pose significant challenges to our industry amongst others, despite the fact that inflation cooled down marginally from 9.5% in the first half of the year to 8.3% in March. The government also continuously increased diesel and petrol prices last year in an effort to manage public finances and subsidies burdening the fiscal deficit, also contributing to higher core inflation.

There were some positive developments towards the latter half of the year. The government accelerated its tightening of fiscal deficit, resulting in a fiscal deficit declining from 5.7 per

cent of GDP in 2011-12 to 4.9 per cent in 2012-13 and 4.7 per cent in 2013-14. The value of rupee that had plunged to an all time low against dollar to 68.36 to a US dollar on 28 August 2013, also gradually strengthened and the year ended with the exchange rate averaging 61 per US dollar in March 2014, owing to measures taken by the government and the Reserve Bank of India (RBI).

These developments on the external account front have generated some optimism that the Indian economy is better prepared to confront its internal challenges as well as the challenges of global policy reversals. The corrections in fiscal and current account deficits augur well for macroeconomic stabilization. Post elections, with a stable government at the centre, there are strong expectations of an economic and capex cycle pick up. Business confidence has already improved and with the right capital allocation and timely deployment, capital flows may also pick up. Therefore the growth is expected to improve to 6% plus in the medium term. A pick up in the investment cycle will also be disinflationary, which is a significant positive development for your industry as savings are expected to flow back to financial products and businesses tap the capital markets for growth.

### Industry overview

The equity markets BSE SENSEX moved from 18,836 points to 22,386 points between FY 2013 and FY 2014, recorded an increase of 18.85% over the previous year and NSE CNX NIFTY moved from 5683 to 6704 between FY 2013 and FY 2014

recorded an increase of 17.96% over the previous year. Traded volumes also increased from 32,57,086 crores in 2012-2013 to 33,41,338 crores in 2013-2014. The rise in market volumes and valuations may be in contrast with the negative economic environment of the country, but post March 2014 expectations of a very positive election outcome with a stable government increased market confidence, thus showing in market volumes and valuations. Average trading volumes from April to February 2014 were 2,72,914 crores and just in March 2014 were 3,39,282 crores. India P/E went up from 17.76 at the start of the year to 19.16 at the end of the year.

The brokerage market, especially the retail brokerage market remained lackluster for most of last year as Indian households, with shrinking savings rates and rising inflationary pressures, chose to stay away from the capital markets and financial savings instruments this financial year as well. Savings rates dropped to 22% last year, with 64% of this being allocated to physical products like gold and real estate, and 36% to financial products like fixed income securities. The brokerage fee reduced to 12.57 crores, as compared to 47.62 crores in FY2007-08. This is primarily because of a significant change in the nature of trading on Indian bourses – while high yield cash volumes formed 27.78 % and derivative products formed 72.27 % of the market volumes in FY2007-08, this has reduced to cash volumes of 6.56% and derivative volumes of 93.43% in FY2013-14. Derivative products, futures and options are much lower

yield than cash products – therefore despite trading volumes increasing over the last few years, the brokerage pie has reduced.

India has an oversupply of 1415 brokerage houses today, with most houses struggling to retain customers as they shy away from the capital markets and equity products. Retail brokerage houses continued to struggle in retaining declining clientele by offering deep discounts to retain existing customer franchise. The cost of acquisition of a new brokerage customer (sales & marketing, business development, KYC, compliance cost) in these subdued markets was higher than the revenue generated by the customer. Any growth in revenues from new customer acquisition comes at a significant cost and cash burn.

Brokerage houses are therefore focused on cost management – reducing fixed cost and translating them to variable costs wherever possible by downsizing and outsourcing. The year saw some large, pan-India brokerage houses shutting shop fully and exiting the business completely.

Commodities trading also saw a rough year with falling commodity volumes and metal and bullion prices. Further, governance issues in commodity exchanges like NSEL and MCX have crippled several commodity broking houses with outstanding proprietary and client positions awaiting settlements.

The onset of the recent positive election outcome and expectations from the stable government of better governance

and improved economic growth in the recent months, have infused the markets with confidence. There are early signs of the retail investor re-entering the market. Whether this is a temporary situation or the beginning of a take-off of the Indian capital markets remains to be seen.

## Review of operations

The Inditrade Group derives its revenues from three activities.

### I. Fees and Commissions

The brokerage business of the group continues to remain under-pressure and the retail broking continues. In the year under review, the Company has generated a revenue of ₹13.23 crores from equity broking, 6.20 crore from commodity broking. The Company earned income through financial distribution support activity to the tune of ₹1.42 crore. The Company has executed a disciplined program of identifying profitable revenues and getting rid of unprofitable top line that included doing away with loss-generating customers, unproductive business associate.

### II. Interest and Treasury:

The retail margin lending book for capital and commodity market activities did not grow in line with subdued broking business. The group has therefore expanded its lending activities to other activities such as secured business loans like promoter funding, real estate funding and loan against shares. We have generated interest income of ₹5.50 crores through lending activities.

### III. Other

The company has started to focus on taking advantage of available arbitrage opportunities. The Company has earned revenue of ₹78.88 lacs through arbitrage activities.

During the year the Company has opened 1610 and 892 of new accounts in Equity & Commodity segment respectively. Company has opened 1386 new DP accounts. During the year company focused on re-activating the dormant clients and accordingly a total of 5582 clients' account have been re-activated. During the year the Company has taken steps to consolidate branches in the major cities and also closed many branches in Maharashtra including Mumbai and the branch at New Delhi. Now, the Company has 39 branches across Kerala, Tamilnadu, Karnataka and Andhra Pradesh.

The Company embarked upon a cost reduction program and achieved much success in it. As branches were consolidated, operating costs, employee costs, technology and communication costs were reduced significantly, by renegotiating contracts with vendors, outsourcing and re-allocating resources etc. Resultantly,

the Company saved costs of ₹12.90 crores – total expenses were ₹16.28 crores in the last year compared to ₹23.20 crores in the previous financial year, resulting in savings of 29.83 %.

During the year under review the Company was subjected to inspection by Regulatory Authorities. National Stock Exchange of India Limited (NSE) and National Security Depository Limited (NSDL) had observed that “there are no adverse findings” and “no deviation observed” respectively. It shows that the compliance and internal control measures are in tandem with regulatory requirements.

## Outlook 2014-15

The first quarter has shown some green shoots of growth with a new stable government in place and action being taken in managing the twin deficit situation. The economy is expected to grow at 5-5.5 percent in the ensuing year. A read of the Index of Industrial Production (IIP), export growth, Purchasing Managers' Index (PMI), car sales, two wheeler sales, are all pointing that towards an improvement from the bottom. The IIP data is at 19 month high, car sales at 10 month high, electricity generation at recent high suggest that a bull market started in Indian economy. The recent Union Budget focus on increasing savings and investments and this may increase the trend in the investment cycle.

The saving rate in the economy has been on a southward direction in the past few years. Now almost 70% of household net worth is in gold and real estate and around 2.5% is in equities. Derivatives accounted for 93 percent of the total turnover in FY14 which suggests that market volume is mainly from traders. After a long time, inflows to mutual funds have started now. It is important to note that in recent years there has been a great push by regulators towards investor education programmes. The rising valuations and increased investor participation indicate that investors are now becoming more hopeful about the economic outlook and are feeling more confident that the economy has bottomed out.

## Financial Performance:

On a standalone basis, during the year under review, Company had earned revenue of ₹15.37 crores as against ₹20.16 crores in the previous year. The expenditure stood at ₹16.28 crores resulting in a loss of ₹0.91 crores as against of loss ₹3.03 crores in previous year.

Commodity subsidiary, Inditrade Derivatives and Commodities Limited recorded total revenue of ₹7.33 crores as against ₹10.95 crores during the previous year. The expenditure during the year

stood at ₹10.52 crores, which resulted in a loss of ₹3.19 crores as against a loss of ₹4.36 crores in the previous year.

Inditrade Insurance Broking Private Limited recorded revenue of ₹0.29 crores as against ₹0.39 crores in the previous year. The total expenditure stood ₹0.39 crores, which resulted in a loss of ₹0.10 crores as against a loss of ₹0.09 crores in the corresponding previous year.

NBFC Subsidiary, JRG Fincorp Limited recorded revenue of ₹8.17 crores as against ₹7.81 crores during the previous year. The expenditure during the year stood at ₹5.17 crores, which resulted in a profit of ₹3.00 crores before tax. The profit after tax for the year stood at ₹2.03 crores as against profit of ₹1.61 crores during the previous year.

Inditrade Business Consultants Limited, recorded revenue of ₹1.52 crores as against ₹2.72 crores in the previous year. The expenditure during the year stood at ₹1.23 crores, and exceptional item of ₹2.90 crores, which resulted in a loss of ₹2.61 crores as against loss of ₹0.16 crores during the previous year.

The total consolidated income of your Company for the year ended 31st March 2014 stood at ₹31.96 crores as against ₹40.91 crores in the previous year and the expenditure stood at ₹32.88 crores, which resulted in a consolidated loss before taxes of ₹3.82 crores as against a loss of ₹4.79 crores during the previous year. After tax expense of ₹0.96 crores and Minority interest of ₹0.87 crores, the consolidated loss for the year stood at ₹5.66 crores as against a loss of ₹6.55 crores in the previous year.

### Opportunities and Threats

The rally in Indian equities since February this year has pushed up indices as they see record volumes and valuations. Indian businesses have come back to access the capital markets. The improvement in the economy will increase savings levels and increase household saving flows to the capital markets. This could be the end of a prolonged period of slowdown for brokerage houses and mark the start of a growth phase.

The past few years have been marked with intense competition and a reducing brokerage pie with sharply falling yields. This trend may not reversing in the current year as well given the oversupply of brokerage houses catering to a 2% allocation of household savings compared to a roughly 40% allocation in the developed markets. The geo-political crisis in Iraq, Ukraine may endanger the global financial and economic recovery, this may lead to increase in oil prices and inflation may go up again.

### Risks and Concerns

Inditrade acknowledges the varied forms of inherent risk

associated with the business and in the industry. We continue to evaluate the risk and try to take appropriate steps to mitigate the risk and protect ourselves from such risk.

The company maintains strict compliance and internal control mechanism and takes every possible step to ensure that it complies with changing regulatory requirements.

### Internal Control Systems

Inditrade has a comprehensive and effective internal control environment to ensure accuracy of accounting records, compliance with all laws & regulations and compliance with all rules, procedures & guidelines prescribed by both Regulatory Authorities and the Management. The Company has appointed M/s RGN Price & Co, Kochi, as the internal auditors of the Company for the financial year 2013-14. The management duly considers and takes appropriate action on the recommendations made by the statutory auditors and internal auditors. The Audit Committee of the Board reviews the internal audit reports, inspection reports issued by regulatory authorities on a regular basis.

### Human Resources

Inditrade has taken several measures to right size its human resource and it has a dynamic workforce of 262 at the end of the year. The company has been taking appropriate measures to encourage the employees to qualify in NISM Certification exams and taking several initiatives to give continuous training to update their knowledge. Employee Recognition through incentive backed performance measures, significant effort in training the employees across management levels, initiatives focused on developing leadership qualities, fair and transparent performance appraisal and promotion policy have all helped in keeping the employees motivated to deliver their best results.

### Cautionary Note

Statements in the Management Discussion and Analysis describing the Company's projections, estimates, or expectations may be forward-looking predictions within the meaning of applicable securities, laws and regulations. Actual results may differ from such estimates and projections, among others, whether expressed or implied. Factors which would make a significant difference to the Company's operations include changes in economic conditions of the country, changes in government regulations and tax laws, and other environmental factors over which the Company does not have any control.

# INDEPENDENT AUDITORS' REPORT

To the Members of **Inditrade Capital Limited**, Kochi

*(formerly known as JRG Securities Limited)*

## Report on the Financial Statements

We have audited the accompanying financial statements of Inditrade Capital Limited, Kochi (formerly known as JRG Securities Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

## Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to

the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

## Other Matters

The financial statements of the Company for the year ended 31 March 2013 were audited by another auditor who expressed an unmodified opinion on those statements on 14 May 2013.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give

in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, we report that:
- a. we have 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;

- e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

For **Haribhakti & Co.**  
*Chartered Accountants*  
**Firm Registration No.103523W**

**S SUNDARARAMAN**  
*Partner*

Place: Chennai:  
Dated: May 27, 2014

**Membership No.028423**

## Annexure to Independent Auditors' Report

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of Inditrade Capital Limited (formerly known as JRG Securities Limited) on the financial statements for the year ended 31st March 2014]

- (i) (a) The Company is in the process of updating its records showing full particulars, including quantitative details and situation of fixed assets
- (b) The company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the company during the year.
- (ii) The Company is a service company, primarily rendering services as brokers to various stock exchanges. Accordingly, paragraph 4 (ii) of the order is not applicable.
- (iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, paragraph 4 (iii)(b),(c) and (d) of the order are not applicable.
- (b) The Company had taken loan from a company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹3, 31, 14,990/- and the year-end balance was ₹1, 65, 08,297/-.
- (c) In our opinion, the rate of interest and other terms and conditions for such loans are not, prima facie, prejudicial to the interest of the Company.
- (d) In respect of the aforesaid loans, the company is regular in repaying the principal amounts as stipulated and has been regular in payment of interest.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and with regard to the sale of services. During the course of our audit, we have not observed any continuing failure to correct weakness in internal control system of the company.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of rupees Five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the company.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, and other material statutory dues applicable to it, though there exists delay in few cases.

According to the information and explanations given to us, no undisputed dues in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, service tax, cess and other statutory dues which were outstanding, at the year end for a period of more than six months from the date they became payable.

- (b) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount*	Financial Year for which the amount relates	Forum where dispute is pending
Income tax act, 1961	Disallowed expenditure	₹1,67,84,040	2006-07; 2007-08; 2008-09; 2010-11; 2011-12	Commissioner appeal

\* of which the ₹6 00 000 is paid under dispute.

- (x) In our opinion, the accumulated losses of the company are not more than fifty percent of its net worth. Further, the company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) The company did not have any outstanding dues to any financial institution, bank or debenture holder during the year.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the company has not granted loans & advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provision of paragraph 4(xiii) of the Order is not applicable.
- (xiv) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of the transactions and contracts in respect of trading in securities, derivatives and other investments during the year and timely entries have been made therein. Further, such securities, derivatives and other investments have been held by the Company in its own name.
- (xv) In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions except a corporate guarantee of ₹7,00,00,000/- given to its subsidiary company.
- (xvi) The Company has not obtained any term loans.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) According to the information and explanation given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised money by way of public issue during the year.
- (xxi) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

For **Haribhakti & Co.**  
Chartered Accountants  
**Firm Registration No.103523W**

**S SUNDARARAMAN**  
Partner

Place: Chennai;  
Dated: May 27, 2014

**Membership No.028423**

# BALANCE SHEET

as at March 31, 2014

(All amounts are in Indian Rupees except share data and where otherwise stated)

	Note	As at 31 March, 2014	As at 31 March, 2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	23,28,55,010	23,28,55,010
Reserves and surplus	4	45,74,01,632	46,65,48,264
		<b>69,02,56,642</b>	<b>69,94,03,274</b>
<b>Non-current liabilities</b>			
Other long-term liabilities	6	1,34,18,612	1,33,00,942
		<b>1,34,18,612</b>	<b>1,33,00,942</b>
<b>Current liabilities</b>			
Trade payables	5	14,80,03,108	9,76,87,846
Other current liabilities	6	3,91,55,433	3,80,27,356
		<b>18,71,58,541</b>	<b>13,57,15,202</b>
		<b>89,08,33,795</b>	<b>84,84,19,418</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible fixed assets	7	2,50,97,393	4,77,19,629
Intangible fixed assets	8	36,10,681	82,76,108
		<b>2,87,08,074</b>	<b>5,59,95,737</b>
Non-current investments	9	36,69,35,250	36,69,35,250
Long-term loans and advances	10	8,62,24,611	8,39,25,982
		<b>48,18,67,935</b>	<b>50,68,56,969</b>
<b>Current assets</b>			
Current investments	11	11,91,60,571	-
Trade receivables	12	12,84,49,643	7,77,92,252
Cash and bank balances	13	15,04,95,206	24,07,01,817
Short-term loans and advances	10	1,04,51,073	2,16,84,082
Other current assets	14	4,09,367	13,84,298
		<b>40,89,65,860</b>	<b>34,15,62,449</b>
		<b>89,08,33,795</b>	<b>84,84,19,418</b>
Significant accounting policies	2		

The notes referred to above form an integral part of the financial statements

As per our report of even date attached  
For **Haribhakti & Co.,**  
*Chartered Accountants*  
Firm registration No : 103523W

**S Sundararaman**  
*Partner*  
Membership No: 028423

Place : Chennai  
Date : 27-May-2014

For and on behalf of the Board

**Munish Dayal**  
*Director*

**P Viswanathan**  
*Director*

**Guruswami Raj G**  
*Manager cum Company Secretary*  
Place : Gurgaon  
Date : 27-May-2014

# STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2014

(All amounts are in Indian Rupees except share data and where otherwise stated)

	Note	Year ended 31 March, 2014	Year ended 31 March, 2013
<b>REVENUE FROM OPERATIONS</b>			
Sale of services	15	12,57,11,614	16,18,55,040
Other operating revenues	16	65,99,230	76,61,815
		<b>13,23,10,844</b>	<b>16,95,16,855</b>
Other income	17	2,14,36,787	3,21,47,720
<b>Total revenue</b>		<b>15,37,47,631</b>	<b>20,16,64,575</b>
<b>EXPENSES</b>			
Operating expenses	18	4,46,24,422	5,30,31,157
Employee benefits	19	1,91,58,297	3,87,42,732
Finance costs	20	11,79,367	27,04,859
Depreciation and amortisation	7&8	2,80,60,344	4,14,45,562
Other expenses	21	6,98,75,540	9,61,19,924
<b>Total expenses</b>		<b>16,28,97,970</b>	<b>23,20,44,234</b>
<b>Loss before tax</b>		<b>(91,50,339)</b>	<b>(3,03,79,659)</b>
Provision for tax		-	-
<b>Loss after tax</b>		<b>(91,50,339)</b>	<b>(3,03,79,659)</b>
<b>Earnings per share:</b>	27		
Basic and diluted		(0.39)	(1.30)
Nominal value of equity shares		10	10
Significant accounting policies	2		

