

NOTICE TO THE 18TH ANNUAL GENERAL MEETING

Notice is hereby given that the 18th Annual General Meeting of the Members of Inditrade Derivatives and Commodities Limited will be held on Tuesday, September 30, 2014 at 10.30 noon at the Registered Office of the Company at XXXVI 203, JJ Complex, Dairy Methanam Road, Edappally, Kochi - 682 024 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, and 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. P. Viswanathan (DIN: 00011136), who retire by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of Companies Act, ("the Act") 2013, the appointment of Mr. P. Viswanathan as Director of the Company be and is hereby appointed as the Director of the company.

RESOLVED FURTHER THAT Mr. Samson K.J, Director, be and is hereby authorized to file all necessary forms with Registrar of Companies and such other authorities to give effect to this Resolution.

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 Haribhakti & 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”.

By the order of the Board of Directors

Place : Gurgaon
Date : 07.08.2014

Samson K.J
Managing Director
(DIN: 02648555)

NOTES:

1. The Explanatory 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. 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

INDITRADE DERIVATIVES AND COMMODITIES LIMITED
(FORMERLY KNOWN AS JRG WEALTH MANAGEMENT LIMITED)
CIN: U66010KL1996PLC010093

Regd office: First Floor, M E S Building, Kaloor, Cochin-682 017
Corporate Office: XXXVI 202, JJ Complex, Dairy Methanam Road, Edappally, Kochi - 682 024
Tele: 0484 3006000, email: jrg@jrg.co.in

DIRECTORS' REPORT

Your Directors' have great pleasure in presenting the 18th Annual Report together with the audited statement of Accounts of your Company for the year ended 31st March, 2014.

1. Operations & Financial Results

Particulars	Amount in Rs.	
	<u>2013-14</u>	<u>2012-13</u>
Total Revenue	7,33,23,901	109,512,896
Total Expenses	10,52,85,065	149,145,970
Profit/(Loss)Before Tax & prior period expenses	(3,19,61,164)	(39,633,074)
Provision For Taxes	--	3,998,212
Profit /(Loss) After Tax	(3,19,61,164)	(43,631,286)
Balance in Profit & Loss Account Brought Forward	(4,64,70,075)	(2,838,789)
Balance in Profit & loss A/c carried forward	(7,84,31,239)	(46,470,075)

During the year under review your Company recorded revenue of Rs.7.33 crores as against Rs.10.95 crores in the previous year. The total expenditure incurred was Rs. 10.52 crores resulting in a loss before tax of Rs. 3.19 crore before prior period items and taxes, as against loss before tax of Rs 3.96 Crores in the previous year. After provision for taxes the loss for the year is Rs. 3.19 crore as against loss of Rs.4.36 crores in the previous year.

2. 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 2013-14.

3. Subsidiary and its operations

During the year under review the subsidiary Company Inditrade Insurance Broking Private Limited had recorded total revenue of Rs. 29.15 Lakhs as against Rs.39 lakhs during the previous year 2012-13. The expenditure during the year stood at Rs.39.22 lakhs resulting in a Loss of Rs.10.07 lakhs as against a loss of Rs. 9.73 lakhs during the previous year.

4. Directors

At present the Board comprises of 4 Directors including Managing Director. Mr. P.Viswanathan, Director would be liable to retire by rotation at the forthcoming Annual General Meeting and being eligible offer himself for re-appointment. The Board of Directors of your Company recommends his re-appointment.

5. Directors' Responsibility Statement

As required under Section 217(2AA) of the Companies Act, 1956, the directors hereby confirm that:

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed and there are no material departures there from.
- b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the company for that year;
- c) The Directors had taken proper and sufficient care 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) The Directors had prepared the annual accounts on a going concern basis.

6. Auditors

M/s. Haribhakthi & Co. LLP, Chartered Accountants, Chennai - 600017 (Regn No.103523W) were appointed as the Statutory Auditors of your Company for the year 2013-14. M/s. Haribhakthi & Co. LLP had expressed their intention to seek reappointment at the ensuing Annual General Meeting pursuant to Sec 139 of the Companies Act, 2013. The Board of Directors recommends the appointment of M/s. Haribhakthi & Co, Chennai - 600017 as the Statutory Auditors of the Company for the year 2014-15.

7. Fixed deposits

The Company has not accepted any fixed deposits from public during the year.

8. Conservation of Energy, Technology absorption, Foreign Exchange Earnings and outgo:

In terms of Section 217(1) (e) of the Companies Act, 1956 (as amended) and the Companies (Disclosure of particulars in report of Directors') Rules, 1988, your directors furnish hereunder the additional information as required:

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 has adopted the latest state-of-the-art software and hardware tools available in the market for rendering the commodity trading and other services more efficiently and effectively.

C. Foreign Exchange Earnings and outgo - NIL

9. 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 2013-14.

