

14<sup>th</sup> August, 2017

Manager  
Department of Corporate Services  
BSE Limited,  
1<sup>st</sup> Floor, Dept of Corporate Services,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400001.

Dear Sir,

Sub: Forwarding of Annual Report 2016-17:

Ref: Our letter dated 10<sup>th</sup> August, 2017

Further to the letter cited above, we are forwarding herewith the Annual Report 2016-17 in accordance with Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Thanking You,

Yours truly,

For Inditrade Capital Ltd

  
Vinod Mohan

Company Secretary



# [ Adding Value ]

## Multiplying Prospects

# [ Contents ]

<b>Corporate Overview</b>	Adding Value. Multiplying Prospects.	01
	Inditrade - Financing Progress	02
	The World of Inditrade	04
	Chairman's Statement	06
	Financial Highlights	08
	Board of Directors	09
	When Expertise Met Opportunity	10
	Pairing opportunity with commitment	12
<b>Management Reports</b>	Management Discussion and Analysis Report	14
	Directors' Report	22
	Report on Corporate Governance	47
<b>Financial Statements</b>	<b>Standalone Statements</b>	
	Independent Auditors' Report	64
	Balance Sheet	70
	Statement of Profit and Loss	71
	Cash Flow Statement	72
	Notes to Financial Statements	74
	<b>Consolidated Statements</b>	
	Independent Auditors' Report	94
	Balance Sheet	98
	Statement of Profit and Loss	99
	Cash Flow Statement	100
	Notes to Financial Statements	102
	Notice	129

## Disclaimer

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.



## [ Adding Value. Multiplying Prospects. ]

Plethora of opportunities is waiting in the market to be tapped. Value creation is bound to happen when you connect with the right customer at the right time. The scope of value creation widens with the thorough understanding of customers backed with flexible approach in catering their needs. Further, state-of-art technology and skilled talent enhances the customers' journey and experience.

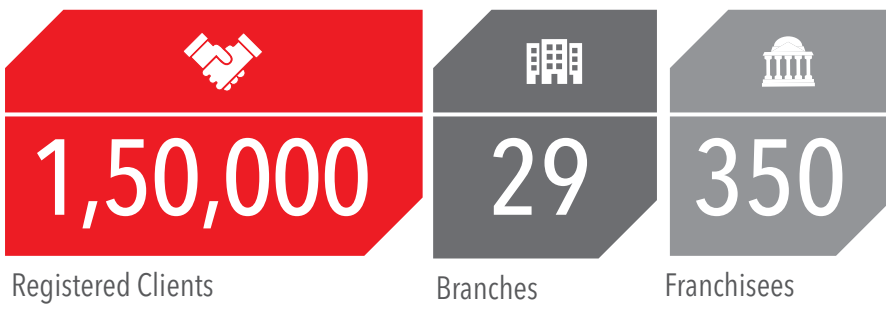
Over the years, Inditrade has consistently re-invented itself and carved a niche for itself in the NBFC space. Leveraging on our commodity expertise, we have successfully

strengthened the commodity financing business in FY17. The acquisition of Edelweiss agri-commodity trading business widened our commodity offerings extending our geographic presence to Western, Northern and Southern Indian markets. Additionally at the end of FY17, we have obtained microfinance license aiming to cater to the growing needs of semi-urban areas.

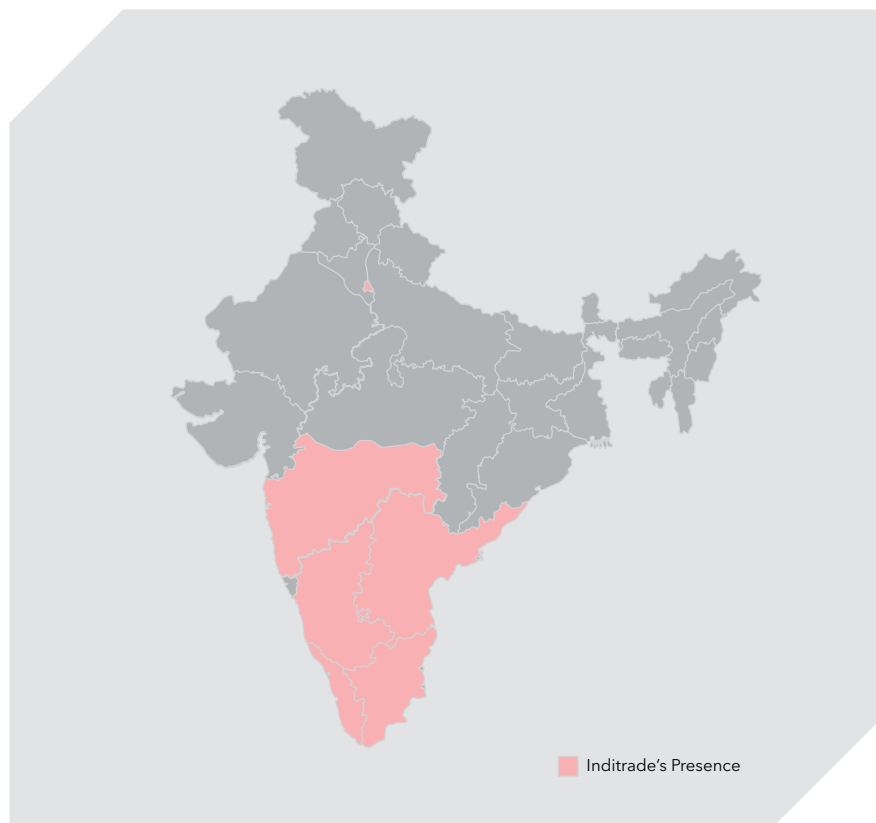
Our business diversity is poised to add value and hence multiplying the prospects for stakeholders.