The notes referred to above form an integral part of the financial statements

As per our report of even date attached  
For **Haribhakti & Co.**,  
Chartered Accountants  
Firm registration No : 103523W

**S Sundararaman**  
Partner  
Membership No: 028423

Place : Chennai  
Date : 27-May-2014

For and on behalf of the Board

**Munish Dayal**  
Director

**P Viswanathan**  
Director

**Guruswami Raj G**  
Manager cum Company Secretary  
Place : Gurgaon  
Date : 27-May-2014

# CASH FLOW STATEMENT

for the year ended March 31, 2014

(All amounts are in Indian Rupees except share data and where otherwise stated)

	Year ended 31 March, 2014	Year ended 31 March, 2013
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net loss before tax	(91,50,339)	(3,03,79,659)
<i>Adjustments for:</i>		
Depreciation and amortization	2,80,60,344	4,14,45,562
Provision for doubtful loans and advances / receivables	16,05,895	22,19,319
Bad debts written off	10,68,528	-
(Profit) / Loss on sale of assets (net)	(8,15,914)	9,18,612
Interest income	(1,03,93,147)	(2,05,96,003)
Employee stock compensation expenses	3,706	15,64,703
Unrealized foreign exchange (gain) (net)	(16,05,895)	(7,15,700)
Dividend income	(8,31,792)	-
Provisions / liabilities no longer required written back	(40,20,265)	(48,22,348)
Profit on sale / redemption of Current Investments	(23,76,867)	-
Interest expense	11,79,367	27,04,859
<b>Operating profit/(loss) before working capital changes</b>	<b>27,23,621</b>	<b>(76,60,655)</b>
<i>Adjustments for:</i>		
(Increase)/decrease in trade receivables	(5,17,25,920)	(1,88,16,552)
(Increase) /decrease in loans and advances	99,74,262	8,10,48,272
(Decrease)/increase in liabilities and provisions	5,55,81,273	16,66,261
<b>Cash (used in) / from operations</b>	<b>1,65,53,236</b>	<b>5,62,37,326</b>
Income tax paid	(10,39,883)	62,37,879
<b>Net cash used in operating activities (A)</b>	<b>1,55,13,353</b>	<b>6,24,75,205</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(25,33,755)	(1,06,23,720)
Proceeds from sale of fixed assets	25,76,990	4,53,062
Investment in bank deposits (having original maturity of more than three months)	13,17,29,713	88,95,259
Purchase of current investments	(30,92,82,260)	-
Proceeds from Sale / Redemption of current Investments	19,24,98,557	-
Dividend income received from investments	8,31,792	-
Interest received	1,13,68,078	2,50,71,223
<b>Net cash from / (used in) investing activities (B)</b>	<b>2,71,89,115</b>	<b>2,37,95,824</b>

# CASH FLOW STATEMENT *(Contd.)*

for the year ended March 31, 2014

*(All amounts are in Indian Rupees except share data and where otherwise stated)*

	Year ended 31 March, 2014	Year ended 31 March, 2013
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
(Repayment of)/ Proceeds from short-term borrowings	-	(5,60,00,000)
(Increase) / decrease in loan from subsidiary companies	-	(6,38,78,555)
Finance cost paid	(11,79,367)	(27,04,859)
<b>Net cash used in financing activities</b> (C)	<b>(11,79,367)</b>	<b>(12,25,83,414)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b> (A+B+C)	<b>4,15,23,101</b>	<b>(3,63,12,385)</b>
Cash and cash equivalents at the beginning of the year	4,12,54,991	7,75,67,376
Cash and cash equivalents at the end of the year	8,27,78,092	4,12,54,991

The accompanying notes are the integral part of the financial statements.

As per our report of even date attached  
For **Haribhakti & Co.**,  
*Chartered Accountants*  
Firm registration No : 103523W

**S Sundararaman**  
*Partner*  
Membership No: 028423

Place : Chennai  
Date : 27-May-2014

For and on behalf of the Board

**Munish Dayal**  
*Director*

**P Viswanathan**  
*Director*

**Guruswami Raj G**  
*Manager cum Company Secretary*  
Place : Gurgaon  
Date : 27-May-2014

# Notes to the Financial Statements

for the year ended March 31, 2014

(All amounts are in Indian Rupees except share data and where otherwise stated)

## 1 Company overview

Inditrade Capital Limited (formerly known as JRG Securities Limited) (“the Company”) was incorporated on 17 October 1994. The Company is primarily engaged in the business as brokers for securities trading in various stock exchanges and to act as a depository participant.

## 2 Significant accounting policies

### 2.1 Basis of preparation

These financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the Generally Accepted Accounting Principles (GAAP) in India and comply with the Accounting Standards (‘AS’) prescribed in the Companies (Accounting Standards) Rules, 2006, other pronouncements of the Institute of Chartered Accountants of India (ICAI), the relevant provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India (SEBI) to the extent applicable. These financial statements are prepared and presented in Indian Rupees and rounded-off to the nearest rupee.

All assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. Based on the nature of its business, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

### 2.2 Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and reported amounts of income and expenses during the period. Actual figures may differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

### 2.3 Fixed assets and depreciation / amortisation

#### Tangible fixed assets

Tangible fixed assets are carried at cost of acquisition or construction less accumulated depreciation and impairment, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation on tangible fixed assets is provided on Straight Line method. The rates of depreciation prescribed in Schedule XIV to the Companies Act, 1956 are considered as the minimum rates. If the management’s estimate of the useful life of a tangible asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the management’s estimate of the useful life/remaining useful life. The rates of depreciation followed by the Company are as follows:

Category	Rates per annum (%)
Furniture and fittings	20.00%
Office equipments	20.00%
Computers	16.21%
Electrical fittings	20.00%
V- Sat equipments	16.21%
Motor vehicle	20.00%

Depreciation in respect of leasehold improvements is provided on the straight-line method over a period of 5 years since the management is reasonably certain of renewal of lease terms.

Pro rata depreciation is provided on all fixed assets purchased/ sold during the year. Individual assets costing ₹5,000/- or less are depreciated as per the provisions of the Companies Act, 1956.

Advances paid towards acquisition of fixed assets and the cost of assets not ready to be put to use before the year end are disclosed under long term loans and advances, and capital work in progress respectively.

# Notes to the Financial Statements (contd.)

for the year ended March 31, 2014

(All amounts are in Indian Rupees except share data and where otherwise stated)

## Intangible fixed assets

Intangible assets representing computer software are recorded at the consideration paid for acquisition. Software is amortized over their estimated useful lives of five years on a straight-line basis, commencing from the date the asset is available to the Company for its use.

Non compete fee paid and capitalized is amortized on a progressively decreasing basis over the three year non compete period.

## 2.4 Impairment

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount (higher of net realizable value and value in use) of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than the carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

## 2.5 Revenue

Brokerage income in relation to securities broking activity is recognised on the trade date of transaction (net of service tax), upon confirmation of trade by the stock exchange.

Depository income (net of service tax) pertains to income (including account opening fees) from depository services rendered by the Company and is recognised on accrual basis.

## 2.6 Interest income

Interest income is recognised on a time proportionate basis taking into account the amount outstanding and the rate applicable.

Dividend income is recognized when the shareholders' right to receive payment is established by the balance sheet date.

## 2.7 Investments

Investments that are readily realisable and are intended by the management to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

Current investments are carried at the lower of cost and fair value. In case of investments in mutual funds, the net asset value of units declared by the mutual funds is considered as the fair value.

Long-term investments are carried at cost and provisions are recorded to recognize any decline, other than temporary, in the carrying value of each investment.

## 2.8 Foreign currency transactions

Foreign currency transactions are accounted at the exchange rates prevailing on the date of the relevant transactions. Exchange differences arising on foreign currency transactions settled during the year are recognized in the profit and loss account of the year. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date. The resultant exchange differences are recognized in the statement of profit and loss.

## 2.9 Operating lease

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term.

## 2.10 Employee benefits

Short term employee benefit plans

All short term employee benefit plans such as salaries, wages, bonus, special awards and, medical benefits which fall due within 12 months from the period in which the employee renders the related services which entitles him to avail such benefits are recognized on an undiscounted basis and charged to the statement of profit and loss.

# Notes to the Financial Statements (contd.)

for the year ended March 31, 2014

(All amounts are in Indian Rupees except share data and where otherwise stated)

## Defined contribution plan

Contributions to the provident funds are made monthly at a predetermined rate to the regional provident fund commissioner and debited to the statement of profit and loss on an accrual basis.

## Defined benefit plan

Provision is made for gratuity based on actuarial valuation, carried out by an independent actuary as at the balance sheet date, using the projected unit credit method. All actuarial gains and losses arising during the year are recognized in the statement of profit and loss of the year.

### 2.11 Taxation

Income-tax expense comprise current tax (i.e. amount of tax for the period determined in accordance with the income-tax law), and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is a reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed as at the balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized. Current tax and deferred tax assets and liabilities are offset to the extent to which the Company has a legally enforceable right to set off and they relate to taxes on income levied by the same governing taxation laws.

### 2.12 Provisions, contingent liabilities and contingent assets

The Company creates a provision when there is present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognised nor disclosed in the financial statements.

### 2.13 Employee stock options plan

In accordance with the Securities and Exchange Board of India guidelines, the fair value of the options as at the date of grant of options under the employee stock option scheme, is treated as employee compensation and amortised over the vesting period.

### 2.14 Cash flow

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the Company are segregated.

### 2.15 Cash and cash equivalents

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

### 2.16 Earnings per share

Basic earnings per share is computed by dividing net profit or loss for the period attributable to equity shareholders by the weighted average number of shares outstanding during the year. Diluted earnings per share amounts are computed after adjusting the effects of all dilutive potential equity shares. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share, and also the weighted average number of equity shares, which could have been issued on the conversion of all dilutive potential shares. The diluted potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

## Notes to the Financial Statements (contd.)

for the year ended March 31, 2014

(All amounts are in Indian Rupees except share data and where otherwise stated)

### 3 SHARE CAPITAL

Particulars	As at 31 March, 2014	As at 31 March, 2013
<b>Authorised:</b>		
4 00 00 000 ( Previous year: 4 00 00 000 ) equity shares of ₹10 each	40,00,00,000	40,00,00,000
<b>Issued subscribed and paid-up</b>		
2 33 52 626 ( Previous Year: 2 33 52 626 ) equity shares of ₹10 each fully paid up	23,35,26,260	23,35,26,260
Less : Shares held by the Employees Stock option payment trust ("JRG ESOP Trust") (Refer note no 33)	(6,71,250)	(6,71,250)
	<b>23,28,55,010</b>	<b>23,28,55,010</b>

#### a) Reconciliation of the number of shares outstanding at the beginning and at the end of reporting year

Particulars	As at 31 March, 2014		As at 31 March, 2013	
	No. of shares	Value	No. of shares	Value
<b>At the beginning and at the end of the year</b>	2,33,52,626	23,35,26,260	2,33,52,626	23,35,26,260

#### b) Reconciliation of the number of shares outstanding in JRG ESOP Trust

Particulars	As at 31 March, 2014		As at 31 March, 2013	
	No. of shares	Value	No. of shares	Value
<b>At the beginning and at the end of the year</b>	67,125	6,71,250	67,125	6,71,250

#### c) Terms / rights attached to equity shares

The Company has only one class of shares of equity share having a par value of ₹10 per share. Each holder of the equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed (if any) by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Name of the shareholder	As at 31 March, 2014		As at 31 March, 2013	
	No. of shares	% holding	No. of shares	% holding
<b>Duckworth Limited , Mauritius. (Holding Company)</b>	1,06,46,995	45.59%	1,06,46,995	45.59%

#### e) Shares allotted as fully paid up pursuant to contract(s) without payment being received in cash (during 5 years immediately preceding March 31,2014)

The company has not made any issue of Bonus Shares or Shares in consideration other than cash in pursuance of any contract during the period of 5 years preceding the reporting period.

#### f) Details of the shares reserved for issue under options

The Company issued options under the Employees stock option plan 2005 ("2005 Plan") in the financial year 2005-2006. The 2005 Plan covers all non- promoter directors and employees of the Company (collectively referred to as "eligible employees") and its subsidiaries. Under the plan, the Company granted 179,100 options on 3 September 2005. The Compensation Committee granted the options on the basis of performance, criticality and potential of the employees as identified by management.

## Notes to the Financial Statements (contd.)

for the year ended March 31, 2014

(All amounts are in Indian Rupees except share data and where otherwise stated)

### 3 SHARE CAPITAL (Contd.)

The Company had computed the fair value of the options for the purpose of accounting of employee compensation cost/expense over the vesting period of the options. The estimated fair value of each stock option granted on 3 September 2005 was ₹0.28. This has been calculated based on independent valuation report, which has been estimated under the Black Scholes option pricing model. The exercise price for these options granted is ₹10. The inputs were the share price at grant date of ₹10.67, exercise price of ₹10, expected volatility of NIL (the Company was not listed at the time of grant of options), expected dividends 7.5%, contractual life of 4.05 years, and a risk-free interest rate of 6.59%. The vesting period for these options granted under the 2005 plan varies from 12 months to 36 months. Out of the 179,100 options granted on 3 September 2005, 50,220 options were forfeited and 111,005 options were exercised up to 31 March 2012.

**Summary of the status of options granted under ESOP 2005 Plan which was subsequently merged under ESOP 2008 Plan to employees as at 31 March 2014 is presented below:**

Number of Options	As at 31 March, 2014	As at 31 March, 2013
Options granted and outstanding at the beginning and end of the year	17,875	17,875

During the financial year 2007-2008, the 2005 plan was merged with JRG Employee Stock option plan 2008 ("2008 Plan"). The 2008 Plan was approved on 15 July 2008 at the annual general meeting of shareholders and was effective from the same date. The objective of this 2008 Plan is to encourage ownership of the Company's equity by its employees on an ongoing basis. The ESOP 2008 is intended to reward the employees for their contribution to the successful operation of Inditrade Capital Limited (formerly known as JRG Securities Limited) and to provide an incentive to continue contributing to the success of the company. The new plan provides that the lock-in period and other terms and conditions of this scheme shall apply ipso facto as they applied to the options issued under 2005 Plan.

**Basic terms of the options granted under 2008 Plan are presented below:**

Grant date	29-Jul-08	25-May-09	25-Jul-09	27-Oct-09	25-May-10	10-Nov-10	01-Apr-11
Option granted	1,00,000	2,62,500	10,000	38,000	2,82,250	1,84,802	1,07,105
Exercise price (₹/Option)	38.00	34.00	38.00	46.00	36.00	36.00	36.00
Number of personnel in the option programme	8	63	2	2	98	1	1

The fair value of stock options has been determined using the Black Scholes option pricing model.

**Presumptions used in fair value computations:**

Grant date	29-Jul-08	25-May-09	25-Jul-09	27-Oct-09	25-May-10	10-Nov-10	01-Apr-11
Vesting period	12 Months to 48 Months						
Expected option life	7 years	7 years	7 years	7 years	7 years	7 years	7 years
Expected volatility	33%	33%	45%	45%	45%	45%	45%
Expected dividend	0%	0%	0%	0%	0%	0%	0%
Risk free rate	6.15%	6.15%	7%	7%	8.50%	8.50%	8.50%
Share price at grant date	37.73	39.90	41.00	49.00	35.90	34.70	15.80
Fair value (₹/ option)	18.00	22.00	25.00	29.00	21.00	17.80	10.15

**Summary of the status of options granted under 2008 Plan to employees as at 31 March 2014 is presented below :**

Particulars	As at 31 March, 2014	As at 31 March, 2013
Options granted and outstanding at the beginning of the year	4,88,657	5,35,157
Less: Exercised / Forfeited during the year	2,91,907	46,500
Options granted and outstanding at the end of the year	1,96,750	4,88,657
Exercisable options at the end of the year	1,96,750	1,00,177

## Notes to the Financial Statements (contd.)

for the year ended March 31, 2014

(All amounts are in Indian Rupees except share data and where otherwise stated)

### 4 RESERVES AND SURPLUS

Particulars	As at 31 March, 2014	As at 31 March, 2013
<b>I. Capital reserve</b>		
At the commencement and end of the year	7,19,54,736	7,19,54,736
<b>II. Securities premium account</b>		
At the commencement and end of the year	49,73,22,134	49,73,22,134
<b>III. Employee stock option outstanding</b>		
Balance at the beginning of the year	77,80,841	96,12,716
Less: Options forfeited during the year	-	(10,15,500)
Less: Transfer to general reserve on account of forfeiture	(43,76,591)	(8,16,375)
<b>Balance at the end of the year</b>	<b>A 34,04,250</b>	<b>77,80,841</b>
<b>Deferred stock compensation cost</b>		
Balance at the beginning of the year	3,706	25,83,909
Less: Amortization during the year	(3,706)	(15,64,703)
Less: Options forfeited during the year	-	(10,15,500)
<b>Balance at the end of the year</b>	<b>B -</b>	<b>3,706</b>
<b>Employee stock option outstanding (net)</b>	<b>A-B 34,04,250</b>	<b>77,77,135</b>
<b>IV. General reserve</b>		
Balance at the beginning of the year	51,78,564	43,62,189
Add: Transfer from employee stock option reserve	43,76,591	8,16,375
<b>Balance at the end of the year</b>	<b>95,55,155</b>	<b>51,78,564</b>
<b>V. Surplus / (deficit) in the statement of profit and loss</b>		
Balance at the beginning of the year	(11,56,84,304)	(8,53,04,645)
Net loss after tax transferred from statement of profit and loss	(91,50,339)	(3,03,79,659)
<b>Balance at the end of the year</b>	<b>(12,48,34,643)</b>	<b>(11,56,84,304)</b>
<b>Total reserves and surplus</b>	<b>45,74,01,632</b>	<b>46,65,48,264</b>

### 5 TRADE PAYABLES \*

Particulars	As at 31 March, 2014	As at 31 March, 2013
Payable to clients	14,66,83,406	9,50,35,178
Business incentive payable	13,19,702	26,52,668
	<b>14,80,03,108</b>	<b>9,76,87,846</b>

\* For Micro, small and medium enterprises, refer note 31

### 6 OTHER LIABILITIES

Particulars	Non-current		Current	
	As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013
<b>Dues to Companies within the same group</b>				
JRG Fincorp Limited	-	-	2,19,80,402	48,35,536
Inditrade Business Consultants Limited	-	-	27,60,773	61,31,516
			<b>2,47,41,175</b>	<b>1,09,67,052</b>
<b>Other payables</b>				
Unclaimed dividend	-	-	2,55,825	5,40,897
Security deposits	1,34,18,612	1,33,00,942	-	2,75,000
Provision for expenses	-	-	96,41,561	1,21,34,785
Provision for employee benefits	-	-	15,98,707	33,79,267
Unearned revenue	-	-	9,49,181	10,74,907
Creditors for capital goods	-	-	1,50,000	24,95,000
Payable to exchanges	-	-	-	55,29,374
Others	-	-	18,18,984	16,31,074
	<b>1,34,18,612</b>	<b>1,33,00,942</b>	<b>1,44,14,258</b>	<b>2,70,60,304</b>
	<b>1,34,18,612</b>	<b>1,33,00,942</b>	<b>3,91,55,433</b>	<b>3,80,27,356</b>

There are no amounts due for payment to the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at the year end.