10. Acknowledgement

Your Directors would like to place on record their sincere gratitude to the Clients, Bankers, Vendors, Business Associates, shareholders, exchanges, Regulatory authorities like SEBI, Registrar of Companies, Stock Exchanges, bankers, Government of India and State Governments for their wholehearted support and Cooperation extended during the year. Your directors also thank ex-Directors and the employees of the Company for their sincere and valuable contribution during the year under review. Your Directors also look forward for their valuable support and cooperation in the years to come.

For and on behalf of the Board

Place : Kochi
Date : 07.08.2014

Samson Konnoth Joseph
Managing Director
(DIN: 02648555)

Harish Galipelli
Director
(DIN: 03493910)

INDEPENDENT AUDITORS' REPORT

**To the Members of Inditrade Derivatives and Commodities Limited, Kochi
[formerly known as JRG Wealth Management Limited]**

Report on the Financial Statements

We have audited the accompanying financial statements of Inditrade Derivatives and Commodities Limited, Kochi [formerly known as JRG Wealth Management 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
Membership No.028423

Chennai: May 27, 2014

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 Derivatives and Commodities Limited (formerly known as JRG Wealth Management 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) (a) The Company has conducted physical verification of commodities relating to the Company's stock in trade on the basis of statement received from exchange controlled warehouses, at the reasonable intervals. Also, for the stock in dematerialized form, a statement has been received from the respective exchange.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification carried out at the end of the year.
- (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, the provisions stated in 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 ` 8,89,30,521/- and the year-end aggregate balance of loans taken from such parties was ` 5,38,17,966/-.
- (c) In our opinion, the rate of interest and other terms and conditions for such loans are, 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 inventory, fixed assets and with regard to the sale of goods and 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 ` 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, employees' state insurance, income-tax, sales-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 amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (b) According to the information and explanation given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
- (x) In our opinion, the accumulated losses of the company are more than fifty percent of its net worth. Further, the company has 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, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, paragraph 4(xiv) of the Order is not applicable.
- (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 during the year.
- (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
Membership No. 028423

Chennai: May 27, 2014

Inditrade Derivatives and Commodities Limited

(formerly known as JRG Wealth Management Limited)

Balance sheet as at 31 March 2014

(All amounts in Indian rupees, except share data and where otherwise stated)

Particulars	Note	As at 31 March 2014	As at 31 March 2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	9,26,24,270	9,26,24,270
Reserves and surplus	4	(7,19,16,237)	(3,99,55,075)
		2,07,08,033	5,26,69,195
Non-current liabilities			
Other long-term liabilities	5	63,68,604	63,43,984
		63,68,604	63,43,984
Current liabilities			
Short-term borrowings	6	5,38,17,966	1,40,00,000
Trade payables	7	7,92,87,459	9,37,26,094
Other current liabilities	8	3,13,79,168	3,60,69,478
		16,44,84,593	14,37,95,572
		19,15,61,230	20,28,08,751
ASSETS			
Non-current assets			
Fixed assets			
Tangible fixed assets	9	14,58,554	43,97,877
Intangible fixed assets	10	17,566	38,447
		14,76,120	44,36,324
Non-current investments	11	1,50,00,000	1,50,00,000
Long-term loans and advances	12	58,52,619	60,39,602
Other non-current assets	13	-	46,674
		2,23,28,739	2,55,22,600
Current assets			
Inventories	14	6,29,00,224	-
Trade receivables	15	1,16,66,882	40,000
Cash and bank balances	16	7,23,58,636	11,76,52,967
Short-term loans and advances	12	2,17,47,125	5,60,16,748
Other current assets	13	5,59,624	35,76,436
		16,92,32,491	17,72,86,151
Total		19,15,61,230	20,28,08,751

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

for **Inditrade Derivatives and Commodities Limited**

S Sundararaman

Partner

Membership No: 028423

Samson K J

Managing Director

Harish Gallipalli

Director

Place: Chennai

Date: 27-May-2014

Place:Gurgaon

Date: 27-May-2014

Inditrade Derivatives and Commodities Limited

(formerly known as JRG Wealth Management Limited)

Statement of profit and loss for the Year Ended 31 March 2014

(All amounts in Indian rupees, except share data and where otherwise stated)

Particulars	Note	Year Ended 31 March 2014	Year Ended 31 March 2013
REVENUE FROM OPERATIONS			
Sale of services - broking income		5,52,16,968	9,57,94,552
OTHER OPERATING REVENUE			
Interest charges		21,08,274	22,75,207
Profit/Loss on Trading in Commodities (Net)		46,47,499	
		6,19,72,741	9,80,69,759
Other income	17	1,13,51,160	1,14,43,137
Total revenue		7,33,23,901	10,95,12,896
EXPENSES			
Operating expenses	18	2,09,79,803	3,10,14,217
Employee benefits	19	1,77,13,800	2,64,05,031
Finance costs	20	14,20,948	4,83,226
Depreciation and amortisation	9 & 10	28,61,407	46,59,193
Other expenses	21	6,23,09,105	8,65,84,303
Total expenses		10,52,85,063	14,91,45,970
Loss before tax		(3,19,61,162)	(3,96,33,074)
Tax expense			
Current tax for earlier years		-	1,81,996
Deferred tax reversal / (credit)		-	38,16,216
Total tax expense		-	39,98,212
(Loss) after tax		(3,19,61,162)	(4,36,31,286)
Earnings per share:			
Basic and diluted	30	(20.65)	(27.13)