# Inditrade – Financing Progress

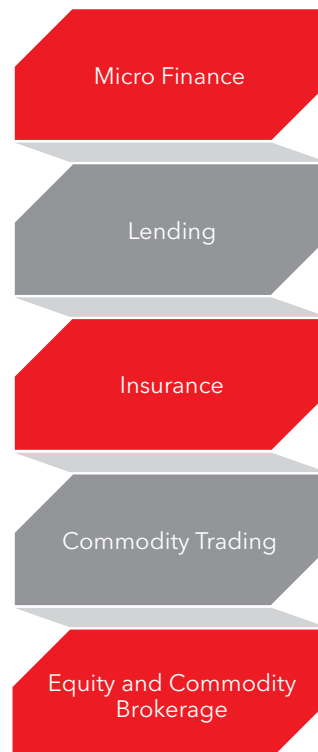
Presently



Expanding into geographies



**Evolution  
and Growth  
(1992-2017)**



## Tapping Untapped Markets

**Our agri-commodity focus:** Only 12-18% of the ₹ 4+ Lakh Crore agri-commodity market is served by banks and financial institutions. The vision is to become a leading agri-commodity financing player, largely facilitating post-harvest financing of non-essential, exchange-traded commodities

**Our microfinance focus:** Entrepreneurial heartlands of industrialized semi-urban regions (such as industrial belts in southern Maharashtra and Tamil Nadu) have great potential but are highly underserved. A prominent role as financier to these traditional micro-business entrepreneurs is envisaged.

### Partnering Digital India

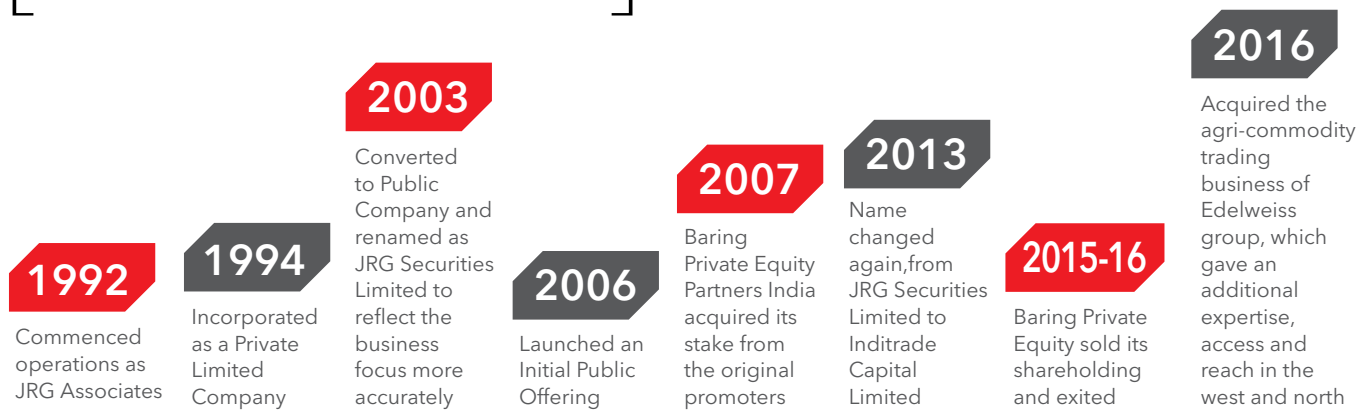
- AADHAR enabled instant account opening and trade on-the-go
- Industry-first completely digitized micro loan approval and disbursement process
- Soon to provide last mile connectivity to traders and farmers for price dissemination and procurement

### Our Leaders: Authors of a Legacy

- Combined experience of 90+ years
- Front runner experience in leading BFSI companies
- Proven track record of launching new businesses
- Sound technological understanding
- Expertise in commodity markets, agri-commodities, microfinance, BFSI technology, MAC (mobility, analytics & cloud)

## A few milestones along the journey so far:

At Inditrade, we are committed to India's economic development through financial services!