## Notes to the Financial Statements (contd.)

for the year ended March 31, 2014

(All amounts are in Indian Rupees except share data and where otherwise stated)

### 7 TANGIBLE FIXED ASSETS

Particulars	Furniture and Fittings	Office Equipments	Computers	Electrical Fittings	Motor Vehicles	V-Sat Equipments	Total
<b>Balance as at 1 April 2012</b>	<b>5,52,61,856</b>	<b>3,62,99,950</b>	<b>5,80,28,614</b>	<b>87,48,485</b>	<b>8,83,974</b>	<b>2,01,40,102</b>	<b>17,93,62,981</b>
Additions	18,10,876	4,96,004	1,59,93,264	22,71,267	-	-	2,05,71,411
Deletions / write off	12,19,311	9,86,086	8,03,924	33,89,424	-	2,06,528	66,05,273
<b>Balance as at 1 April 2013</b>	<b>5,58,53,421</b>	<b>3,58,09,868</b>	<b>7,32,17,954</b>	<b>76,30,328</b>	<b>8,83,974</b>	<b>1,99,33,574</b>	<b>19,33,29,119</b>
Additions	8,11,850	2,96,900	-	5,82,588	-	-	16,91,338
Deletions / write off	1,57,06,247	48,90,900	57,07,069	10,21,706	7,81,295	5,53,329	2,86,60,546
<b>Balance as at 31 March 2014</b>	<b>4,09,59,024</b>	<b>3,12,15,868</b>	<b>6,75,10,885</b>	<b>71,91,210</b>	<b>1,02,679</b>	<b>1,93,80,245</b>	<b>16,63,59,911</b>
<b>Accumulated depreciation</b>							
<b>Balance as at 1 April 2012</b>	<b>3,98,15,879</b>	<b>2,11,17,073</b>	<b>4,06,58,219</b>	<b>52,07,830</b>	<b>5,88,401</b>	<b>1,08,84,631</b>	<b>11,82,72,033</b>
Depreciation for the year	1,01,32,464	65,92,457	1,13,46,470	15,38,229	1,45,945	29,18,180	3,26,73,745
Accumulated depreciation on disposals	10,85,454	9,45,943	6,48,790	25,19,977	-	1,36,124	53,36,288
<b>Balance as at 1 April 2013</b>	<b>4,88,62,889</b>	<b>2,67,63,587</b>	<b>5,13,55,899</b>	<b>42,26,082</b>	<b>7,34,346</b>	<b>1,36,66,687</b>	<b>14,56,09,490</b>
Depreciation for the year	44,34,897	62,80,371	75,67,785	13,50,232	45,381	28,73,835	2,25,52,500
Accumulated depreciation on disposals	1,53,28,717	43,14,045	51,53,282	9,95,768	6,80,731	4,26,930	2,68,99,472
<b>Balance as at 31 March 2014</b>	<b>3,79,69,069</b>	<b>2,87,29,913</b>	<b>5,37,70,402</b>	<b>45,80,546</b>	<b>98,996</b>	<b>1,61,13,592</b>	<b>14,12,62,518</b>
<b>Net Block</b>							
<b>As at 31 March 2013</b>	<b>69,90,532</b>	<b>90,46,281</b>	<b>2,18,62,055</b>	<b>34,04,246</b>	<b>1,49,628</b>	<b>62,66,887</b>	<b>4,77,19,629</b>
<b>As at 31 March 2014</b>	<b>29,89,955</b>	<b>24,85,955</b>	<b>1,37,40,483</b>	<b>26,10,664</b>	<b>3,683</b>	<b>32,66,653</b>	<b>2,50,97,393</b>

### 8 INTANGIBLE FIXED ASSETS

Particulars	Computer Software	Non Compete Fee*	Total
<b>Balance as at 1 April 2012</b>	<b>8,44,30,404</b>	<b>5,00,00,000</b>	<b>13,44,30,404</b>
Additions	-	-	-
Deletions / write off	1,02,689	-	1,02,689
<b>Balance as at 1 April 2013</b>	<b>8,43,27,715</b>	<b>5,00,00,000</b>	<b>13,43,27,715</b>
Additions	8,42,417	-	8,42,417
Deletions / write off	-	-	-
<b>Balance as at 31 March 2014</b>	<b>8,51,70,132</b>	<b>5,00,00,000</b>	<b>13,51,70,132</b>
<b>Accumulated amortization</b>			
<b>Balance as at 1 April 2012</b>	<b>6,80,76,367</b>	<b>4,93,06,112</b>	<b>11,73,82,479</b>
Amortization for the year	80,77,929	6,93,888	87,71,817
Accumulated amortization on disposals	1,02,689	-	1,02,689
<b>Balance as at 1 April 2013</b>	<b>7,60,51,607</b>	<b>5,00,00,000</b>	<b>12,60,51,607</b>
Amortization for the year	55,07,844	-	55,07,844
Accumulated amortization on disposals	-	-	-
<b>Balance as at 31 March 2014</b>	<b>8,15,59,451</b>	<b>5,00,00,000</b>	<b>13,15,59,451</b>
<b>Net Block</b>			
<b>As at 31 March 2013</b>	<b>82,76,108</b>	<b>-</b>	<b>82,76,108</b>
<b>As at 31 March 2014</b>	<b>36,10,681</b>	<b>-</b>	<b>36,10,681</b>

\* Represents Non Compete Fee paid under an agreement with certain promoters for a period of 3 years commencing from 29th April 2009

## Notes to the Financial Statements (contd.)

for the year ended March 31, 2014

(All amounts are in Indian Rupees except share data and where otherwise stated)

### 9 NON-CURRENT INVESTMENTS

Particulars	As at 31 March, 2014	As at 31 March, 2013
<b>Trade investments (valued at cost unless stated other wise)</b>		
<b>I. Investments in equity instruments (unquoted)</b>		
<b>Investment in subsidiaries</b>		
99,994 Previous year : (99,994) shares of ₹10 each fully paid up in Inditrade Business Consultants Limited (Formerly known as JRG Business Investment Consultants Ltd)	9,99,940	9,99,940
16,47,095 Previous year : (16,47,095) shares of ₹10 each fully paid up in Inditrade Derivatives and Commodities Limited (Formerly known as JRG Wealth Management Ltd)	4,13,09,850	4,13,09,850
2,49,99,994 Previous year : (2,49,99,994) shares of ₹10 each fully paid up in JRG Fincorp Limited	24,99,99,940	24,99,99,940
<b>Total</b>	<b>29,23,09,730</b>	<b>29,23,09,730</b>
<b>II. Investments in preference shares (unquoted)</b>		
<b>Investment in subsidiaries</b>		
74,62,427 Previous year : (74,62,427) preference shares of ₹10 each fully paid up in Inditrade Derivatives and Commodities Limited (Formerly known as JRG Wealth Management Ltd)	7,46,24,270	7,46,24,270
<b>III. Other investments (unquoted)</b>		
1 (Previous year : 1) share of ₹1,250 fully paid up in Cochin Stock Exchange	9,00,000	9,00,000
Less : Provision for diminution other-than-temporary	(8,98,750)	(8,98,750)
	1,250	1,250
400 (Previous year : 400) shares of AED 1000 each fully paid up in JRG International Brokerage DMCC, Dubai	49,82,016	49,82,016
Less : Provision for diminution other-than-temporary	(49,82,016)	(49,82,016)
	<b>1,250</b>	<b>1,250</b>
	<b>36,69,35,250</b>	<b>36,69,35,250</b>
Aggregate amount of unquoted investments	37,28,16,016	37,28,16,016
Aggregate amount of provision for diminution in value of investments	(58,80,766)	(58,80,766)

### 10 LOANS AND ADVANCES

Particulars	Non-current		Current	
	As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013
<b>I. Capital advances (Unsecured, considered good)</b>	-	1,43,009	-	-
<b>II. Deposits ( Unsecured )</b>				
<b>Considered good</b>				
Deposits with exchanges	5,36,18,498	4,08,71,620	-	35,13,113
Rental deposits	66,24,820	1,43,79,286	15,15,600	15,15,600
Electricity, telephone and other deposits	23,18,295	29,28,710	-	-
<b>Considered doubtful</b>				
Rental deposits	-	-	45,34,214	45,34,214
	<b>6,25,61,613</b>	<b>5,81,79,616</b>	<b>60,49,814</b>	<b>95,62,927</b>
Provision for doubtful deposits	-	-	(45,34,214)	(45,34,214)
	<b>6,25,61,613</b>	<b>5,81,79,616</b>	<b>15,15,600</b>	<b>50,28,713</b>

## Notes to the Financial Statements (contd.)

for the year ended March 31, 2014

(All amounts are in Indian Rupees except share data and where otherwise stated)

### 10 LOANS AND ADVANCES (Contd.)

Particulars	Non-current		Current	
	As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013
<b>III. Loans and advances to related parties (Unsecured, considered good)</b>				
Inditrade Derivatives and Commodities Limited	-	-	31,49,944	92,67,307
Inditrade Insurance Broking Private Limited	-	-	-	98,927
	-	-	<b>31,49,944</b>	<b>93,66,234</b>
<b>IV. Advances recoverable in cash or kind ( Unsecured )</b>				
Considered good	8,82,000	40,40,463	10,29,600	13,85,447
Considered doubtful	-	-	93,60,121	93,20,122
	<b>8,82,000</b>	<b>40,40,463</b>	<b>1,03,89,721</b>	<b>1,07,05,568</b>
Provision for doubtful advances	-	-	(93,60,121)	(93,20,122)
	<b>8,82,000</b>	<b>40,40,463</b>	<b>10,29,600</b>	<b>13,85,447</b>
<b>V. Other loans and advances</b>				
<b>Considered good</b>				
Advance tax (net of provisions)	1,91,13,787	1,80,73,904	-	-
Prepaid expenses	-	-	23,61,028	52,83,084
Gratuity Fund (net)	36,67,211	34,88,990	-	-
Other Advances	-	-	7,85,000	-
Balance with government authorities	-	-	16,09,901	6,20,604
<b>Considered doubtful</b>				
Loan to JRG International Brokerage DMCC, Dubai	-	-	1,69,17,132	1,53,11,237
	<b>2,27,80,998</b>	<b>2,15,62,894</b>	<b>2,16,73,061</b>	<b>2,12,14,925</b>
Provision for doubtful loan and advances	-	-	(1,69,17,132)	(1,53,11,237)
	<b>2,27,80,998</b>	<b>2,15,62,894</b>	<b>47,55,929</b>	<b>59,03,688</b>
<b>Total loans and advances</b>	<b>8,62,24,611</b>	<b>8,39,25,982</b>	<b>1,04,51,073</b>	<b>2,16,84,082</b>

### 11 CURRENT INVESTMENTS

Particulars	As at 31 March, 2014	As at 31 March, 2013
<b>IN EQUITY SHARE (QUOTED)</b>		
5900 Equity shares of ₹10 each fully paid up in Abbott India Ltd	99,75,303	-
310000 Equity shares of ₹2 each fully paid up in Manappuram Finance Ltd	56,16,606	-
56785 Equity shares of ₹2 each fully paid up in Lupin Ltd	5,02,68,662	-
	<b>6,58,60,571</b>	-
<b>IN MUTUAL FUNDS (UNQUOTED)</b>		
69 units in Reliance mutual fund- Direct Plan- Growth Plan	2,00,000	-
18138 units in Reliance mutual fund- Liquid Fund Treasury Plan- Growth Plan *	5,31,00,000	-
	<b>5,33,00,000</b>	-
<b>Total</b>	<b>11,91,60,571</b>	-
Market Value of Quoted Investments	7,00,09,898	-
NAV of Mutual Funds ( Unquoted)	5,69,10,791	-

\* Pledged with National Stock Exchange towards Margin Money

## Notes to the Financial Statements (contd.)

for the year ended March 31, 2014

(All amounts are in Indian Rupees except share data and where otherwise stated)

### 12 TRADE RECEIVABLES

Particulars	As at 31 March, 2014	As at 31 March, 2013
<b>I. Outstanding for a period exceeding six months from the date they are due for payment</b>		
Secured , considered good	-	13,60,665
Unsecured, considered doubtful	37,69,377	51,29,793
	<b>37,69,377</b>	<b>64,90,458</b>
Provision for doubtful trade receivables	(37,69,377)	(51,29,793)
	-	<b>13,60,665</b>
<b>II. Outstanding for a period less than six months from the date they are due for payment</b>		
Secured , considered good	3,50,61,468	7,50,67,364
Unsecured, considered good	9,33,88,175	13,64,223
Unsecured, considered doubtful	-	16,81,768
	12,84,49,643	7,81,13,355
Provision for doubtful trade receivables	-	(16,81,768)
	<b>12,84,49,643</b>	<b>7,64,31,587</b>
<b>Total trade receivables (net)</b>	<b>12,84,49,643</b>	<b>7,77,92,252</b>

### 13 CASH AND BANK BALANCES

Particulars	As at 31 March, 2014	As at 31 March, 2013
<b>Cash and cash equivalents</b>		
Cash on hand	77,077	1,66,677
Balances with banks		
On current accounts**	7,04,45,191	4,05,47,417
On unpaid dividend accounts	2,55,825	5,40,897
On Deposits with upto 3 months maturity *	1,20,00,000	-
	<b>8,27,78,093</b>	<b>4,12,54,991</b>
Other balances		
Deposits with original maturity for more than 3 months but less than 12 months *	5,57,17,113	19,94,46,316
Deposits with original maturity for more than 12 months	1,20,00,000	-
Stamps in hand	-	510
	<b>6,77,17,113</b>	<b>19,94,46,826</b>
<b>Total cash and bank balances</b>	<b>15,04,95,206</b>	<b>24,07,01,817</b>
* Includes deposits pledged with banks as security for loans and guarantees issued by banks in favour of various stock / commodity exchanges.	<b>6,53,27,848</b>	<b>10,89,52,657</b>
** Balance in current account includes the following amounts in the name of JRG ESOP Trust.	<b>2,81,378</b>	<b>2,81,378</b>

### 14 OTHER ASSETS

Particulars	As at 31 March, 2014	As at 31 March, 2013
Interest accrued on fixed deposits	4,09,367	13,84,298
<b>Total other assets</b>	<b>4,09,367</b>	<b>13,84,298</b>

## Notes to the Financial Statements (contd.)

for the year ended March 31, 2014

(All amounts are in Indian Rupees except share data and where otherwise stated)

### 15 SALE OF SERVICES

Particulars	Year ended 31 March, 2014	Year ended 31 March, 2013
Income from broking and related services	10,75,91,239	14,06,79,092
Income from depository participant services	1,81,20,375	2,11,75,948
	<b>12,57,11,614</b>	<b>16,18,55,040</b>

### 16 OTHER OPERATING INCOME

Particulars	Year ended 31 March, 2014	Year ended 31 March, 2013
Income from financial distribution support services	8,45,696	7,55,026
Interest / Penal charges for delayed payment	57,53,534	69,06,789
	<b>65,99,230</b>	<b>76,61,815</b>

### 17 OTHER INCOME

Particulars	Year ended 31 March, 2014	Year ended 31 March, 2013
Interest income		
Interest on fixed deposits	1,03,93,147	1,81,15,148
Other interest income	-	24,80,855
Interest on Income tax refund	-	6,97,199
Dividend income on current investments	8,31,792	-
Profit on sale of fixed asset	8,15,914	-
Net gain on sale of current investment	23,76,867	35,07,972
Exchange fluctuation gain (net)	16,05,895	7,15,700
Provision/ liabilities no longer required written back	40,20,265	48,22,348
Other non-operating income	13,92,907	18,08,498
	<b>2,14,36,787</b>	<b>3,21,47,720</b>

### 18 OPERATING EXPENSES

Particulars	Year ended 31 March, 2014	Year ended 31 March, 2013
Business incentive	3,28,25,073	4,20,89,662
Turnover charges	47,55,738	49,84,041
Other trading expenses	70,43,611	59,57,454
	<b>4,46,24,422</b>	<b>5,30,31,157</b>

### 19 EMPLOYEE BENEFIT EXPENSES

Particulars	Year ended 31 March, 2014	Year ended 31 March, 2013
Salaries, wages & Bonus	1,38,88,060	2,88,97,568
Contribution to provident and other funds	8,37,060	17,66,737
Expenses on employee stock option scheme	3,706	15,64,703
Staff welfare expenses	39,48,639	51,10,223
Staff incentive expenses	4,80,832	14,03,501
	<b>1,91,58,297</b>	<b>3,87,42,732</b>

## Notes to the Financial Statements (contd.)

for the year ended March 31, 2014

(All amounts are in Indian Rupees except share data and where otherwise stated)

### 20 FINANCE COST

Particulars	Year ended 31 March, 2014	Year ended 31 March, 2013
Interest expense	11,79,367	27,04,859
	<b>11,79,367</b>	<b>27,04,859</b>