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

for **Inditrade Derivatives and Commodities Limited**

S Sundararaman

Partner

Membership No: 028423

Samson K J

Managing Director

Harish Gallippalli

Director

Place: Chennai

Date: 27-May-2014

Place:Gurgaon

Date: 27-May-2014

Inditrade Derivatives and Commodities Limited

(formerly known as JRG Wealth Management Limited)

(All amounts in Indian rupees, except share data and where otherwise stated)

Cash flow statement for the year ended 31 March 2014

	For the year ended 31 March 2014	For the year ended 31 March 2013
Cash flow from operating activities		
Net (loss) / profit before tax	(3,19,61,162)	(3,96,33,074)
Adjustments for:		
Depreciation /amortization *	28,61,407	46,59,193
Provision for doubtful trade receivables	8,54,484	10,05,666
Provision for doubtful loans and advances	98,500	2,90,567
Loss on sale of assets/ assets written off (net)	(1,30,675)	12,07,222
Interest income	(72,84,940)	(1,05,24,020)
Liabilities written back	(35,80,027)	
Profit on redemption of mutual funds	(62,749)	
Interest expense	14,20,948	4,83,226
Operating profit before working capital changes	(3,77,84,213)	(4,25,11,219)
Adjustments for:		
(Increase)/Decrease in Inventories	(6,29,00,224)	
(Increase) / decrease in trade receivables	(1,25,79,867)	(1,85,857)
(Increase) /decrease in loans and advances	3,51,36,592	1,84,28,418
(Decrease) / increase in liabilities and provisions	(1,55,24,298)	(4,30,76,690)
Cash generated from operations	(5,58,67,797)	(2,48,34,129)
Income tax paid / (refund), net	6,79,986	(12,42,367)
Net cash generated from operating activities (A)	(9,43,31,997)	(6,61,02,981)
Cash flow from investing activities		
Purchase of fixed assets	(63,000)	(21,195)
Proceeds from sale of fixed assets	2,92,474	1,54,214
Purchase of mutual funds	(1,84,00,000)	0
Proceeds from the sale of mutual funds	1,84,62,749	
Investment in bank deposits (having original maturity of more than 3 months)	4,18,46,932	(88,59,446)
Interest income	1,03,01,752	1,25,93,984
Net cash used in investing activities (B)	5,24,40,907	38,67,557
Cash flow from financing activities		
Increase/(decrease) in borrowings from related party	3,98,17,966	1,40,00,000
Interest paid	(14,20,948)	(4,83,226)
Net cash from financing activities (C)	3,83,97,018	1,35,16,774
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(34,94,072)	(4,87,18,650)
Cash and cash equivalents at the beginning of the year	1,67,88,688	6,55,07,338
Cash and cash equivalents at the end of the year	16 1,32,94,616	1,67,88,688

* Depreciation have been reduced to the extent of shared service expense charged.

Significant accounting policies

2

The accompanying notes are the integral part of the financial statements

As per our report of even date attached

for Inditrade Derivatives and Commodities Limited

For Haribhakti & Co.,

Chartered Accountants

Firm registration No : 103523W

S Sundararaman

Partner

Membership No: 028423

Samson K J

Managing Director

Harish Gallippalli

Director

Place: Chennai

Date: 27-May-2014

Place:Gurgaon

Date: 27-May-2014

Inditrade Derivatives and Commodities Limited

(formerly JRG Wealth Management Limited)

Notes to the financial statements

(All amounts in Indian rupees, except share data and where otherwise stated)

1 Company overview

Inditrade Derivatives and Commodities (“the Company”) was incorporated on 29 February 1996 and the name has been changed to Inditrade Derivatives and Commodities Limited on 17 August 2012. The Company is a subsidiary of Inditrade Capital Limited (formerly known as JRG Securities Limited) (“parent company”) and is primarily engaged in the business as brokers for commodities trading in various commodity exchanges.

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 Rs 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.

Intangible 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.

Inditrade Derivatives and Commodities Limited

(All amounts are in Indian Rupees except share data or as stated)

Notes to financial statements for the year ended 31 March 2014 (Continued)

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 commodities broking activity is recognised on the trade date of transaction (net of service tax), upon confirmation of trade by the commodity exchange.

2.6 Interest income

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

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 Derivatives: equity index / stock – futures

Equity index / stock 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 futures account”, represents the net amount paid or received on the basis of movement in the prices of index / stock futures till the balance sheet date.

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

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

Debit balance in the “Mark-to-Market Margin – equity index / stock futures account”, being anticipated loss, is recognised in the statement of profit and loss.