### 21 OTHER EXPENSES

Particulars	Year ended 31 March, 2014	Year ended 31 March, 2013
Advertisement and business promotion	4,65,899	9,76,994
Communication	46,29,718	52,00,357
Registration and renewals	4,91,266	1,42,739
Rent	98,29,193	1,21,20,067
Rates and taxes	79,096	4,12,541
Repair and maintenance - Others	40,35,821	69,07,128
Travelling expenses	20,49,703	36,17,622
Insurance charges	75,530	77,587
Directors sitting fees	1,60,000	1,89,000
Loss on sale of fixed assets	-	9,18,612
Office and branch expenses	39,02,709	36,13,466
Power and fuel	53,04,470	52,34,590
Printing and stationery	7,10,604	1,39,269
Professional and consultancy charge ( Refer note no 23 )	74,25,397	1,24,79,747
Postage & Courier	15,59,623	38,35,693
Shared service expenses (net)	2,57,82,893	3,54,83,387
Provision for doubtful trade receivables	-	7,20,619
Provision for doubtful loans and advances	16,05,895	14,98,700
Amount no longer recoverable written off (net of provision)	10,68,369	-
Bad debts written off	159	-
Bank and other charges	4,02,031	14,27,714
Miscellaneous expenses	2,97,164	11,24,092
	<b>6,98,75,540</b>	<b>9,61,19,924</b>

### 22 CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	As at 31 March, 2014	As at 31 March, 2013
<b>Contingent liabilities</b>		
<b>a) Guarantees</b>		
Guarantee issued by the bank	-	7,50,00,000
Guarantees on behalf of subsidiary companies	7,00,00,000	12,00,00,000
<b>b) Other money for which the company is contingently liable</b>		
Income tax matters, pending decisions on various appeals made by the Company and by the Department	1,67,84,040	1,67,73,200
Provident Fund dues disputed in appeal against which ₹7,84,476 is paid under dispute and included under advances	31,37,903	-
Other Claims against the company not acknowledged as debt	4,13,46,000	1,23,96,000
<b>c) The Company is involved in claim and proceedings including show cause notice received from Securities and Exchange Board of India (SEBI) which arise in the ordinary course of the business. However there are no such matters pending that the Company expects to be material in relation to its business.</b>		
<b>Commitments</b>		
Other commitments	-	1,00,000

## Notes to the Financial Statements (contd.)

for the year ended March 31, 2014

(All amounts are in Indian Rupees except share data and where otherwise stated)

### 23 PAYMENT TO AUDITOR (included in professional and consultancy charges, excluding service tax)

Particulars	Year ended 31 March, 2014	Year ended 31 March, 2013
<b>As Auditor :</b>		
Statutory audit	5,00,000	6,50,000
Consolidation and Limited Review	3,00,000	4,75,000
Tax audit	-	50,000
Other services	25,000	1,25,000
For reimbursement of expenses	1,87,184	2,28,994

### 24 DEFERRED TAXES

The Company has not recognized the net deferred tax asset in respect of unabsorbed depreciation or carried forward loss under taxation laws as the management believes that there exists no virtual certainty in relation to its realization as on the balance sheet date.

### 25 RELATED PARTY DISCLOSURES

#### Names of related parties and nature of relationship:

Company having significant influence	Duckworth Limited, Mauritius
Subsidiary and step down subsidiary Companies	Inditrade Derivatives and Commodities Limited (formerly known as JRG Wealth Management Limited)
	Inditrade Insurance Broking Private Limited (formerly known as JRG Insurance Broking Private Limited)
	JRG Fincorp Limited
	Inditrade Business Consultants Limited (formerly known as JRG Business Investment Consultants Limited)
Key managerial personnel	Anand Tandon (Managing Director from 6th August 2013 to 13th February 2014) Gopichand S ( Managing Director from 25th January 2012 to 6th August 2013
	Guruswami Raj G (Manager cum Company Secretary)

#### Transactions and balance with related parties

Particulars	31 March 2014		31 March 2013	
	Transactions during the year	Amount (payable) / receivable	Transactions during the year	Amount (payable) / receivable
<b>Equity contribution</b>				
Inditrade Business Consultants Limited	-	10,00,000	-	10,00,000
Inditrade Derivatives and Commodities Limited (Equity shares)	-	1,64,70,950	-	1,64,70,950
Inditrade Derivatives and Commodities Limited (Preference Shares)	-	7,46,24,270	-	7,46,24,270
JRG Fincorp Limited	-	24,99,99,940	-	24,99,99,940
<b>Advance given/ (taken) (net)</b>				
Inditrade Derivatives and Commodities Limited	(1,26,27,759)	31,49,945	-	92,67,309
JRG Fincorp Limited	1,25,69,814	(54,72,105)	-	(48,35,536)
Inditrade Business Consultants Limited	2,45,01,655	(27,60,773)	-	-
<b>Loan given / (taken) to Subsidiaries</b>				
Inditrade Business Consultants Limited	-	-	(4,62,74,200)	(61,31,516)
JRG Fincorp Limited	(4,71,14,990)	(1,65,08,297)	8,10,04,640	-
Inditrade Derivatives and Commodities Limited	1,73,14,990	-	(1,59,97,225)	-

## Notes to the Financial Statements (contd.)

for the year ended March 31, 2014

(All amounts are in Indian Rupees except share data and where otherwise stated)

### 25 RELATED PARTY DISCLOSURES (Contd.)

#### Transactions and balance with related parties (Contd.)

Particulars	31 March 2014		31 March 2013	
	Transactions during the year	Amount (payable) / receivable	Transactions during the year	Amount (payable) / receivable
<b>Loans repaid</b>				
JRG Fincorp Limited	3,06,06,693			
Inditrade Derivatives and Commodities Limited	(1,73,14,990)			
<b>Balance in trading account</b>				
JRG Fincorp Limited	48,31,402	36,56,383	(11,75,019)	(11,75,019)
<b>Reimbursement of expenses/ (income) (net)</b>				
Inditrade Derivatives and Commodities Limited	3,03,679	-	22,10,365	-
Inditrade Insurance Broking (P) Limited	(2,651)	-	1,97,375	98,927
JRG Fincorp Limited	6,11,285	-	(14,44,155)	-
Inditrade Business Consultants Limited	(5,86,592)	-	(37,61,451)	-
<b>Interest (expense) / income (net)</b>				
JRG Fincorp Limited	(5,43,080)		(25,69,184)	
Inditrade Business Consultants Limited	-	-	24,80,854	-
Inditrade Derivatives and Commodities Limited	(5,693)	-	(27,730)	-
<b>Shared service expenses (including service tax)</b>				
Inditrade Business Consultants Limited	(2,05,44,320)	-	(1,98,58,139)	-
JRG Fincorp Limited	(1,32,74,588)	-	(1,79,48,282)	-
Inditrade Derivatives and Commodities Limited	62,01,025	-	2,30,81,898	-
Inditrade Insurance Broking (P) Limited	(96,276)			
<b>Remuneration paid</b>				
Salaries, other allowances and perquisites -				
Gopichand S.	1,16,000	-	26,67,279	-
Guruswami Raj G *	75,176	-	-	-

\* Appointed as Manager of Inditrade Capital Limited w.e.f 14th March 2014

### 26 SEGMENT REPORTING

#### a) Primary segment information (by business segments)

The Company is engaged in the business of providing broking and broking related services i.e. depository participant services to predominantly retail clients. Accordingly the primary segments have been identified as broking (including broking related services). Thus, it operates in a single primary segment.

#### b) Secondary segment reporting (by geographical segments)

The Company caters only to the needs of the domestic market. Hence there are no reportable geographical segments.

## Notes to the Financial Statements (contd.)

for the year ended March 31, 2014

(All amounts are in Indian Rupees except share data and where otherwise stated)

### 27 EARNINGS PER SHARE

Particulars		Year ended 31 March, 2014	Year ended 31 March, 2013
Earnings			
Loss for the year	A	(91,50,339)	(3,03,79,659)
Shares			
Number of shares at the beginning of the year		2,32,85,501	2,32,85,501
Add: Equity shares issued and exercised by employees under ESOP plan		-	-
Total number of shares at the end of the year		2,32,85,501	2,32,85,501
<b>Weighted average number of equity shares outstanding during the year</b>	<b>B</b>	<b>2,32,85,501</b>	<b>2,32,85,501</b>
<b>Basic and diluted earnings per share</b>	<b>A / B</b>	<b>(0.39)</b>	<b>(1.30)</b>

The conversion of stock options into equity, if made, would have the effect of reducing the loss per share and would therefore be anti-dilutive. Hence, such conversion has not been considered for the purpose of calculating diluted earnings per share.

### 28 SECURITY MARGINS FROM CLIENTS.

In order to secure the performance by the clients of their obligations, commitments and liabilities to the Company, securities etc are placed as margins by creation of pledge in favour of/transfer to the Company's depository account. Such securities etc are held by the Company in a fiduciary capacity on behalf of its clients and are not recognised in the financial statements. In case such margins are received in cash, the same are disclosed under current liabilities.

### 29 EMPLOYEE BENEFIT

#### Details of actuarial valuation of gratuity pursuant to the Accounting Standard 15:

Change in projected benefit obligation		Year ended 31 March, 2014	Year ended 31 March, 2013
Projected benefit obligation at the beginning of the year		17,37,142	30,65,206
Acquisition adjustment		-	(14,11,197)
Service cost		1,36,402	4,47,382
Interest cost		1,56,343	2,52,879
Actuarial gain		(67,398)	(4,77,552)
Benefits paid		(12,45,602)	(1,39,576)
<b>Projected benefit obligation at the end of the year</b>		<b>7,16,887</b>	<b>17,37,142</b>
<b>Change in plan assets</b>			
Fair value of plan assets at beginning of the year		52,26,132	49,23,463
Expected return on plan assets		4,02,969	4,44,111
Actuarial (gain)/ loss		(3,456)	(1,866)
Contributions		4,055	-
Benefits paid		(12,45,602)	(1,39,576)
<b>Fair value of plan assets at the end of the year</b>		<b>43,84,098</b>	<b>52,26,132</b>
Reconciliation of present value of obligation on the fair value of plan assets			
Present value of projected benefit obligation at the end of the year		7,16,887	17,37,142
Funded status of the plans		43,84,098	52,26,132
<b>Funded status amount of asset recognized in the balance sheet (Refer note no. 10)</b>		<b>(36,67,211)</b>	<b>(34,88,990)</b>

## Notes to the Financial Statements (contd.)

for the year ended March 31, 2014

(All amounts are in Indian Rupees except share data and where otherwise stated)

### 29 EMPLOYEE BENEFIT (Contd.)

	Year ended 31 March, 2014	Year ended 31 March, 2013
<b>The components of net gratuity costs are reflected below:</b>		
Service cost	1,36,402	4,47,382
Interest cost	1,56,343	2,52,879
Expected return on plan assets	(4,02,969)	(4,44,111)
Recognized net actuarial (gain)/ loss	(63,942)	(4,75,686)
<b>Net gratuity costs</b>	<b>(1,74,166)</b>	<b>(2,19,536)</b>
<b>Financial assumptions as at the balance sheet date:</b>		
Discount rate	9.00%	8.25%
Long-term rate of compensation increase	8.75%	7.50%
Rate of return on plan assets	8.00%	9.15%
Attrition rate: 5% at younger ages and reducing to 1% at older ages according to graduated scale		

The Company assesses these assumptions with the projected long-term plans of growth and prevalent industry standards.

### 30 STATEMENT OF UTILISATION OF INITIAL PUBLIC OFFERING ('IPO') AS ON 31 MARCH 2014

In April 2006, the Company approached the capital market by way of an IPO. The utilisation of the proceeds from IPO in the current year is set out below :

(Amounts in Lacs)

Particulars	Envisaged in the prospectus	Change in utilization *	Utilized as on 1 Apr 2013	Utilized during the year	Total fund Utilised (Including change in utilization)	Amount remaining to be utilized 31 March 2014
Middle East operations	560.00	(366.66)	193.34	-	193.34	-
Technology upgradation						
Computer software	160.00	-	110.00	-	110.00	-
Computer hardware		-	50.00	-	50.00	-
Regional Office	600.00	-	628.81	-	628.81	-
Issue expenses	130.00	-	147.86	-	147.86	-
Opening new branches in India	-	200.00	124.07	14.67	138.74	61.26
Infrastructure development for I-trade	-	40.00	15.23	-	15.23	24.77
Other infrastructural requirements	-	126.66	123.23	-	123.23	3.43
<b>Total</b>	<b>1,450.00</b>	<b>-</b>	<b>1,392.54</b>	<b>14.67</b>	<b>1,407.21</b>	<b>89.46</b>
<b>Means of finance</b>						
Issue proceeds					1,360.54	
Internal accruals					46.67	
<b>Total utilized</b>					<b>1,407.21</b>	

\* In the Annual General meeting of the Company held on 25 July 2009, the shareholders had consented for the change in the utilization of the aforesaid monies totalling to ₹366.66 lakhs, raised by the Company during the IPO of its shares, from those specified in the object clause in the prospectus, inter alia to utilise for expansion activities of the Company in India for opening new branches, infrastructure development for I-Trade and other infrastructural requirements.

Amount pending utilization as on 31 March 2014 has been maintained in fixed deposits with the banks.

## Notes to the Financial Statements (contd.)

for the year ended March 31, 2014

(All amounts are in Indian Rupees except share data and where otherwise stated)

### 31 MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

The management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of "Micro and Small Enterprises" as defined under Micro, Small and Medium Enterprises Development Act, 2006 ("the Act"). Accordingly, based on the information received and available with the Company, there are no amounts payable to such enterprises as at 31 March 2014.

### 32 FOREIGN CURRENCY FORWARD CONTRACTS

The Company does not use foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations.

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	As at 31 March, 2014	As at 31 March, 2013
Amount receivable in foreign currency USD	2,82,484	2,82,484
Amount equivalent in INR	1,69,17,132	1,53,11,237

### 33 JRG ESOP TRUST

As per the requirements of Securities Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 ('SEBI guidelines'), since the stock option plan is administered through a trust, the accounts of the Company are prepared as if the Company itself is administering the employee stock option plan. Pursuant to such requirement of the SEBI guidelines the equity shares issued to the JRG ESOP Trust and not exercised by the employees as on 31 March 2014 have been presented as a deduction from the share capital. The bank balance of the JRG ESOP Trust as on 31 March 2014 net of the loan granted and capital contribution to the JRG ESOP Trust by the Company has been presented as bank balance of the Company.

34 The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating this information. The Company is required to update and put in place information latest by the due date for filing of its income tax return. Management is of the opinion that its transactions are at arm's length so that the aforesaid update will not have any impact on the financial statements.

35 Prior year figures have been reclassified / regrouped wherever necessary to conform to the current year's classification.

As per our report of even date attached  
For **Haribhakti & Co.**,  
Chartered Accountants  
Firm registration No : 103523W

**S Sundararaman**  
Partner  
Membership No: 028423

Place : Chennai  
Date : 27-May-2014

For and on behalf of the Board

**Munish Dayal**  
Director

**P Viswanathan**  
Director

**Guruswami Raj G**  
Manager cum Company Secretary  
Place : Gurgaon  
Date : 27-May-2014

# INDEPENDENT AUDITORS' REPORT

On the Consolidated Financial Statements of **Inditrade Capital Limited**, Kochi

*(formerly known as JRG Securities Limited)*

To

**The Board of Directors**

**Of Inditrade Capital Limited, Kochi**

*(formerly known as JRG Securities Limited)*

We have audited the accompanying consolidated financial statements of Inditrade Capital Limited, Kochi (Formerly known as JRG Securities Limited) ("the Company") and its subsidiaries (the Company, its subsidiaries, constitute "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## **Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation of these consolidated financial statements on the basis of separate financial statements and other financial information regarding components that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial

statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports on the financial statements of the subsidiaries, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

## **Other Matters**

The financial statements of the Company for the year ended 31 March 2013 were audited by another auditor who expressed an unmodified opinion on those statements on 15 May 2013.

For **Haribhakti & Co.**  
*Chartered Accountants*  
**Firm Registration No.103523W**

**S SUNDARARAMAN**

*Partner*

Place: Chennai:

Dated: May 27, 2014

**Membership No.028423**

# CONSOLIDATED BALANCE SHEET

as at March 31, 2014

(All amounts are in Indian Rupees except share data and where otherwise stated)

	Note	As at 31 March, 2014	As at 31 March, 2013
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
Share capital	3	23,28,55,010	23,28,55,010
Reserves and surplus	4	48,12,74,004	53,79,69,644
		<b>71,41,29,014</b>	<b>77,08,24,654</b>
<b>(2) Minority Interest</b>			
		<b>30,72,84,352</b>	<b>29,85,24,164</b>
<b>(3) Non-current liabilities</b>			
(a) Deferred tax liabilities	24	13,58,556	13,16,430
(b) Other long term liabilities	5	1,97,87,216	1,96,44,926
(c) Long term provisions	6	11,50,596	32,61,181
		<b>2,22,96,368</b>	<b>2,42,22,537</b>
<b>(4) Current Liabilities</b>			
(a) Trade Payables	5	22,79,14,498	18,70,77,585
(b) Other current liabilities	5	3,88,05,785	6,10,40,385
(c) Short term provisions	6	1,28,82,158	55,72,971
		<b>27,96,02,441</b>	<b>25,36,90,941</b>
		<b>1,32,33,12,175</b>	<b>1,34,72,62,296</b>
<b>II ASSETS</b>			
<b>(1) Non-current assets</b>			
<b>(a) Fixed Assets</b>			
Tangible assets	7	2,75,54,547	5,57,33,587
Intangible assets	8	1,17,63,163	1,97,12,784
		<b>3,93,17,710</b>	<b>7,54,46,373</b>
(b) Goodwill on consolidation		1,77,20,414	1,77,20,414
(c) Non-current Investments	9	1,250	1,250
(d) Long term loans and advances	10	11,06,96,664	10,51,08,518
(e) Other non-current Assets	11	10,69,825	11,09,910
		<b>16,88,05,863</b>	<b>19,93,86,465</b>
<b>(2) Current assets</b>			
(a) Current Investments	12	47,17,52,221	29,58,30,696
(b) Inventories	13	6,29,00,224	8,07,13,135
(c) Trade receivables	14	13,79,66,212	8,02,85,520
(d) Cash and bank balances	15	23,76,62,632	37,18,22,758
(e) Short term loans and advances	10	24,30,60,718	30,95,08,088
(f) Other Current Assets	11	11,64,305	97,15,634
		<b>1,15,45,06,312</b>	<b>1,14,78,75,831</b>
		<b>1,32,33,12,175</b>	<b>1,34,72,62,296</b>
Significant accounting policies	2		

The accompanying notes are the integral part of the consolidated financial statements

As per our report of even date attached

For **Haribhakti & Co.,**

Chartered Accountants

Firm registration No : 103523W

**S Sundararaman**

Partner

Membership No: 028423

For and on behalf of the Board

**Munish Dayal**

Director

**P Viswanathan**

Director

**Guruswami Raj G**

Manager cum Company Secretary

Place : Chennai

Date : 27-May-2014

Place : Gurgaon

Date : 27-May-2014

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2014

(All amounts are in Indian Rupees except share data and where otherwise stated)

	Note	Year ended 31 March, 2014	Year ended 31 March, 2013
<b>INCOME</b>			
Income from operations	16	24,47,88,377	33,07,69,818
Other Operating Income	17	1,33,55,003	1,20,17,775
		<b>25,81,43,380</b>	<b>34,27,87,593</b>
Other income	18	6,14,74,563	6,63,84,076
		<b>31,96,17,943</b>	<b>40,91,71,669</b>
<b>EXPENSES</b>			
Operating expenses	19	6,56,04,225	8,40,45,373
Employee Benefit Expenses	20	12,86,48,853	17,57,84,683
Finance Costs	21	7,84,399	94,912
Depreciation/ Amortization	7 & 8	3,59,37,544	5,14,04,494
Other Expenses	22	9,78,68,101	14,57,82,576
		<b>32,88,43,122</b>	<b>45,71,12,038</b>
<b>Loss before exceptional item and tax</b>		<b>(92,25,179)</b>	<b>(4,79,40,369)</b>
Less : Exceptional items		2,90,71,858	-
<b>Loss before tax</b>		<b>(3,82,97,037)</b>	<b>(4,79,40,369)</b>
<b>Tax expense</b>			
Current tax		96,00,000	68,04,996
Deferred tax		42,126	46,79,958
<b>Loss before minority interest</b>		<b>(4,79,39,163)</b>	<b>(5,94,25,323)</b>
Less: Minority interest in share of profit and losses (net)		87,60,188	61,64,680
<b>Loss after minority interest</b>		<b>(5,66,99,351)</b>	<b>(6,55,90,003)</b>
<b>Earnings per share:</b>			
Basic		(2.43)	(2.81)
Diluted		(2.43)	(2.81)
Nominal value of equity shares (₹)		10.00	10.00
Significant accounting policies	2		

The accompanying notes are the integral part of the consolidated financial statements

As per our report of even date attached  
For **Haribhakti & Co.,**  
Chartered Accountants  
Firm registration No : 103523W

**S Sundararaman**  
Partner  
Membership No: 028423

Place : Chennai  
Date : 27-May-2014

For and on behalf of the Board

**Munish Dayal**  
Director

**P Viswanathan**  
Director

**Guruswami Raj G**  
Manager cum Company Secretary  
Place : Gurgaon  
Date : 27-May-2014

# CONSOLIDATED CASH FLOW STATEMENT

for the year ended March 31, 2014

(All amounts are in Indian Rupees except share data and where otherwise stated)

	Year ended 31 March, 2014	Year ended 31 March, 2013
<b>CASH FLOW FROM OPERATING ACTIVITY</b>		
Profit / (Loss) before tax	(3,82,97,037)	(4,79,40,369)
<i>Adjustments for</i>		
Depreciation & Amortisation	3,59,37,544	5,14,04,494
Provision for doubtful Loans and Advances/ debts	3,31,61,348	50,41,317
Bad debts written off	3,53,472	83
Assets written off	-	9,63,782
(Profit) / Loss on sale of Assets	(7,45,032)	11,32,533
Interest income	(1,90,38,381)	(2,92,15,943)
Dividend income	(17,64,016)	(1,89,015)
Employee Stock compensation expenses	3,706	15,64,703
Unrealised foreign exchange (gain) (net)	-	(7,15,700)
MTM (Gain)/ loss in Mutual fund investment	18,86,336	(55,43,227)
Provision / Liabilities no longer required written back	(1,11,88,654)	(60,40,176)
(Profit) / Loss on sale of current investment	(2,69,67,604)	(2,09,52,892)
Finance Cost	7,84,399	94,912
<b>Operating profit/(loss) before working capital changes</b>	<b>(2,58,73,919)</b>	<b>(5,03,95,498)</b>
(Increase) / decrease in Inventories	1,78,12,911	10,58,17,636
(Increase) / decrease in trade receivables	(6,02,89,043)	(1,26,88,587)
(Increase) / decrease in Loans and advances	3,35,60,649	15,71,92,107
Increase / (decrease) in trade payables, Other paybles & Provisions	2,61,75,118	(6,34,14,528)
Cash Generated from Operations	(86,14,284)	13,65,11,130
Less : Income tax paid (net of refunds)	(42,51,148)	(28,06,894)
<b>NET CASH FROM / (USED IN) OPERATING ACTIVITIES</b>	<b>A (1,28,65,432)</b>	<b>13,37,04,236</b>
<b>CASH FLOWS FROM INVESTING ACTIVITY</b>		
Payments for Fixed Assets	(26,66,006)	(1,49,83,827)
Sale Proceeds from Fixed Assets	36,02,156	5,64,814
Payments for Purchase of current Investment	(1,39,10,80,270)	(1,61,33,55,526)
Sale Proceeds from current Investments	1,24,06,27,774	1,41,65,88,257
Purchase of Investment Property	(3,87,761)	(59,34,844)
Investment in Bank deposits (having original maturity of more than three months)	17,30,65,663	96,20,411
Dividend income received from investments	17,64,016	1,89,015
Interest Received	2,75,83,121	3,61,71,033
<b>NET CASH FLOW FROM/ (USED IN) INVESTING ACTIVITIES</b>	<b>B 5,25,08,693</b>	<b>(17,11,40,667)</b>

# CONSOLIDATED CASH FLOW STATEMENT *(Contd.)*

for the year ended March 31, 2014

*(All amounts are in Indian Rupees except share data and where otherwise stated)*

	Year ended 31 March, 2014	Year ended 31 March, 2013
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>		
(Repayment)/ Proceeds From Borrowings	-	(5,60,00,000)
Finance Cost	(7,84,399)	(94,912)
<b>NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES</b>	<b>C</b>	<b>(5,60,94,912)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(A+B+C)</b>	<b>(9,35,31,343)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>6,53,53,235</b>	<b>15,88,84,578</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>10,42,12,097</b>	<b>6,53,53,235</b>

The accompanying notes are the integral part of the consolidated financial statements

As per our report of even date attached  
For **Haribhakti & Co.,**  
*Chartered Accountants*  
Firm registration No : 103523W

**S Sundararaman**  
*Partner*  
Membership No: 028423

Place : Chennai  
Date : 27-May-2014

For and on behalf of the Board

**Munish Dayal**  
*Director*

**P Viswanathan**  
*Director*

**Guruswami Raj G**  
*Manager cum Company Secretary*  
Place : Gurgaon  
Date : 27-May-2014

# Consolidated Notes to the Financial Statements

for the year ended March 31, 2014

(All amounts are in Indian Rupees except share data and where otherwise stated)

## 1 Company overview

Inditrade Capital Limited (formerly known as JRG Securities Limited) (“Inditrade” or “the Company”) along with its subsidiaries (hereinafter the above said companies are collectively referred to as ‘the group’) are primarily engaged in the business of retail broking (securities and commodity broking), direct insurance agents, financial services, marketing support services and dealing in stocks and commodities. The Company’s equity shares are listed in Bombay Stock Exchange.

Inditrade’s subsidiaries, step-down subsidiaries are listed below:

Name of the subsidiaries	Country of Incorporation	Percentage of Holding
Inditrade Derivatives and Commodities Limited (“IDCL”) (formerly known as JRG Wealth Management Limited)	India	91.51%
Inditrade Insurance Broking (P) Ltd (formerly known as JRG Insurance Broking Private Limited)	India	Wholly owned subsidiary of IDCL
JRG Fincorp Limited	India	57.00%
Inditrade Business Consultants Limited (formerly known as JRG Business Investment Consultants Limited)	India	100.00%

## 2 Significant accounting policies

### 2.1 Basis of preparation

The consolidated financial statements of Inditrade Capital Limited and its subsidiaries (collectively referred as ‘the group’) have been prepared and presented in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises accounting standards notified by the Central Government of India under Section 211 (3C) of the Companies Act, 1956, other pronouncements of the Institute of Chartered Accountants of India, the provisions of Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India.

### 2.2 Use of estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and reported amounts of income and expenses during the period. Actual figures may differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

### 2.3 Principles of consolidation

The consolidated financial statements include the financial statements of Inditrade Capital Limited, the parent company and all of its subsidiaries (collectively referred to as “the Group” or “Inditrade group”), in which the Company has more than one-half of the voting power of an enterprise or where the Company controls the composition of the board of directors.

The consolidated financial statements have been prepared on the following basis:

The financial statements of the parent company and the subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances / transactions and resulting unrealized profits in full. Unrealized losses resulting from intra-group transactions have also been eliminated except to the extent that recoverable value of related assets is lower than their cost to the group. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the parent company and its share in the post-acquisition increase in the relevant reserves of the subsidiaries

The Group accounts for investments by the equity method of accounting where it is able to exercise significant influence over the operating and financial policies of the investee. Inter company profits and losses have been proportionately eliminated until realized by the investor or investee.

The excess / deficit of cost to the parent company of its investment in the subsidiaries over its portion of equity at the respective

# Consolidated Notes to the Financial Statements (contd.)

for the year ended March 31, 2014

(All amounts are in Indian Rupees except share data and where otherwise stated)

dates on which investment in such entities were made are recognized in the financial statements as goodwill / capital reserve. The parent company's portion of equity in such entities is determined on the basis of the book values of assets and liabilities as per the financial statements of such entities as on the date of investment and if not available, the financial statements for the immediately preceding period adjusted for the effects of significant transactions, up to the date of investment.

The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the parent company for its separate financial statements.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

## 2.4 Fixed assets and depreciation

### Tangible fixed assets

Tangible assets are carried at cost of acquisition or construction less accumulated depreciation and impairment, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation on tangible assets is provided on straight line method. The rates of depreciation prescribed in Schedule XIV to the Companies Act, 1956 are considered as the minimum rates. If the management's estimate of the useful life of a tangible asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the management's estimate of the useful life/remaining useful life. The rates of depreciation followed by the Company are as follows:

Category	Rates per annum (%)
Furniture and fittings	20.00%
Office equipments	20.00%
Computers	16.21%
Electrical fittings	20.00%
Motor vehicle	20.00%
V- Sat equipments	16.21%

Depreciation in respect of leasehold improvements is provided on the straight-line method over a period of 5 years since the management is reasonably certain of renewal of lease terms.

Individual assets costing ₹5,000 or less are depreciated as per the provisions of Companies Act, 1956.

### Intangible fixed assets and amortization

Intangible assets representing computer software are recorded at the consideration paid for acquisition. Software is amortized over their estimated useful lives of five years on a straight-line basis, commencing from the date the asset is available to the Company for its use. Non-compete fee paid and capitalized is amortized on a progressively decreasing basis over the 3 years non-compete period.

Advances paid towards acquisition of fixed assets and the cost of assets not ready to be put to use before the year end are disclosed under long term loans and advances, and capital work in progress and intangibles assets under development respectively.

## 2.5 Impairment of assets

The Group assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount (higher of net selling price and value in use) of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than the carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

# Consolidated Notes to the Financial Statements (contd.)

for the year ended March 31, 2014

(All amounts are in Indian Rupees except share data and where otherwise stated)

## 2.6 Revenue

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

Brokerage income in relation to securities and commodities broking activity is recognized on the trade date of transaction (net of service tax), upon confirmation of trade by the stock exchange/commodity exchange.

Depository income (net of service tax) pertains to income (including account opening fees) from depository services rendered by the Company and is recognized on an accrual basis.

Insurance brokerage income is recognized on an accrual basis at the inception of the insurance policy based on the terms agreed with the insurance companies. Insurance broking income on renewed policy is recognized on the date of receipt of renewal premium from the insurance companies.

Interest income from loan business is accounted on an accrual basis except for non performing / doubtful assets, interest in respect of which is recognized, considering prudential norms for income recognition issued by the Reserve Bank of India (RBI) for Non-Banking Financial Companies on receipt basis.

Income from financial distribution, marketing support and other services is recognized as the relevant services are rendered in accordance with the terms of arrangement with the customers.

Profit or loss on sale of equity and commodities are determined based on the first in first out method. Profit or loss on closed positions of derivative instruments is recognized on final settlement or squaring up of the contracts.

## 2.7 Other Income

Dividend income is recognized when the shareholders' right to receive payment is established by the balance sheet date.

Interest income is recognized on time proportion basis.

## 2.8 Provision for doubtful loans and advances

The policy of provisioning against non performing loans and advances has been decided by the management considering prudential norms prescribed by the RBI for Non Banking Financial Companies. As per the policy adopted, the provision against sub standard assets are fixed on a conservative basis, taking into account management's perception of the higher risk associated with the business of the Company. Non performing loans and advances which when are considered as loss assets and full provision will be made against such assets.

## 2.9 Investments

"Investments are either classified as current or long-term based on the management's intention. Current investments other than unquoted mutual funds are carried at the lower of cost and fair value. In case of investments in mutual funds, the net asset value of units declared by the mutual funds is considered as the fair value. Current investments in unquoted mutual funds are carried at Net Asset Value as per the Non Banking Financial (Non Deposit Accepting or Holding) Companies, Prudential Norms (Reserve Bank) Directions, 2007.

Long-term investments are carried at cost and provisions recorded to recognize any decline, other than temporary, in the carrying value of each investment."

## 2.10 Stock-in-trade

The commodities acquired with the intention of short-term holding and trading positions are considered as stock-in-trade and disclosed as current assets and are valued at cost or net realisable value, whichever is lower.

## 2.11 Derivatives : equity index / stock - futures and commodities stock - futures

Equity index / stock / commodities futures are marked-to-market on a daily basis. Debit or credit balance disclosed under loans and advances or current liabilities respectively, in the "Mark-to-Market Margin - equity index / stock / commodities stock futures account", represents the net amount paid or received on the basis of movement in the prices of equity index / stock / commodities futures till the balance sheet date.

## Consolidated Notes to the Financial Statements (contd.)

for the year ended March 31, 2014

(All amounts are in Indian Rupees except share data and where otherwise stated)

As on the balance sheet date, profit or loss on open positions in equity index / stock / commodities futures are accounted for as follows:

- Credit balance in the “Mark-to-Market Margin – equity index / stock / commodities stock futures account”, being anticipated profit, is ignored and no credit for the same is taken in the statement of profit and loss.
- Debit balance in the “Mark-to-Market Margin – equity index / stock / commodities stock futures account”, being anticipated loss, is adjusted in the statement of profit and loss.

On final settlement or squaring-up of contracts for equity index / stock / commodities futures, the profit or loss is calculated as the difference between settlement/ squaring-up price and contract price. Accordingly, debit or credit balance pertaining to the settled/ squared-up contract in “Mark-to-Market Margin – equity index / stock / commodities stock futures account” is recognised in the profit and loss account upon expiry of the contracts. When more than one contract in respect of the relevant series of commodity futures contract to which the squared-up contract pertains is outstanding at the time of the squaring-up of the contract, the contract price of the contract so squared-up is determined using first in first out method for calculating profit / loss on squaring-up.

“Initial Margin – equity index / stock / commodities stock futures account”, representing initial margin paid, and “Margin Deposits – equity index / stock / commodities stock futures account”, representing additional margin over and above initial margin, for entering into contracts for equity index / stock / commodities futures, which are released on final settlement/ squaring-up of underlying contracts, are disclosed under loans and advances.

### 2.12 Foreign currency transactions

Foreign currency transactions are accounted at the exchange rates prevailing on the date of the relevant transactions. Exchange differences arising on foreign currency transactions settled during the year are recognized in the profit and loss account of the year. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date. The resultant exchange differences are recognized in the statement of profit and loss.

### 2.13 Operating lease

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term.

### 2.14 Employee benefits

#### Short term employee benefit plans

All short term employee benefit plans such as salaries, wages, bonus, special awards and, medical benefits which fall due within 12 months of the period in which the employee renders the related services which entitles him to avail such benefits are recognized on an undiscounted basis and charged to the statement of profit and loss.

#### Defined contribution plan

Contributions to the provident funds are made monthly at a predetermined rate to the regional provident fund commissioner and debited to the statement of profit and loss on an accrual basis.

#### Defined benefit plan

Provision is made for gratuity based on actuarial valuation, carried out by an independent actuary as at the balance sheet date, using the projected unit credit method. All actuarial gains and losses arising during the year are recognized in the statement of profit and loss of the year.

### 2.15 Taxation

Income-tax expense comprise current tax (i.e. amount of tax for the period determined in accordance with the income-tax law), and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets

# Consolidated Notes to the Financial Statements *(contd.)*

for the year ended March 31, 2014

*(All amounts are in Indian Rupees except share data and where otherwise stated)*

are recognized only to the extent there is a reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed as at the balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

Current tax and deferred tax assets and liabilities are offset to the extent to which the Company has a legally enforceable right to set off and they relate to taxes on income levied by the same governing taxation laws.

Minimum alternate tax ("MAT") paid in accordance with tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the company would pay normal income tax in the future years and accordingly, MAT is recognized as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the company and the asset can be measured reliably. MAT credit entitlement is reviewed at each balance sheet date and written down to the extent there is no convincing evidence to the effect that the Company will pay normal income tax during the specified period.

## **2.16 Provisions, contingent liabilities and contingent assets**

The Company creates a provision when there is present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognised nor disclosed in the financial statements.

## **2.17 Employee stock options plan**

In accordance with the Securities and Exchange Board of India guidelines, the fair value of the options as at the date of grant of options under the employee stock option scheme, is treated as employee compensation and amortised over the vesting period.