On final settlement or squaring-up of contracts for equity index / stock futures, the profit or loss is calculated as 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 futures account” is recognised in the statement of profit and loss upon expiry of the contracts. When more than one contract in respect of the relevant series of equity index / stock 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 or loss on squaring-up.

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 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.

Inditrade Derivatives and Commodities Limited

(All amounts are in Indian Rupees except share data or as stated)

Notes to financial statements for the year ended 31 March 2014 (Continued)

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 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.

2.14 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.

2.15 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.

Inditrade Derivatives and Commodities Limited

(formerly JRG Wealth Management Limited)

Notes to financial statements for the Year Ended 31 March 2014 (Continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

3 Share capital

Particulars	As at	
	31 March 2014	31 March 2013
Authorised		
4,000,000 (Previous year: 4,000,000) equity shares of Rs. 10 each	4,00,00,000	4,00,00,000
8,000,000 (Previous year: 8,000,000) preference shares of Rs. 10 each	8,00,00,000	8,00,00,000
Issued subscribed and paid-up		
1,800,000 (Previous year: 1,800,000) equity shares of Rs. 10 each fully paid up	1,80,00,000	1,80,00,000
7,462,427 (Previous year: 7,462,427) 6 % cumulative redeemable preference shares of Rs. 10 each fully paid up	7,46,24,270	7,46,24,270
	9,26,24,270	9,26,24,270

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

i. Equity Shares

Particulars	As at			
	31 March 2014		31 March 2013	
	No. of shares	Value	No. of shares	Value
At the beginning and at the end of the year	18,00,000	1,80,00,000	18,00,000	1,80,00,000

ii. 6 % Cumulative redeemable preference shares

Particulars	As at			
	31 March 2014		31 March 2013	
	No. of shares	Value	No. of shares	Value
At the beginning and at the end of the year	74,62,427	7,46,24,270	74,62,427	7,46,24,270

b) Terms / rights attached to equity shares

The Company has only one class of shares of equity share having a par value of Rs.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) Terms / rights attached to 6% cumulative redeemable preference shares

The Company has only one class of preference shares namely 6% cumulative redeemable preference shares ("CRPS") of Rs.10 each. The said "CRPS" were issued to the parent company Inditrade Capital Limited in September 2009. The "CRPS" have been issued for a period of 10 years. However, the redemption shall be made at anytime after the expiry of 3 months by the mutual consent of the company and the preference share holder and that such redemption shall be at Rs. 10 per share.

d) Details of the shares held by the Holding Company

Name of the shareholder	As at			
	31 March 2014		31 March 2013	
	No. of shares	Value	No. of shares	Value
Inditrade Capital Ltd				
i. Equity shares	16,47,095	1,64,70,950	16,47,095	1,64,70,950
ii. Preference shares	74,62,427	7,46,24,270	74,62,427	7,46,24,270
	91,09,522	9,10,95,220	91,09,522	9,10,95,220

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

Name of the shareholder	As at			
	31 March 2014		31 March 2013	
	No. of shares	% holding	No. of shares	% holding
Inditrade Capital Ltd				
i. Equity shares	16,47,095	91.51%	16,47,095	91.51%
ii. Preference shares	74,62,427	100%	74,62,427	100%

f) 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.

Inditrade Derivatives and Commodities Limited

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Notes to financial statements for the Year Ended 31 March 2014 (Continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

4 Reserves and surplus

Particulars	As at	
	31 March 2014	31 March 2013
I. Securities premium account	40,00,000	40,00,000
II. General reserve	25,15,000	25,15,000
III. Surplus / (deficit) in the statement of profit and loss		
Balance at the beginning of the year	(4,64,70,075)	(28,38,789)
Net (loss) / profit after tax transferred from statement of profit and loss	(3,19,61,162)	(4,36,31,286)
Balance at the end of the year	(7,84,31,237)	(4,64,70,075)
Total reserves and surplus	(7,19,16,237)	(3,99,55,075)

5 Other long-term liabilities

Particulars	As at	
	31 March 2014	31 March 2013
Security deposits	63,68,604	63,43,984
	63,68,604	63,43,984

6 Short-term borrowings

Particulars	As at	
	31 March 2014	31 March 2013
Unsecured		
Loan from JRG Fincorp Limited (fellow subsidiary)	5,38,17,966	1,40,00,000
	5,38,17,966	1,40,00,000

* The loan is repayable on demand and carries and interest rate of 12%

7 Trade payable *

Particulars	As at	
	31 March 2014	31 March 2013
Payable to client **	7,87,25,417	9,31,48,112
Business incentive payable	5,62,042	5,77,982
	7,92,87,459	9,37,26,094

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

** Includes payable to a fellow subsidiary, Inditrade Business Consultants Limited (formerly JRG Business Investment Consultants Limited)