## **2.18 Cash flow**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the Company are segregated.

## **2.19 Cash and cash equivalents**

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

## **2.20 Earnings per share**

Basic earnings per share is computed by dividing net profit or loss for the period attributable to equity shareholders by the weighted average number of shares outstanding during the year. Diluted earnings per share amounts are computed after adjusting the effects of all dilutive potential equity shares. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share, and also the weighted average number of equity shares, which could have been issued on the conversion of all dilutive potential shares. The diluted potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

## Consolidated Notes to the Financial Statements (contd.)

for the year ended March 31, 2014

(All amounts are in Indian Rupees except share data and where otherwise stated)

### 3 SHARE CAPITAL

Particulars	As at 31 March, 2014	As at 31 March, 2013
<b>Authorised:</b>		
4 00 00 000 ( Previous year: 4 00 00 000 ) equity shares of ₹10 each	40,00,00,000	40,00,00,000
<b>Issued subscribed and paid-up</b>		
2 33 52 626 ( Previous Year: 2 33 52 626 ) equity shares of ₹10 each fully paid up	23,35,26,260	23,35,26,260
Less : Shares held by the Employees Stock option payment trust ("JRG ESOP Trust") (Refer note no 33)	(6,71,250)	(6,71,250)
	<b>23,28,55,010</b>	<b>23,28,55,010</b>

#### a) Reconciliation of the number of shares outstanding

Particulars	As at 31 March, 2014		As at 31 March, 2013	
	No. of shares	Value	No. of shares	Value
<b>At the beginning and at the end of the year</b>	2,33,52,626	23,35,26,260	2,33,52,626	23,35,26,260

#### Reconciliation of the number of shares outstanding in ESOP Trust Account

Particulars	As at 31 March, 2014		As at 31 March, 2013	
	No. of shares	Value	No. of shares	Value
<b>At the beginning and at the end of the year</b>	67,125	6,71,250	67,125	6,71,250

#### b) Terms / rights attached to equity shares

The Company has only one class of shares of equity share having a par value of ₹10 per share. Each holder of the equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed ( if any ) by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Name of the shareholder	As at 31 March, 2014		As at 31 March, 2013	
	No. of shares	% holding	No. of shares	% holding
<b>Duckworth Limited , Mauritius.</b>	1,06,46,995	45.59%	1,06,46,995	45.59%

#### d) Details of the shares reserved for issue under options

The Company issued options under the Employees stock option plan 2005 ("2005 Plan") in the financial year 2005-2006. The 2005 Plan covers all non- promoter directors and employees of the Company (collectively referred to as "eligible employees") and its subsidiaries. Under the plan, the Company granted 179,100 options on 3 September 2005. The Compensation Committee granted the options on the basis of performance, criticality and potential of the employees as identified by management.

The Company had computed the fair value of the options for the purpose of accounting of employee compensation cost/ expense over the vesting period of the options. The estimated fair value of each stock option granted on 3 September 2005 was ₹0.28. This has been calculated based on independent valuation report, which has been estimated under the Black Scholes option pricing model. The exercise price for these options granted is ₹10. The inputs were the share price at

## Consolidated Notes to the Financial Statements (contd.)

for the year ended March 31, 2014

(All amounts are in Indian Rupees except share data and where otherwise stated)

### 3 SHARE CAPITAL (Contd.)

grant date of ₹10.67, exercise price of ₹10, expected volatility of 0% (the Company was not listed at the time of grant of options), expected dividends 7.5%, contractual life of 4.05 years, and a risk-free interest rate of 6.59%. The vesting period for these options granted under the 2005 plan varies from 12 months to 36 months. Out of the 179,100 options granted on 3 September 2005, 50,220 options were forfeited and 111,005 options were exercised up to 31 March 2012.

Number of Options	As at 31 March, 2014	As at 31 March, 2013
Options granted, exercisable and outstanding at the beginning and end of the year	17,875	17,875

During the financial year 2007-2008, the 2005 plan was merged with JRG Employee Stock option plan 2008 ("2008 Plan"). The 2008 Plan was approved on 15 July 2008 at the annual general meeting of shareholders and was effective from the same date. The objective of this 2008 Plan is to encourage ownership of the Company's equity by its employees on an ongoing basis. The ESOP 2008 is intended to reward the employees for their contribution to the successful operation of Inditrade Capital Limited (formerly known as JRG Securities Limited) and to provide an incentive to continue contributing to the success of the company. The new plan provides that the lock-in period and other terms and conditions of this scheme shall apply ipso facto as they applied to the options issued under 2005 Plan.

Basic terms of the options granted under 2008 Plan are presented below:

Grant date	29-Jul-08	25-May-09	25-Jul-09	27-Oct-09	25-May-10	10-Nov-10	01-Apr-11
Option granted	1,00,000	2,62,500	10,000	38,000	2,82,250	1,84,802	1,07,105
Exercise price (₹/Option)	38.00	34.00	38.00	46.00	36.00	36.00	36.00
Number of personnel in the option programme	8	63	2	2	98	1	1

The fair value of stock options has been determined using the Black Scholes option pricing model.

Presumptions used in fair value computations:

Grant date	29-Jul-08	25-May-09	25-Jul-09	27-Oct-09	25-May-10	10-Nov-10	01-Apr-11
Vesting period	12 Months to 48 Months						
Expected option life	7 years	7 years	7 years	7 years	7 years	7 years	7 years
Expected volatility	33%	33%	45%	45%	45%	45%	45%
Expected dividend	0%	0%	0%	0%	0%	0%	0%
Risk free rate	6.15%	6.15%	7%	7%	8.50%	8.50%	8.50%
Share price at grant date	37.73	39.9	41	49	35.9	34.70	15.8
Fair value (₹/ option)	18.00	22.00	25.00	29.00	21.00	17.80	10.15

Summary of the status of options granted under 2008 Plan to employees as at 31 March 2014 is presented below :

Particulars	Year ended 31 March, 2014	Year ended 31 March, 2013
Options granted and outstanding at the beginning of the year	4,88,657	5,35,157
Less: Forfeited during the year	2,91,907	46,500
Options granted and outstanding at the end of the year	1,96,750	4,88,657
Exercisable options at the end of the year	1,96,750	1,00,177

## Consolidated Notes to the Financial Statements (contd.)

for the year ended March 31, 2014

(All amounts are in Indian Rupees except share data and where otherwise stated)

### 4 RESERVES AND SURPLUS

Particulars	As at 31 March, 2014	As at 31 March, 2013
<b>I. Capital reserve</b>		
Balance at the beginning and end of the year	12,00,10,470	12,00,10,470
<b>II. Securities premium</b>		
Balance at the beginning and end of the year	49,73,22,134	49,73,22,134
<b>III. Employee stock option outstanding</b>		
Balance at the beginning of the year	77,80,841	96,12,716
Less: Options forfeited during the year	-	(10,15,500)
Less: Transfer to general reserve on account of forfeiture	(43,76,591)	(8,16,375)
Balance at the end of the year	A 34,04,250	77,80,841
<b>Deferred stock compensation cost</b>		
Balance at the beginning of the year	3,706	25,83,909
Less: Amortization during the year	(3,706)	(15,64,703)
Less: Options forfeited during the year	-	(10,15,500)
Balance at the end of the year	B -	3,706
<b>Employee Stock compensation outstanding (net)</b>	A - B 34,04,250	77,77,135
<b>IV. General reserve</b>		
Balance at the beginning of the year	69,25,061	61,08,686
Add: Transfer from employee stock option reserve	43,76,591	8,16,375
<b>Balance at the end of the year</b>	1,13,01,652	69,25,061
<b>V. Statutory reserve</b>		
Balance at the beginning of the year	2,14,93,624	1,96,52,877
Add: Transfer from Statement of Profit and Loss *	22,61,820	18,40,747
<b>Balance at the end of the year</b>	2,37,55,444	2,14,93,624
<b>VI. Surplus / (deficit) in the statement of profit and loss</b>		
Balance at the beginning of the year	(11,55,58,775)	(4,81,28,030)
Net loss after tax transferred from statement of profit and loss	(5,66,99,351)	(6,55,90,003)
	(17,22,58,126)	(11,37,18,033)
Transfer to statutory reserve*	(22,61,820)	(18,40,747)
<b>Balance at the end of the year</b>	(17,45,19,946)	(11,55,58,780)
<b>Total Reserves and Surplus</b>	48,12,74,004	53,79,69,644

\*Amount of appropriation to statutory reserve under section 45-IC of the Reserve Bank of India Act, 1934 is computed on the profit after tax (including deferred tax impact)

## Consolidated Notes to the Financial Statements (contd.)

for the year ended March 31, 2014

(All amounts are in Indian Rupees except share data and where otherwise stated)

### 5 TRADE PAYABLE AND OTHER LIABILITIES

Particulars	Non-current		Current	
	As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013
<b>Trade payable</b>				
Payable to clients	-	-	22,60,32,754	18,38,46,931
Business incentive payable	-	-	18,81,744	32,30,654
	-	-	<b>22,79,14,498</b>	<b>18,70,77,585</b>
<b>Other liabilities</b>				
Security Deposit	1,97,87,216	1,96,44,926	-	3,75,000
Professional charges payable	-	-	1,42,500	-
Provision for expenses	-	-	1,67,13,756	1,99,12,613
Client accounts	-	-	3,20,337	7,64,785
Payable to employees	-	-	49,16,370	1,05,48,165
Income received in advance	-	-	-	10,74,907
Creditors for capital goods	-	-	22,53,000	60,98,000
Payable to Exchanges	-	-	-	80,96,509
Unclaimed dividend	-	-	2,55,825	5,40,897
Others	-	-	1,42,03,997	1,36,29,509
	<b>1,97,87,216</b>	<b>1,96,44,926</b>	<b>3,88,05,785</b>	<b>6,10,40,385</b>
<b>Total trade payable and other liabilities</b>	<b>1,97,87,216</b>	<b>1,96,44,926</b>	<b>26,67,20,283</b>	<b>24,81,17,970</b>

(a) There are no amounts due for payment to the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at the year end.

(b) Also refer to note 32

### 6 PROVISIONS

Particulars	Non-current		Current	
	As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013
<b>Provisions for Employee Benefits</b>				
Provision for gratuity (net)	11,50,596	32,61,181	26,270	78,528
<b>Other Provisions</b>				
Provision for mark to market on commodity futures	-	-	-	15,95,300
Provision for tax	-	-	1,13,15,064	24,17,658
Provision for non performing assets	-	-	15,40,824	14,81,485
	<b>11,50,596</b>	<b>32,61,181</b>	<b>1,28,82,158</b>	<b>55,72,971</b>

## Consolidated Notes to the Financial Statements (contd.)

for the year ended March 31, 2014

(All amounts are in Indian Rupees except share data and where otherwise stated)

### 7 TANGIBLE FIXED ASSETS

Particulars	Furniture and Fittings	Office Equipments	Computers	Electrical Fittings	Motor Vehicles	V-Sat Equipments	Total
<b>Gross Block</b>							
<b>Balance as at 1 April 2012</b>	<b>7,29,48,039</b>	<b>4,14,89,706</b>	<b>7,14,28,813</b>	<b>1,43,52,627</b>	<b>13,84,193</b>	<b>2,52,39,042</b>	<b>22,68,42,420</b>
Additions	18,10,876	8,60,017	1,63,10,985	22,71,267	11,39,382	-	2,23,92,527
Deletions / write off	26,97,604	11,80,026	8,24,524	43,60,641	-	2,06,528	92,69,323
<b>Balance as at 1 April 2013</b>	<b>7,20,61,311</b>	<b>4,11,69,697</b>	<b>8,69,15,274</b>	<b>1,22,63,253</b>	<b>25,23,575</b>	<b>2,50,32,514</b>	<b>23,99,65,624</b>
Additions	8,25,590	4,15,411	-	5,82,588	-	-	18,23,589
Deletions / write off	1,61,85,682	50,30,468	63,25,440	11,79,794	24,20,896	5,53,329	3,16,95,609
<b>Balance as at 31 March 2014</b>	<b>5,67,01,219</b>	<b>3,65,54,640</b>	<b>8,05,89,834</b>	<b>1,16,66,047</b>	<b>1,02,679</b>	<b>2,44,79,185</b>	<b>21,00,93,604</b>
<b>Accumulated depreciation</b>							
<b>Balance as at 1 April 2012</b>	<b>5,21,21,926</b>	<b>2,43,70,418</b>	<b>5,10,41,454</b>	<b>86,15,313</b>	<b>8,32,739</b>	<b>1,54,93,886</b>	<b>15,24,75,736</b>
Depreciation for the year	1,31,64,991	74,19,703	1,26,39,978	24,56,785	4,72,333	31,74,485	3,93,28,275
Accumulated depreciation on disposals	24,03,377	10,99,318	6,68,729	32,64,427	-	1,36,124	75,71,975
<b>Balance as at 1 April 2013</b>	<b>6,28,83,540</b>	<b>3,06,90,803</b>	<b>6,30,12,703</b>	<b>78,07,671</b>	<b>13,05,072</b>	<b>1,85,32,247</b>	<b>18,42,32,036</b>
Depreciation for the year	61,42,923	71,75,469	85,74,574	20,75,424	1,84,822	29,92,294	2,71,45,506
Accumulated depreciation on disposals	1,57,63,813	44,00,950	57,28,273	11,27,621	13,90,898	4,26,930	2,88,38,485
<b>Balance as at 31 March 2014</b>	<b>5,32,62,650</b>	<b>3,34,65,322</b>	<b>6,58,59,004</b>	<b>87,55,474</b>	<b>98,996</b>	<b>2,10,97,611</b>	<b>18,25,39,057</b>
<b>Net Block</b>							
<b>As at 31 March 2013</b>	<b>91,77,772</b>	<b>1,04,78,894</b>	<b>2,39,02,571</b>	<b>44,55,582</b>	<b>12,18,503</b>	<b>65,00,267</b>	<b>5,57,33,588</b>
<b>As at 31 March 2014</b>	<b>34,38,569</b>	<b>30,89,318</b>	<b>1,47,30,830</b>	<b>29,10,573</b>	<b>3,683</b>	<b>33,81,574</b>	<b>2,75,54,547</b>

### 8 INTANGIBLE FIXED ASSETS

Particulars	Computer software	Non Compete Fee*	Total
<b>Gross Block</b>			
<b>Balance as at 1 April 2012</b>	<b>10,47,55,096</b>	<b>5,00,00,000</b>	<b>15,47,55,096</b>
Additions	1,95,000	-	1,95,000
Deletions / write off	1,02,689	-	1,02,689
<b>Balance as at 1 April 2013</b>	<b>10,48,47,407</b>	<b>5,00,00,000</b>	<b>15,48,47,407</b>
Additions	8,42,417	-	8,42,417
Deletions / write off	-	-	-
<b>Balance as at 31 March 2014</b>	<b>10,56,89,824</b>	<b>5,00,00,000</b>	<b>15,56,89,824</b>
<b>Accumulated amortization</b>			
<b>Balance as at 1 April 2012</b>	<b>7,38,54,981</b>	<b>4,93,06,112</b>	<b>12,31,61,093</b>
Amortization for the year	1,13,82,331	6,93,888	1,20,76,219
Accumulated amortization on disposals	1,02,689	-	1,02,689
<b>Balance as at 1 April 2013</b>	<b>8,51,34,623</b>	<b>5,00,00,000</b>	<b>13,51,34,623</b>
Amortization for the year	87,92,038	-	87,92,038
Accumulated amortization on disposals	-	-	-
<b>Balance as at 31 March 2014</b>	<b>9,39,26,661</b>	<b>5,00,00,000</b>	<b>14,39,26,661</b>
<b>Net Block</b>			
<b>As at 31 March 2013</b>	<b>1,97,12,784</b>	<b>-</b>	<b>1,97,12,784</b>
<b>As at 31 March 2014</b>	<b>1,17,63,163</b>	<b>-</b>	<b>1,17,63,163</b>

\* Represents non-compete fee paid under an agreement with certain promoters for a period of 3 years commencing from 29th April 2009

## Consolidated Notes to the Financial Statements (contd.)

for the year ended March 31, 2014

(All amounts are in Indian Rupees except share data and where otherwise stated)

### 9 NON-CURRENT INVESTMENTS

Particulars	As at 31 March, 2014	As at 31 March, 2013
<b>Non trade investments (valued at cost)</b>		
<b>I. Other investments (unquoted)</b>		
1 (Previous year : 1) share of ₹1,250 fully paid up in Cochin Stock Exchange	9,00,000	9,00,000
Less : Provision for diminution other than temporary, in the value of investment	8,98,750	8,98,750
	<b>1,250</b>	<b>1,250</b>
400 (Previous year : 400) shares of AED 1000 each fully paid up in JRG International Brokerage DMCC, Dubai	49,82,016	49,82,016
Less : Provision for diminution other-than-temporary	49,82,016	49,82,016
	-	-
<b>Total of non-current investments</b>	<b>1,250</b>	<b>1,250</b>
Aggregate book value of unquoted investments	58,82,016	58,82,016
Aggregate amount of provision for diminution in the value of investments	58,80,766	58,80,766

### 10 LOANS AND ADVANCES

Particulars	Non-current		Current	
	As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013
<b>I. Capital Advances (Unsecured, considered good)</b>		<b>1,43,009</b>		
<b>II. Security deposits (Unsecured)</b>				
<b>Considered good</b>				
Rental deposits	76,35,820	1,62,42,486	36,34,400	27,29,600
Deposits with exchanges	5,42,18,498	4,14,21,620	1,64,75,001	5,51,13,113
Electricity deposits, telephone & Other deposits	29,73,725	35,18,021	-	21,00,000
<b>Considered doubtful</b>				
Rental deposits	-	-	52,25,153	53,98,831
	<b>6,48,28,043</b>	<b>6,11,82,127</b>	<b>2,53,34,554</b>	<b>6,53,41,544</b>
Less : Provision for Doubtful Deposits	-	-	52,25,153	53,98,831
<b>Total</b>	<b>6,48,28,043</b>	<b>6,11,82,127</b>	<b>2,01,09,401</b>	<b>5,99,42,713</b>
<b>III. Advances recoverable in cash or in kind</b>				
Secured, considered good	2,12,015	-	70,409	-
Unsecured, considered good	24,30,602	41,67,364	20,25,519	31,68,262
Considered doubtful	-	-	94,30,997	94,21,622
	<b>26,42,617</b>	<b>41,67,364</b>	<b>1,15,26,925</b>	<b>1,25,89,884</b>
Provision for doubtful advance	-	-	94,30,997	94,21,622
	<b>26,42,617</b>	<b>41,67,364</b>	<b>20,95,928</b>	<b>31,68,262</b>
<b>IV. Loan against collaterals</b>				
Secured, considered good	-	-	20,68,05,602	21,94,84,806
Considered doubtful	-	-	9,14,310	8,82,540
	-	-	<b>20,77,19,912</b>	<b>22,03,67,346</b>
Provision for doubtful loans	-	-	9,14,310	8,82,540
	-	-	<b>20,68,05,602</b>	<b>21,94,84,806</b>

## Consolidated Notes to the Financial Statements (contd.)

for the year ended March 31, 2014

(All amounts are in Indian Rupees except share data and where otherwise stated)

### 10 LOANS AND ADVANCES (Contd.)

Particulars	Non-current		Current	
	As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013
<b>V. Other Loans and Advances</b>				
<b>Unsecured Considered good</b>		-	-	-
Gratuity	41,64,327	41,02,894	-	-
Advance tax (net of provisions)	3,45,61,677	3,03,10,530	-	-
Minimum alternate tax credit entitlement	-	7,02,594	10,76,180	10,76,180
Prepaid expenses	-	-	28,60,866	56,77,690
Balance with Government Authorities	-	-	83,67,466	96,85,981
Other Advances	-	-	17,45,275	29,72,456
<b>Unsecured Considered doubtful</b>				
Loan to JRG International Brokerage DMCC, Dubai	-	-	1,69,17,132	1,53,11,237
Advance paid to creditors	-	-	20,85,347	22,55,323
	<b>3,87,26,004</b>	<b>3,51,16,018</b>	<b>3,30,52,266</b>	<b>3,69,78,867</b>
Provision for doubtful advance	-	-	1,90,02,479	1,75,66,560
	<b>3,87,26,004</b>	<b>3,51,16,018</b>	<b>1,40,49,787</b>	<b>1,94,12,307</b>
Loan / advances due by director ** of the subsidiary company *	45,00,000	45,00,000	-	75,00,000
<b>Total loans and advances</b>	<b>11,06,96,664</b>	<b>10,51,08,518</b>	<b>24,30,60,718</b>	<b>30,95,08,088</b>

\* The remuneration payable to the erstwhile Managing Director of the company was in excess of the limits prescribed under the Companies Act, 1956 by ₹ NIL (Previous year - ₹75,00,000/-). Pending approval the said excess amount has been shown as advances recoverable. The company has received the approval during the current year and accordingly the said amount has been charged to Profit & Loss account.

\*\* ceased to be a director w.e.f 13th Feb'14

### 11 OTHER ASSETS

Particulars	Non-current		Current	
	As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013
Non current bank balances (Refer note 15)	10,50,000	10,96,674	-	-
Interest accrued on loans	-	-	-	44,87,671
Interest accrued on fixed deposits	19,825	13,236	11,64,305	52,27,963
Other current Assets	-	-	2,90,71,858	-
Less: Provision (Refer Note: 34)	-	-	(2,90,71,858)	-
	<b>10,69,825</b>	<b>11,09,910</b>	<b>11,64,305</b>	<b>97,15,634</b>

## Consolidated Notes to the Financial Statements (contd.)

for the year ended March 31, 2014

(All amounts are in Indian Rupees except share data and where otherwise stated)

### 12 CURRENT INVESTMENTS

Particulars	As at 31 March, 2014	As at 31 March, 2013
<b>Current Investments</b>		
In Equity Shares (Quoted) (Refer Note No.28)	19,26,61,028	3,65,80,253
<b>Investment in non convertible debentures (Quoted)</b>		
6 095 (Previous Year : 2,527 ) units of ₹1,000 each of Muthoot Finance Limited.	62,68,022	26,30,857
<b>In Mutual Fund (Unquoted)</b>		
69 units in Reliance mutual fund- Direct Plan- Growth Plan	2,00,000	-
18138 units in Reliance mutual fund- Liquid Fund Treasury Plan- Growth Plan *	5,31,00,000	-
27,449 units (Previous year : 87,736,256 units) of ₹10 each fully paid up of Reliance Liquid Fund -Treasury Plan	8,57,79,463	25,06,84,742
6,19,220 units (Previous year : Nil) of ₹10 each fully paid up of Birla Cash Plus Fund Investment	12,74,21,103	-
	<b>26,65,00,566</b>	<b>25,06,84,742</b>
In Investment Property (Valued at cost less impairment) **	63,22,605	59,34,844
<b>Total</b>	<b>47,17,52,221</b>	<b>29,58,30,696</b>
Aggregate book value of quoted investments	19,89,29,050	3,92,11,110
Aggregate Market Value of Quoted Investments	20,89,96,747	3,91,50,690
Aggregate book value of unquoted investments	26,65,00,567	25,06,84,742
Aggregate Market Value of unquoted Investments (at NAV)	27,01,11,358	25,06,84,742

\* Pledged with National Stock Exchange towards Margin Money

\*\*Investment property is valued at cost and in the opinion of the Board the sum is lower than the fair value of the property

### 13 INVENTORIES

Particulars	As at 31 March, 2014	As at 31 March, 2013
Stock in trade (refer note 30)	6,29,00,224	8,07,13,135
	<b>6,29,00,224</b>	<b>8,07,13,135</b>

### 14 TRADE RECEIVABLES

Particulars	As at 31 March, 2014	As at 31 March, 2013
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>		
Secured,considered good	-	13,60,664
Unsecured,considered good	-	3,24,194
Unsecured,considered doubtful	90,60,897	1,40,13,342
	<b>90,60,897</b>	<b>1,56,98,200</b>
Less: Provision for doubtful trade receivables	90,60,897	1,40,13,342
	-	<b>16,84,858</b>
<b>Outstanding for a period less than six months from the date they are due for payment</b>		
Secured,considered good	3,25,71,211	7,69,72,745
Unsecured,considered good	10,53,95,001	16,27,917
Unsecured,considered doubtful	-	20,35,827
	<b>13,79,66,212</b>	<b>8,06,36,489</b>
Less: Provision for doubtful trade receivables	-	20,35,827
	<b>13,79,66,212</b>	<b>7,86,00,662</b>
<b>Total Trade Receivables</b>	<b>13,79,66,212</b>	<b>8,02,85,520</b>

## Consolidated Notes to the Financial Statements (contd.)

for the year ended March 31, 2014

(All amounts are in Indian Rupees except share data and where otherwise stated)

### 15 CASH AND BANK BALANCES

Particulars	As at 31 March, 2014	As at 31 March, 2013
Cash on hand	93,842	2,16,739
<b>Balances with banks</b>		
On current accounts **	9,18,62,430	6,45,95,599
Deposits with original maturity of less than 3 months	1,20,00,000	-
On unpaid dividend account	2,55,825	5,40,897
	<b>10,42,12,097</b>	<b>6,53,53,235</b>
<b>Other Balances</b>		
Deposits with original maturity for more than 12 months *	4,50,94,413	10,60,07,860
Deposits with original maturity for more than 3 months but less than 12 months *	8,94,06,122	20,15,57,827
Less : Amount disclosed under non current asset (Refer note 11) *	(10,50,000)	(10,96,674)
Stamps in hand	-	510
	<b>13,34,50,535</b>	<b>30,64,69,523</b>
<b>Total cash and bank balances</b>	<b>23,76,62,632</b>	<b>37,18,22,758</b>
*Incudes deposits pledged with banks as security for loans and guarantees issued by banks in favour of various stock / commodity exchanges	11,00,21,230	12,70,31,105
** Balance in current account includes the amount in the name of JRG ESOP Trust	2,81,378	2,81,378

### 16 SALE OF SERVICES

Particulars	Year ended 31 March, 2014	Year ended 31 March, 2013
Income from equity broking and related services	10,75,91,239	14,06,79,092
Income from depository participant services	1,81,20,375	2,11,75,948
Income from commodity broking	5,52,16,968	9,57,94,552
Income from insurance broking	18,08,060	32,09,856
Interest income from lending operations	4,78,57,193	4,51,45,724
Income from financial distribution, marketing support and other services (including Profit on Sale of Commodities / Commodity derivative instruments)	1,41,94,542	2,47,64,646
<b>Total of income from operations</b>	<b>24,47,88,377</b>	<b>33,07,69,818</b>

### 17 OTHER OPERATING INCOME

Particulars	Year ended 31 March, 2014	Year ended 31 March, 2013
Interst / penal charges for delayed payments	1,25,09,307	91,81,996
Others	8,45,696	28,35,779
<b>Total</b>	<b>1,33,55,003</b>	<b>1,20,17,775</b>

## Consolidated Notes to the Financial Statements (contd.)

for the year ended March 31, 2014

(All amounts are in Indian Rupees except share data and where otherwise stated)

### 18 OTHER INCOME

Particulars	Year ended 31 March, 2014	Year ended 31 March, 2013
Interest received on fixed deposits	1,82,83,782	2,92,15,943
Interest on Debentures	7,54,599	-
Dividend income -current investments	17,64,016	1,89,015
Profit on sale of fixed asset	7,45,032	-
Net gain on sale of current investment	2,69,67,604	2,09,52,892
MTM gain/(loss) on mutual fund investment	(18,86,336)	55,43,227
Exchange fluctuation gain (net)	16,05,895	7,15,700
Other non-operating income	20,51,317	37,27,123
Gratuity provision no longer required written back	19,38,393	-
Provisions/ Liabilities no longer required written back	92,50,261	60,40,176
<b>Total</b>	<b>6,14,74,563</b>	<b>6,63,84,076</b>

### 19 OPERATING EXPENSES

Particulars	Year ended 31 March, 2014	Year ended 31 March, 2013
Business incentive	4,58,54,742	6,22,22,425
Turnover charges	1,10,29,635	1,44,94,325
Other trading expenses	87,19,848	73,28,623
<b>Total</b>	<b>6,56,04,225</b>	<b>8,40,45,373</b>

### 20 EMPLOYEE BENEFIT EXPENSES

Particulars	Year ended 31 March, 2014	Year ended 31 March, 2013
<b>Employee benefit expenses</b>		
Salaries, wages and bonus	11,86,67,810	15,51,68,962
Contributions to provident and other funds	39,45,856	91,51,164
Employee stock compensation expenses	3,706	15,64,703
Staff welfare expenses	53,54,237	73,78,434
Employee sales incentives	6,77,244	25,21,420
<b>Total</b>	<b>12,86,48,853</b>	<b>17,57,84,683</b>

### 21 FINANCE COST

Particulars	Year ended 31 March, 2014	Year ended 31 March, 2013
Interest expense	7,84,399	94,912
<b>Total</b>	<b>7,84,399</b>	<b>94,912</b>

## Consolidated Notes to the Financial Statements (contd.)

for the year ended March 31, 2014

(All amounts are in Indian Rupees except share data and where otherwise stated)

### 22 OTHER EXPENSES

Particulars	Year ended 31 March, 2014	Year ended 31 March, 2013
Power & fuel	77,04,386	83,59,099
Office Rent	2,30,22,369	2,35,52,799
Rates and Taxes	2,33,026	57,98,274
Repair and maintenance- others	99,10,016	1,56,96,685
Traveling expenses	38,03,575	98,89,909
Communication expenses	1,19,33,596	1,70,44,230
Printing & Stationery	17,69,783	93,06,098
Office and branch expenses	94,65,187	99,90,468
Professional and consultancy charges	1,34,01,005	2,43,57,982
Ware house charges	24,02,539	43,46,307
Directors sitting fees	1,60,000	1,89,000
Amount no longer recoverable	3,53,472	83
Bank and other charges	9,61,796	25,63,595
Loss on sale of fixed assets	-	11,32,533
Procurement Charges	10,04,321	-
Miscellaneous expenses	76,53,540	75,50,415
Asset written off	-	9,63,782
Provision for doubtful debts	22,54,879	28,28,101
Provision for doubtful loans and advances	17,75,270	22,13,216
Provision for Non Performing Assets	59,341	-
<b>Total</b>	<b>9,78,68,101</b>	<b>14,57,82,576</b>

### 23 CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	As at 31 March, 2014	As at 31 March, 2013
<b>I. Contingent liabilities</b>		
a) Bank guarantees outstanding	12,15,50,000	10,65,00,000
b) Other money for which the company is contingently liable		
- Income tax matters	1,93,07,260	1,79,38,490
c) Claims against the company not acknowledged as debt	5,57,65,000	3,94,70,059
d) Provident Fund dues disputed in appeal against which ₹31,12,570 is paid under dispute and included under advances	95,34,392	-
e) In addition to the above, the Company is also in the process of replying / has responded to show cause notices and queries from regulatory authorities including Securities and Exchange Board of India (SEBI) which arise in the ordinary course of the business. However there are no such matters pending that the Company expects to be material in relation to its business.		
<b>II. Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for		
Other commitments	-	1,00,000

## Consolidated Notes to the Financial Statements (contd.)

for the year ended March 31, 2014

(All amounts are in Indian Rupees except share data and where otherwise stated)

### 24 DEFERRED TAXES

The major components of deferred tax assets and liabilities are outlined below:

Particulars	Year ended 31 March, 2014	Year ended 31 March, 2013
<b>Deferred tax assets</b>		
Provision for doubtful trade receivables	2,24,093	2,86,340
Provision for gratuity	2,96,647	6,04,127
Others	-	1,93,445
<b>A</b>	<b>5,20,740</b>	<b>10,83,912</b>
<b>Deferred tax liabilities</b>		
Depreciation / Amortisation	18,79,296	24,00,342
<b>Net deferred tax asset</b>	<b>A-B</b>	<b>(13,16,430)</b>

### 25 RELATED PARTY DISCLOSURES

Company having significant influence	Duckworth Limited, Mauritius
Key managerial personnel	Gopichand S ( Managing Director from 25 January 2012 to 06 August 2013) Anand Tandon (Managing Director from 6th August 2013 to 13 February 2014) Guruswami Raj G (Company Secretary and Legal Head) (w.e.f 14th March 2014) Samson K J (Managing Director of Inditrade Derivatives and Commodities Limited , formerly known as JRG Wealth Management Limited) Anand Tandon, (Managing Director of JRG Fincorp Limited ( 1 February 2012 to 8 November 2013) Harish Galipelli, Director of JRG Fincorp Limited Vijayakumar V K, (Manager of Inditrade Insurance Broking Private Limited, (formerly known as JRG Insurance Broking Private Limited))

#### Transactions and balance with related parties

Particulars	Transactions during the year		Amount receivable as at	
	As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013
<b>Remuneration paid</b>				
<b>Salaries and other allowances</b>				
Gopichand S	1,16,000	26,67,279	-	-
Guruswami Raj G	75,176	-	-	-

Note: Salaries and other allowances paid to Managing director and manager of subsidiary companies aggregates to ₹1,61,47,678/- (PY 76,81,994)

### 26 EARNINGS PER SHARE

Particulars	Year ended 31 March, 2014	Year ended 31 March, 2013
<b>Earnings</b>		
<b>Net loss for the year</b>	<b>A</b>	<b>(6,55,90,003)</b>
<b>Shares</b>		
Number of shares at the beginning of the year	2,32,85,501	2,32,85,501
Add: Equity shares issued and exercised by employees under ESOP plan	-	-
Total number of shares at the end of the year	2,32,85,501	2,32,85,501
<b>Weighted average number of equity shares outstanding during the year</b>	<b>B</b>	<b>2,32,85,501</b>
<b>Basic &amp; Diluted earnings per share</b>	<b>A / B</b>	<b>(2.81)</b>

The conversion of stock options into equity, if made, would have the effect of reducing the loss per share and would therefore be anti-dilutive. Hence, such conversion has not been considered for the purpose of calculating diluted earnings per share.

## Consolidated Notes to the Financial Statements (contd.)

for the year ended March 31, 2014

(All amounts are in Indian Rupees except share data and where otherwise stated)

### 27 EMPLOYEE BENEFIT

Details of actuarial valuation of gratuity pursuant to the Accounting Standard 15 (Revised) :

Particulars	Year ended 31 March, 2014	Year ended 31 March, 2013
<b>Projected benefit obligation at the beginning of the year</b>	<b>67,55,192</b>	<b>49,74,656</b>
Acquisition adjustment	5,82,732	-
Service cost	(25,982)	17,05,755
Interest cost	15,61,777	4,10,409
Actuarial gain	(14,17,663)	(8,93,661)
Benefits paid	74,09,182	(2,04,972)
<b>Projected benefit obligation at the end of the year</b>	<b>1,48,65,238</b>	<b>59,92,187</b>
<b>Change in plan assets</b>		
Fair value of plan assets at beginning of the year	33,196	60,63,377
Expected return on plan assets	2,960	5,67,411
Actuarial (gain)/ loss	35,05,216	(5,867)
Contributions	74,09,182	3,35,423
Benefits paid	(39,25,460)	(2,04,972)
<b>Fair value of plan assets at the end of the year</b>	<b>70,25,094</b>	<b>67,55,372</b>

**Reconciliation of present value of obligation on the fair value of plan assets**

Particulars	Year ended 31 March, 2014	Year ended 31 March, 2013
Present value of projected benefit obligation at the end of the year	1,48,65,238	59,92,187
Funded status of the plans	70,25,094	67,55,372
<b>Funded status amount of liability recognized in the balance sheet</b>	<b>78,40,144</b>	<b>(7,63,185)</b>
<b>Recognised under :</b>		
Provisions (Long term) (refer note 6)	11,50,596	32,61,181
Provisions (Short term) (refer note 6)	26,270	78,528
Loans and advances (Long term) (refer note 10)	(41,64,327)	(41,02,894)
	<b>(29,87,461)</b>	<b>(7,63,185)</b>

**The components of net gratuity costs are reflected below:**

Change in projected benefit obligation	Year ended 31 March, 2014	Year ended 31 March, 2013
Service cost	(25,982)	17,05,755
Interest cost	15,61,777	4,10,409
Expected return on plan assets	(2,960)	(5,67,411)
Recognized net actuarial (gain)/ loss	(49,22,879)	(8,87,794)
<b>Net gratuity costs</b>	<b>(33,90,044)</b>	<b>6,60,959</b>

**Financial Assumptions as at the Balance Sheet date:**

Change in projected benefit obligation	Year ended 31 March, 2014	Year ended 31 March, 2013
Discount rate	9.00%	8.50%
Long-term rate of compensation increase	8.75%	7.50%
Rate of return on plan assets	8.00%	9.50%
Attrition rate	5% at younger ages and reducing to 1% at older ages according to graduated scale	

The Company assesses these assumptions with the projected long-term plans of growth and prevalent industry standards.