- 36,11,436

8 Other current liabilities

Particulars	As at	
	31 March 2014	31 March 2013
Dues to related parties		
JRG Fincorp Limited (Fellow subsidiary)	1,68,21,680	65,83,138
Inditrade Capital Limited (Holding Co)	31,49,944	92,67,307
Inditrade Business Consultants Limited (Fellow subsidiary)	41,61,109	53,84,248
	2,41,32,733	2,12,34,693
Other liabilities		
Provision for expenses	25,06,706	41,12,031
Payable to employees	8,86,954	23,48,701
Payable to exchanges	-	25,67,135
Security deposit from franchisees	-	1,00,000
Statutory liabilities payable	7,32,072	7,89,888
Other payables	31,20,703	49,17,030
	3,13,79,168	3,60,69,478

9 Short-term provisions

Particulars	As at	
	31 March 2014	31 March 2013
Provision for tax (net of advance tax)	-	-
	-	-

Inditrade Derivatives and Commodities Limited

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Notes to financial statements for the Year Ended 31 March 2014 (Continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

9 Tangible Fixed Assets

Particulars	Furniture and fittings	Office equipments	Computers	Electrical fittings	Motor vehicles	V-Sat equipments	Total
Gross block							
Balance as at 1 April 2012	1,35,86,085	40,68,607	79,76,346	52,80,200	5,00,219	50,98,940	3,65,10,397
Additions	-	21,195	-	-	-	-	21,195
Deletions	14,78,294	31,440	20,600	9,71,217	-	-	25,01,551
Balance as at 31 March 2013	1,21,07,791	40,58,362	79,55,746	43,08,983	5,00,219	50,98,940	3,40,30,041
Additions	-	63,000	-	-	-	-	63,000
Deletions	4,26,235	73,032	3,02,960	1,58,088	5,00,219	-	14,60,534
Balance at 31 March 2014	1,16,81,556	40,48,330	76,52,786	41,50,895	-	50,98,940	3,26,32,508
Accumulated depreciation							
Balance as at 01 April 2012	96,44,569	24,00,802	70,08,133	31,90,651	2,44,338	46,09,256	2,70,97,749
Depreciation for the year	23,25,627	6,04,927	4,87,937	8,65,003	98,512	2,56,305	46,38,311
Accumulated depreciation on disposals	13,17,923	21,584	19,939	7,44,450	-	-	21,03,896
Balance as at 31 March 2013	1,06,52,273	29,84,145	74,76,131	33,11,204	3,42,850	48,65,561	2,96,32,164
Depreciation for the year	10,01,629	6,59,900	3,05,803	6,71,637	83,099	1,18,459	28,40,526
Accumulated depreciation on disposals	3,86,674	61,448	2,92,812	1,31,853	4,25,948	-	12,98,735
Balance at 31 March 2014	1,12,67,228	35,82,597	74,89,121	38,50,987	0	49,84,021	3,11,73,954
Net block							
As at 31 March 2013	14,55,518	10,74,217	4,79,615	9,97,779	1,57,369	2,33,379	43,97,877
As at 31 March 2014	4,14,328	4,65,733	1,63,665	2,99,908	-	1,14,919	14,58,553

10 Intangible fixed assets

Particulars	Computer software	Total
Gross block		
Balance as at 01 April 2012	40,72,592	40,72,592
Additions	-	-
Deletions	-	-
Balance as at 31 March 2013	40,72,592	40,72,592
Additions	-	-
Deletions	-	-
Balance at 31 March 2014	40,72,592	40,72,592
Accumulated amortisation		
Balance as at 01 April 2012	40,13,263	40,13,263
Amortisation for the year	20,882	20,882
Accumulated amortisation on disposals	-	-
Balance as at 31 March 2013	40,34,145	40,34,145
Amortisation for the year	20,881	20,881
Accumulated amortisation on disposals	-	-
Balance at 31 March 2014	40,55,026	40,55,026
Net block		
As at 31 March 2013	38,447	38,447
As at 31 March 2014	17,566	17,566

Inditrade Derivatives and Commodities Limited

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Notes to financial statements for the Year Ended 31 March 2014 (Continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

11 Non-current investments

Particulars	As at	
	31 March 2014	31 March 2013
Trade investments (valued at cost)		
I. Investments in equity instruments (unquoted)		
Investment in subsidiaries		
6,500,000 (Previous year : 6,500,000) equity shares of Rs.10 each fully paid up in Inditrade Insurance Broking Private Limited (previously JRG Insurance Broking Private Limited)	6,50,00,000	6,50,00,000
Less : Provision for diminution other-than-temporary	(5,00,00,000)	(5,00,00,000)
	1,50,00,000	1,50,00,000
Aggregate amount of unquoted investments	6,50,00,000	6,50,00,000
Aggregate amount of provision for diminution in the value of investments	5,00,00,000	5,00,00,000