## Consolidated Notes to the Financial Statements (contd.)

for the year ended March 31, 2014

(All amounts are in Indian Rupees except share data and where otherwise stated)

### 28 INVESTMENT IN EQUITY INSTRUMENTS (QUOTED)

Particulars	Face Value		Quantity		As at	
	As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013	31 March 2014	31 March 2013
Abbot India Ltd	10	-	5,900	-	99,75,303	-
Mannapuram Finance Ltd	2	-	4,60,000	-	83,97,732	-
Lupin Ltd	2	-	1,08,985	-	9,89,79,092	-
Asian paints Ltd	1	-	40,500	-	1,99,37,671	-
Cadila Health Care Ltd	5	-	41,350	-	3,99,14,958	-
Proctor and Gamble hygiene And Health Care Ltd	10	-	4,997	-	1,54,56,272	-
Rallis India Ltd		1		10,000		4,87,775
Aditya Birla Nuvo Ltd		10		500		2,72,341
Career Point Ltd		10		2,502		5,14,491
CESC Ltd		10		2,000		5,69,625
CIPLA Ltd		10		1,500		8,10,500
Dewan Housing Finance Corporation Ltd		10		5,000		6,18,275
Dr.Reddy's Laboratories Ltd		5		350		6,43,500
Escorts Ltd		10		13,000		4,32,000
Gmr Infrastructure Ltd		1		20,000		2,53,650
Hexaware Technologies Ltd		2		3,000		47,03,400
ICICI Bank Ltd		10		4,500		2,58,600
Inox Leisure Ltd		10		4,000		2,45,148
Jagran Prakashan Ltd		2		2,636		4,28,750
Jubilant Life Sciences Limited		1		2,500		1,64,668
Jyothi Infraventures Ltd		10		6,054		4,10,000
Kalpataru Power Transmission Ltd		2		5,000		21,46,025
Punjab National Bank		10		3,000		11,54,000
Reliance Industries Ltd		10		2,700		20,86,830
South Indian Bank Ltd		1		20,000		3,21,600
Tata Elxsi Ltd		10		300		57,300
Tata Steel Ltd		10		1,000		3,12,850
Tata Chemicals Ltd		10		1,000		4,90,000
Tube Investments of India Ltd		2		10,000		16,48,000
United Bank of India		10		10,000		5,63,500
United Phosphorous Ltd		2		5,500		6,45,700
Larsen Toubro Ltd		2		2,600		35,52,120
Shoppers Stop Ltd		5		1,000		4,01,250
Indian Hotels Co Ltd		1		10,000		5,35,500
Honda Siel Power Products Ltd		10		1,000		3,97,250
Coromandel Agro Products & Oils Ltd		10		1,000		1,84,950
Oriental Bank of Commerce		10		10,000		25,18,000
Sterlite Industries (India) Ltd		1		4,000		3,74,800
Federal Bank Ltd		10		1,000		4,80,650
NMDC Ltd		1		3,000		4,11,300

## Consolidated Notes to the Financial Statements (contd.)

for the year ended March 31, 2014

(All amounts are in Indian Rupees except share data and where otherwise stated)

### 28 INVESTMENT IN EQUITY INSTRUMENTS (QUOTED) (Contd.)

Particulars	Face Value		Quantity		As at	
	As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013	31 March 2014	31 March 2013
VST Industries Ltd		10		100		1,51,590
Cairn India Ltd		10		5,000		13,62,250
Bank of Baroda		10		2,200		14,85,880
LIC Housing Finance Ltd		2		1,000		2,24,900
City Union Bank Ltd		1		287		11,605
Power Finance Corporation Ltd		10		1,500		2,71,050
Dhanlaxmi Bank Limited		10		10,000		4,57,500
Maruti Suzuki India Ltd		5		1,000		12,81,200
Canara Bank		10		6,000		22,39,930
<b>Total</b>					<b>19,26,61,028</b>	<b>3,65,80,253</b>

### 29 FOREIGN CURRENCY FORWARD CONTRACTS

The Group does not use foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations.

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	As at 31 March, 2014	As at 31 March, 2013
Amount receivable in foreign currency : USD	2,82,484	2,82,484
Amount equivalent in INR	1,69,17,132	1,53,11,237

### 30 OPEN INTEREST IN FUTURES ENTERED AS AT THE BALANCE SHEET DATE

Sr.No.	Name of future (short position)	Series of Future	Number of Contracts	Measurement Unit	No of units involved
1	Rubber	15-April-2014	1	Quintal	1,280
2	Rubber	15-May-2014	1	Quintal	440
3	RM Seed	18-April-2014	1	Quintal	250
4	RM Seed	20-May-2014	1	Quintal	20
5	Cotton seed oil cake	20-May-2014	1	Quintal	300
6	Cotton seed oil cake	20-June-2014	1	Quintal	830
7	Cotton seed oil cake	18-July-2014	1	Quintal	1,110

### 31 SEGMENT REPORTING

#### a) Primary segment information (by business segment)

The Group's business is organized and management reviews the performance based on the business segment as mentioned below:-

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>i. Equity broking- Equity broking, demat and related services</li> <li>ii. Commodity broking- Commodity broking and related services</li> <li>iii. Financial distribution, marketing support and other services</li> </ul> | <ul style="list-style-type: none"> <li>iv. Insurance broking- Insurance product distribution services</li> <li>v. Client financing- Margin financing to broking clients, gold loans and loan against shares, commodities etc</li> </ul> |
|---|---|

Income for each segment has been specifically identified. Expenditure, assets and liabilities are either specifically identifiable with individual segments or have been allocated to segments on a systematic basis.

## Consolidated Notes to the Financial Statements (contd.)

for the year ended March 31, 2014

(All amounts are in Indian Rupees except share data and where otherwise stated)

### 31 SEGMENT REPORTING (Contd.)

#### b) Secondary segment reporting (by geographical segments)

The Group predominantly caters only to the needs of the domestic market. Hence there are no reportable geographical segments.

Particulars	Equity broking services		Commodity broking services		Insurance broking services		Client financing		Financial distribution, marketing support and other services		Eliminations		Consolidated total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Segment revenue	12,57,11,614	16,95,16,854	5,52,16,968	9,80,69,759	18,08,060	32,09,856	5,49,97,632	5,35,48,064	1,41,94,542	2,68,45,399	(71,40,439)	(84,02,340)	24,47,88,377	34,27,87,593
Unallocated corporate income	65,99,230	-	67,55,773	-	-	-	-	-	-	-	-	-	1,33,55,003	6,63,84,076
<b>Total income</b>	<b>13,23,10,844</b>	<b>16,95,16,854</b>	<b>6,19,72,741</b>	<b>9,80,69,759</b>	<b>18,08,060</b>	<b>32,09,856</b>	<b>5,49,97,632</b>	<b>5,35,48,064</b>	<b>1,41,94,542</b>	<b>2,68,45,399</b>	<b>(71,40,439)</b>	<b>(84,02,340)</b>	<b>25,81,43,380</b>	<b>40,91,71,669</b>
Segment result	(2,94,07,759)	(5,99,53,347)	(4,18,53,661)	(5,06,41,729)	(21,14,849)	(16,64,230)	35,15,184	11,947	70,86,176	(19,83,906)	-	-	(6,27,74,909)	(11,42,31,266)
Unallocated corporate (expenses) / Income	-	-	-	-	-	-	-	-	-	-	-	-	(15,83,019)	3,97,00,675
<b>Operating profit / (loss)</b>													<b>(6,43,57,928)</b>	<b>(7,45,30,590)</b>
Interest expense	-	-	-	-	-	-	-	-	-	-	-	-	(7,84,399)	(94,912)
Dividend income on investments	-	-	-	-	-	-	-	-	-	-	-	-	17,64,016	1,89,015
Profit / (loss) on redemption of mutual funds (net)	-	-	-	-	-	-	-	-	-	-	-	-	2,69,67,604	2,09,52,892
MTM gain on mutual fund investments	-	-	-	-	-	-	-	-	-	-	-	-	(18,86,336)	55,43,227
<b>Profit / (loss) before taxes and minority interest</b>													<b>(3,82,97,043)</b>	<b>(4,79,40,368)</b>
Income taxes charge / (credit)	-	-	-	-	-	-	-	-	-	-	-	-	96,42,126	1,14,84,954
<b>Profit / (loss) after taxes but before minority interest</b>													<b>(4,79,39,169)</b>	<b>(5,94,25,322)</b>
Minority interest in share of profit and losses (net)	-	-	-	-	-	-	-	-	-	-	-	-	87,60,188	61,64,680
<b>Net profit / (loss) after minority interest</b>													<b>(5,66,99,357)</b>	<b>(6,55,90,002)</b>
<b>Other information</b>														
Segment assets	43,76,73,934	83,03,44,264	17,07,08,611	20,05,12,465	71,93,963	1,02,94,261	67,29,60,003	41,85,33,218	2,43,57,253	11,40,09,543	(11,90,69,742)	(53,16,28,291)	1,19,38,24,022	1,04,20,65,460
Unallocated corporate assets	-	-	-	-	-	-	-	-	-	-	-	-	12,94,88,153	33,87,23,569
<b>Total assets</b>													<b>1,32,33,12,175</b>	<b>1,38,07,89,029</b>
Segment liabilities	14,80,03,108	14,90,16,144	7,92,87,459	15,01,39,559	-	9,62,675	-	1,70,45,542	6,23,931	8,66,92,250	(8,96,94,291)	-	22,79,14,498	31,41,61,879
Unallocated corporate liabilities	-	-	-	-	-	-	-	-	-	-	-	-	1,09,53,97,677	-
<b>Total Liabilities</b>													<b>1,32,33,12,175</b>	<b>31,41,61,879</b>
Capital expenditure	25,33,755	2,05,71,411	63,000	21,195	-	-	-	11,39,382	69,251	8,55,539	-	-	26,66,006	2,25,87,527
Depreciation	2,80,60,342	4,14,45,563	2,86,14,007	46,59,193	14,67,757	16,38,971	19,38,162	33,43,538	3,76,038	3,17,229	-	-	3,47,03,706	5,14,04,494
Non-cash expenses other than depreciation	16,09,760	47,02,634	10,86,399	38,99,000	3,32,026	-	5,69,648	10,14,080	2,45,956	15,25,765	-	-	38,43,789	1,11,41,479

# Consolidated Notes to the Financial Statements (contd.)

for the year ended March 31, 2014

(All amounts are in Indian Rupees except share data and where otherwise stated)

## 32 SECURITY MARGINS FROM CLIENTS

In order to secure the performance by the clients of their obligations, commitments and liabilities to the Group, securities/ bank guarantees are placed as margins by creation of pledge in favour of/transfer to the Company's depository account. Such securities are held by the Company in a fiduciary capacity on behalf of its clients and are not recognised in the financial statements. In case such margins are received in cash, the same are disclosed under current liabilities.

## 33 MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

The management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of "Micro and Small Enterprises" as defined under Micro, Small and Medium Enterprises Development Act, 2006 ("the Act"). Accordingly, based on the information received and available with the Company, there are no amounts payable to such enterprises as at 31 March 2014.

## 34 JRG ESOP TRUST

As per the requirements of Securities Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 ('SEBI guidelines'), since the stock option plan is administered through a trust, the accounts of the Company are prepared as if the Company itself is administering the employee stock option plan. Pursuant to such requirement of the SEBI guidelines the equity shares issued to the JRG ESOP Trust and not exercised by the employees as on 31 March 2014 have been presented as a deduction from the share capital. The bank balance of the JRG ESOP Trust as on 31 March 2014 net of the loan granted and capital contribution to the JRG ESOP Trust by the Company has been presented as bank balance of the Company.

35 The group has exposure to National Spot Exchange Limited (NSE) of ₹290.71 Lakhs with respect to the proprietary contracts. NSE has not been able to adhere to its payment obligations. The management has taken appropriate actions and is pressing for the early settlement of the dues. Pending final outcome which is uncertain, the management has provided for an amount of ₹290.71 Lakhs in this respect which is disclosed under the head "Exceptional items".

36 Prior year comparatives have been reclassified / regrouped wherever necessary to conform to the current year's classification.

As per our report of even date attached  
For **Haribhakti & Co.,**  
Chartered Accountants  
Firm registration No : 103523W

For and on behalf of the Board

**S Sundararaman**  
Partner  
Membership No: 028423

**Munish Dayal**  
Director

**P Viswanathan**  
Director

Place : Chennai  
Date : 27-May-2014

**Guruswami Raj G**  
Manager cum Company Secretary  
Place : Gurgaon  
Date : 27-May-2014



# Corporate Information

## Board of Directors

Mr. P.Viswanathan, Chairman  
Mr. Munish Dayal, Director  
Mr. B R Menon, Director

## Statutory Auditors

Haribhakti & Co. LLP  
Chartered Accountants  
5-B, A Block, 5th Floor,  
Mena Kampala Arcade,  
18 & 20, Thiagaraya Road, T Nagar,  
Chennai - 600 017

## Registrar and Share Transfer Agent

Bigshare Services Pvt. Ltd  
E-2/3, Ansa Industrial Estate, Sakivihar Road, Sakinaka,  
Andheri (E),  
Mumbai- 400 072

## Company Secretary & Compliance Officer

Mr.Guruswami Raj G

## Banker

HDFC Bank  
The Federal Bank  
ICICI Bank  
Axis Bank  
State Bank of Travancore  
The South Indian Bank

## Registered Office

XXXVI/202, JJ Complex, Dairy Methanam Road,  
Edappally, Kochi,  
Kerala- 682 024



INDITRADE CAPITAL LIMITED  
(Formerly known as JRG Securities Limited)  
CIN: L67120KL1994PLC008265

XXXVI-202, JJ Complex, Dairy Methanam Road, Edappally, Kochi – 682024

Tel: +91 484 3006000 • Fax: +91 484 2409922

Visit us at: [www.inditrade.com](http://www.inditrade.com) • email: [jrg@inditrade.com](mailto:jrg@inditrade.com)



**INDITRADE CAPITAL LIMITED**

(Formerly known as JRG Securities Limited)

CIN: L67120KL1994PLC008265

Reg. Office: XXXVI - 202, JJ Complex, Dairy Methanam Road, Edappally, Kochi - 682 024, Kerala.

Tele: 0484 3006000, Fax: 0484 2409922, Email: jrg@inditrade.com, Web Site: www.inditrade.com

**ATTENDANCE SLIP**

I/We hereby record my/our presence at the 20th Annual General Meeting of the shareholders of the Company at 10.30 a.m. IST on Friday, the 26th September 2014, at "The Renai Cochin", P.B Number.2310, Edappally- Palarivattom Road, Palarivattom, Kochi, Kerala - 682 025

Member's Folio/DP ID-Client ID No.

Member's / Proxy's name in Block Letters

Member's / Proxy's Signature

**Note:**

1. Please fill up the details, sign and hand this attendance slip at the attendance verification counter at the entrance of the meeting hall. Members/ their proxies would be allowed to attend the meeting on production of this slip duly completed and signed. Duplicate attendance slips will not be issued at the venue of the meeting.
2. Members holding shares in physical form are requested to advise the change in address/contact nos./e-mail ids to M/s Bigshare Services Pvt. Ltd, E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai-400 072 by quoting folio no(s) in writing or by mail to bhagwan@bigshareonline.com. Members holding shares in electronic form to update such changes with their Depository Participant(s).



**INDITRADE CAPITAL LIMITED**

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CIN: L67120KL1994PLC008265

Reg. Office: XXXVI - 202, JJ Complex, Dairy Methanam Road, Edappally, Kochi - 682 024, Kerala.

Tele: 0484 3006000, Fax: 0484 2409922, Email: jrg@inditrade.com, Web Site: www.inditrade.com

**PROXY FORM**

Name of the Member(s) :

Registered Address :

E-mail ID :

Folio/DP ID-Client ID No. :

I/We, being the member(s) of..... shares of the above named Company, hereby appoint:

(1) Name.....Address.....

Email Id:.....Signature.....or failing him/her;

(2) Name.....Address.....

Email Id:.....Signature.....or failing him/her;

(3) Name.....Address.....

Email Id:.....Signature.....or failing him/her;

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 20th Annual General Meeting of the Company, to be held at 10.30 a.m. IST on Friday, the 26th September 2014, at "The Renai Cochin", P.B Number.2310, Edappally- Palarivattom Road, Palarivattom, Kochi, Kerala - 682 025 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.		Vote (Optional)		
		For	Against	Abstain
1.	Adoption of Audited Financial Statements of the Company for the year ended 31st March 2014 together with the Reports of the Board of Directors and Auditors thereon.			





Resolution No.		Vote (Optional)		
		For	Against	Abstain
2.	Re-appointment of Mr. Munish Dayal (DIN:01683836),who retire by rotation			
3.	Appointment of M/s Haribhakthi & Co. LLP, Chartered Accountants, as Statutory Auditors.			
4.	Appointment of Mr. P. Viswanathan (DIN: 00011136) as an Independent Director of the Company			
5.	Appointment of Mr. B. R. Menon (DIN: 00113329) as an Independent Director of the Company			
6.	Appointment of Mr.Guruswami Raj as the Manager of the Company			

Signed this..... day of .....2014.

Member's Folio/DP ID-Client ID No.....Signature of Shareholder(s).....

Signature of Proxy holder(s).....

Please Affix  
a ₹1.00  
Revenue  
Stamp

**Note:**

1. This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company not less than 48 hours before commencement of the meeting.
2. For the resolutions, Explanatory Statements and Notes, please refer to the notice of 20th Annual General Meeting.
3. It is optional to indicate your preference by putting a 'X' in the appropriate column against the resolutions indicated in the Box above. If you leave the 'For' or 'Against' or 'Abstain' column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details before submission.