12 Loans and advances

Particulars	Non-current		Current	
	As at		As at	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
To other than related parties				
Security deposits (Unsecured)				
Considered good				
Deposits with exchanges	6,00,000	5,50,000	1,42,00,001	5,16,00,000
Rental deposits	10,11,000	18,63,200	40,000	40,000
Other deposits	6,55,430	5,89,311	-	-
Considered doubtful				
Rental deposits	-	-	4,61,284	2,61,284
Other deposits	-	-	2,29,655	2,29,655
	22,66,430	30,02,511	1,49,30,940	5,21,30,939
Provision for doubtful deposits				
Rental deposits	-	-	(4,61,284)	(2,61,284)
Other deposits	-	-	(2,29,655)	(2,29,655)
	22,66,430	30,02,511	1,42,40,001	5,16,40,000
Advances recoverable in cash or kind (Unsecured)				
Considered good	1,12,800	1,26,900	9,95,920	15,54,140
Considered doubtful	-	-	-	1,01,500
	1,12,800	1,26,900	9,95,920	16,55,640
Provision for doubtful advances	-	-	(0)	(1,01,500)
	1,12,800	1,26,900	9,95,919	15,54,140
Other loans and advances (Unsecured, considered good)				
Advance tax (net of provisions)	29,76,273	22,96,287	-	-
Gratuity (net of liability)	4,97,116	6,13,904	-	-
Prepaid expense	-	-	4,24,690	2,32,714
Balance with government authorities	-	-	54,86,515	25,81,494
	34,73,389	29,10,191	59,11,205	28,14,208
Loans and advances to related parties				
I. Advances recoverable in cash or kind				
Inditrade Capital Limited (Holding Company)	-	-	-	-
Inditrade Business Consultants Limited (fellow subsidiary)	-	-	-	-
Inditrade Insurance Broking Private Limited (subsidiary)	-	-	6,00,000	8,400
(Unsecured, considered good)	-	-	6,00,000	8,400
	58,52,619	60,39,602	2,17,47,125	5,60,16,748

Inditrade Derivatives and Commodities Limited

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Notes to financial statements for the Year Ended 31 March 2014 (Continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

13 Other assets

Particulars	Non-current		Current	
	As at		As at	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
Bank deposits (due to mature after 12 months from the reporting date)	-	46,674	-	-
Interest accrued on fixed deposits	-	-	5,59,624	35,76,436
	-	46,674	5,59,624	35,76,436

14 Inventories

Particulars	As at	
	31 March 2014	31 March 2013
	Rubber	2,51,87,400
Cotton Seed Cake	3,05,18,066	-
RM Seed	71,94,758	-
	6,29,00,224	-

15 Trade receivables

Particulars	As at	
	31 March 2014	31 March 2013
	Outstanding for a period exceeding six months from the date they became due for payment	
Unsecured, considered doubtful	51,87,995	39,79,452
	51,87,995	39,79,452
Provision for doubtful receivable	(51,87,995)	(39,79,452)
	-	-
Other receivables		
Unsecured, considered good	1,16,66,882	40,000
Unsecured, considered doubtful	-	3,54,059
	1,16,66,882	3,94,059
Provision for doubtful receivable	-	(3,54,059)
	1,16,66,882	40,000
	1,16,66,882	40,000

16 Cash and bank balances

Particulars	As at	
	31 March 2014	31 March 2013
	Cash and cash equivalents	
Cash in hand	16,765	50,062
On current accounts	1,32,77,851	1,67,38,626
	1,32,94,616	1,67,88,688
Other balances		
Deposits with original maturity for more than 3 months but less than 12 months *	5,90,64,021	5,62,52,518
Deposits with original maturity for more than 12 months *	-	4,46,58,435
Less: Amount disclosed under non - current asset (Refer Note 14)	-	(46,674)
	5,90,64,021	10,08,64,279
	7,23,58,636	11,76,52,967

* Includes deposits pledged with banks as security for guarantees issued by banks in favour of various commodity exchanges

4,36,93,382 1,70,78,448

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Notes to financial statements for the Year Ended 31 March 2014 (Continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

17 Other income

Particulars	Year Ended 31 March 14	Year Ended 31 March 2013
Interest income		
Interest on fixed deposits	72,84,940	1,00,89,535
Other interest income	-	4,34,485
Net gain on sale of current investment	62,749	-
Liabilities no longer required written back	35,80,027	3,65,701
Profit on sale of Assets	1,30,675	-
Other non-operating income	2,92,770	5,53,417
	1,13,51,160	1,14,43,137

18 Operating expenses

Particulars	Year Ended 31 March 14	Year Ended 31 March 2013
Business incentive	1,30,29,670	2,01,32,763
Turnover charges	62,73,896	95,10,284
Other trading expenses	16,76,237	13,71,169
	2,09,79,803	3,10,14,217

19 Employee benefits

Particulars	Year Ended 31 March 14	Year Ended 31 March 2013
Salaries and wages	1,63,63,422	2,41,23,810
Staff incentive	1,96,412	11,17,919
Contribution to provident and other funds	11,13,640	10,91,897
Staff welfare expenses	40,326	71,405
	1,77,13,800	2,64,05,031

20 Finance cost

Particulars	Year Ended 31 March 14	Year Ended 31 March 2013
Interest expense	14,20,948	4,83,226
	14,20,948	4,83,226

21 Other expenses

Particulars	Year Ended 31 March 14	Year Ended 31 March 2013
Rent, rates and taxes	85,94,640	1,15,10,718
Repair and maintenance	17,81,675	51,02,804
Power and fuel	23,99,916	41,23,308
Advertisement and business promotion	2,17,822	3,43,860
Communication expenses	57,03,699	87,33,677
Registration and renewals	8,44,638	5,88,552
Travelling expenses	12,08,086	33,13,969
Office and branch expenses	55,62,479	30,91,444
Printing and stationery	5,75,830	12,74,705
Legal, professional and consultancy (Refer note 23)	24,94,921	77,97,873
Shared service expenses	3,01,75,375	3,54,52,333
Bank and other charges	5,55,581	11,35,881
Provision for doubtful trade receivables	8,54,484	10,05,666
Provision for doubtful advances	98,500	2,90,567
Irrecoverable advance written off	1,33,415	-
Procurement Charges	10,42,034	-
Loss on sale of fixed assets	-	2,43,440
Assets written off	-	9,63,782
Advances written off	-	13,95,544
Miscellaneous expenses	66,011	2,16,180
	6,23,09,105	8,65,84,303

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Notes to financial statements for the Year Ended 31 March 2014 (Continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

23 Contingent liabilities and commitments

Particulars	As at	
	31 March 2014	31 March 2013
Contingent liabilities		
Claims against the company not acknowledged as debt	1,44,19,000	2,70,74,059
Bank guarantees	5,15,00,000	3,15,00,000
Commitments		
Other commitments	-	-
Arrears of dividend on 6% cumulative redeemable preference shares (Including Dividend tax)	2,43,87,266	1,91,83,343

24 Payment to auditor (included in legal professional and consultancy charges, excluding service tax)

Particulars	Year ended	
	31 March 2014	31 March 2013
As Auditor :		
Statutory audit	3,50,000	5,00,000
Tax audit	-	50,000
Certification fees	15,000	45,000
For reimbursement of expenses	2,348	40,355

25 Deferred taxes

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

Particulars	As at	
	31 March 2014	31 March 2013
Deferred tax assets		
Depreciation/ amortisation	34,47,197	32,60,536
Provision for loans and advances	2,11,427	1,92,217
Provision for doubtful trade receivables	15,87,527	14,06,008
	A	52,46,151
Deferred tax liabilities		
Others	1,23,760	1,08,643
	B	1,23,760
Net deferred tax asset	A-B	51,22,392
		47,50,118

* In the absence of virtual certainty of realization of deferred tax asset, as there is carry forward loss and unabsorbed depreciation, deferred tax asset is recognized to the extent of the available deferred tax liability.

26 Related party disclosures

Names of related parties and nature of relationship:

Holding Company	Inditrade Capital Limited (formerly known as JRG Securities Limited)
Subsidiary Companies	Inditrade Insurance Broking Private Limited (formerly known as JRG Insurance Broking Private Limited)
Entities under common control	Inditrade Business Consultants Limited (formerly known as JRG Business Investment Consultants Limited) JRG Fincorp Limited
Key managerial personnel	Samson K J (Managing Director)

Inditrade Derivatives and Commodities Limited

(formerly JRG Wealth Management Limited)

Notes to financial statements for the Year Ended 31 March 2014 (Continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

Transactions and balances with related parties

Particulars	Transactions during year ended 31 March 2014	Amount (payable) / receivable as at 31 March 2014	Transactions during year ended 31 March 2013	Amount (payable) / receivable as at 31 March 2013
Equity contribution				
Inditrade Capital Limited (Equity Shares)	-	(1,64,70,950)	-	(1,64,70,950)
Inditrade Capital Limited (Preference Shares)	-	(7,46,24,270)	-	(7,46,24,270)
Loan taken (net)				
JRG Fincorp Limited	(3,98,17,966)	(5,38,17,966)	(1,40,00,000)	(1,40,00,000)
Advances given to/ (taken) from Subsidiaries and fellow subsidiaries (net)				
Inditrade Business Consultants Limited	2,18,79,892	(41,22,509)	1,29,17,871	(53,84,248)
JRG Fincorp Limited	1,14,18,457	(1,68,21,680)	2,12,45,143	(65,83,137)
Inditrade Capital Limited	2,30,54,567	(31,49,943)	1,59,97,225	(92,67,309)
Inditrade Insurance Broking Pvt Ltd	6,00,000	6,00,000	0	0
Reimbursement of expenses / (income) (net)				
Inditrade Business Consultants Limited	45,294	-	(23,33,994)	-
JRG Fincorp Limited	-	-	(28,75,895)	-
Inditrade Capital Limited	(2,36,481)	-	(22,10,365)	-
Inditrade Insurance Broking Pvt Ltd	(8,400)	-	-	8,400
Interest (expense) / income (net)				
JRG Fincorp Limited	(13,09,820)	-	(3,47,853)	-
Inditrade Capital Limited	(5,693)	-	27,730	-
Inditrade Business Consultants Limited	-	-	3,36,459	-
Commission (Expenses)/income (net)				
Inditrade Business Consultants Limited	(38,600)	(38,600)	-	-
Stock Movement				
Inditrade Business Consultants Limited	(3,77,12,824)	-	-	-
Shared service expenses (including service tax)				
Inditrade Capital Limited	(1,66,95,030)	-	(2,30,81,898)	-
Inditrade Business Consultants Limited	(2,06,63,447)	-	(1,91,00,987)	-
JRG Fincorp Limited	(2,03,47,179)	-	(2,41,37,624)	-
Balance in trading account				
Inditrade Business Consultants Limited	-	-	(36,11,270)	(36,11,270)
Investment in Inditrade Broking Private Ltd	-	6,50,00,000	-	6,50,00,000
Remuneration paid				
Salaries, other allowances and perquisites -				
Samson K J	12,87,948	-	12,67,820	-

Inditrade Derivatives and Commodities Limited

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Notes to financial statements for the Year Ended 31 March 2014 (Continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

27 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.

28 Employee benefit

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

Change in projected benefit obligation	Year ended	
	31 March 2014	31 March 2013
Projected benefit obligation at the beginning of the year	6,08,207	8,57,862
Acquisition adjustment	-	(2,05,953)
Service cost	1,76,187	2,03,924
Interest cost	54,739	70,774
Actuarial gain	(13,665)	(2,53,004)
Benefits paid	(1,72,061)	(65,396)
Projected benefit obligation at the end of the year	6,53,407	6,08,207
Change in plan assets		
Fair value of plan assets at beginning of the year	12,22,111	11,09,177
Expected return on plan assets	99,407	1,00,563
Actuarial gain	1,066	(4,001)
Contributions	-	81,768
Benefits paid	(1,72,061)	(65,396)
Fair value of plan assets at the end of the year	11,50,523	12,22,111
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	6,53,407	6,08,207
Funded status of the plans	11,50,523	12,22,111
Funded status amount of liability recognized in the balance sheet	(4,97,116)	(6,13,904)
Recognised under :		
Loans and advances (Non Current) (Refer note no : 13)	4,97,116	6,13,904
	4,97,116	6,13,904
The components of net gratuity costs are reflected below:		
Service cost	1,76,187	2,03,924
Interest cost	54,739	70,774
Expected return on plan assets	(99,407)	(1,00,563)
Recognized net actuarial (gain)/ loss	(14,731)	(2,49,003)
Net gratuity costs	1,16,788	(74,868)
Financial assumptions at balance sheet date:		
Discount rate	9.00%	8.25%
Long-term rate of compensation increase	8.00%	7.50%
Rate of return on plan assets	8.75%	9.00%
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.		

Inditrade Derivatives and Commodities Limited

(formerly JRG Wealth Management Limited)

Notes to financial statements for the Year Ended 31 March 2014 (Continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

29 Open interest in Futures entered by the company as at the balance sheet date

Short position

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	1280
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	956

30 Earnings per share

Particulars	As at	
	31 March 2014	31 March 2013
Net profit/(loss) for the year	(3,19,61,162)	(4,36,31,286)
Unpaid preference dividend (including tax thereon)	(52,03,923)	(52,03,811)
Net profit / (loss) considered for computing earnings / (loss) per share	A	(4,88,35,097)
Number of equity shares considered as basic weighted average shares outstanding	B	18,00,000
Basic and Diluted earnings/(loss) per share	A / B	(27.13)

31 Security margins from clients

In order to secure the performance by the clients of their obligations, commitments and liabilities to the Company, bank guarantees etc are placed as margins in favour of the Company. Such bank guarantees 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 creditors.

32 Inditrade Insurance Broking Private Limited ('IIBPL') is a wholly owned subsidiary of the Company. As at 31 March 2014, IIBPL has incurred accumulated losses aggregating to Rs.52.84 million which have significantly eroded the share capital of IIBPL. During the previous year, the management of IIBPL have commenced various steps including rationalization of the number of employees, changes to the revenue model, streamlining of the sales force etc. Based on the revised budget plans, the management believes that there is no requirement to further provide for the diminution in the value of investment in IIBPL in the current year.

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 Foreign currency forward contracts

The Company has no receivable and payable in foreign currency as at the balance sheet date. Hence the Company has not entered into any foreign currency forward contract to hedge its risk associated with foreign currency fluctuations.

35 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 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 international transactions are at arm's length so that the aforesaid update will not have any impact on the financial statements.

36 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

for Inditrade Derivatives and Commodities Limited

formerly known as JRG Wealth Management Ltd

S Sundararaman

Partner

Membership No: 028423

Samson K J

Managing Director

Harish Gallipali

Director

Place: Chennai

Date: 27 May 2014

Place: Gurgaon

Date: 27 May 2014