# [The World of Inditrade]



Headquartered in Kochi, Kerala, Inditrade Capital Limited (earlier JRG Securities Limited) started its journey in 1992. The Company has carved a niche for itself in the finance domain with its state-of-the-art technologies, vigilant credit and risk management systems, new products offerings and focused client relationships. Over the past two decades, Inditrade emerged as one of the most successful and transparent financial services providers with a presence across Kerala, Tamil Nadu, Karnataka, Andhra Pradesh, Telangana and Maharashtra. At the end of FY17, the Company forayed into microfinance business catering to semi-urban industrial regions.

## Key Building Blocks of Growth



## Mission

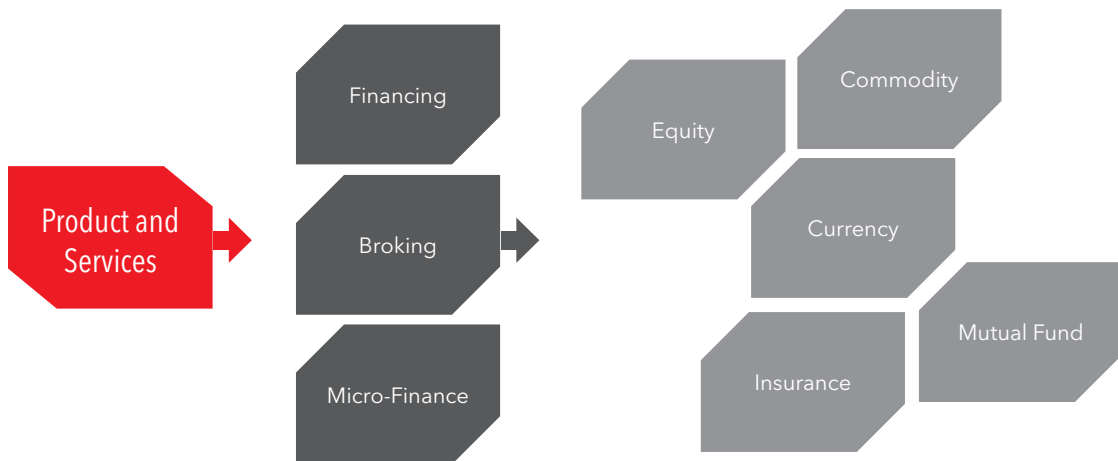
A highly professional and smart solutions service provider with an aim to ensure a holistic customer experience through a dynamic and motivated team with product and sectoral expertise.

## Memberships and Affiliations

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



## Our Subsidiaries





## Chairman's Statement



Dear Shareholders,

It gives me immense pleasure to address you in the Annual Report of our 25<sup>th</sup> business anniversary. It has been a glorious quarter century for Inditrade Capital (erstwhile JRG Securities) in serving the Indian consumers through its diverse financial offerings.

Starting in 1992, over the years, we have acquired a name of trust in the Equity & Commodity Broking businesses. We have undergone several transformations - adding new services, 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. Over the years, the Company through its subsidiaries, has forayed into lending business (NBFC), currency trading, insurance broking and micro finance business. The Company is committed to working towards the development of the economy while keeping in mind the benefit of all its stakeholders.

And today, as we step into the next phase of our journey we are fortunate to be at a stage where we can use our expertise in the Indian agri-commodity market which is at the cusp of transformation and is ready for the next big leap; while contributing to the economy in a substantial and sustained manner.

Commodity markets have a crucial role in developing agriculture dominated economies. India happens to be amongst the top producer/consumer of almost all agri-commodities. The market potential thus is huge and to a great extent untapped. A review of the institutional and policy

constraints facing this market demands a more focused and pragmatic approach - both from the government as well as from private institutions for making it a vibrant segment.

The Indian experience in commodity futures market can be traced back to thousands of years, with references to such markets in India also appearing in Kautilya's Arthashastra. The words, Teji, Mandi, Gali and Pathak, have been common parlance in Indian commodity markets for centuries. However, the last decade has seen the Indian commodity market witness a phenomenal growth. The Government of India in 2003-04 had initiated major steps towards introduction of futures trading in commodities, which included removal of prohibition on futures trading in all the commodities by issue of a notification and setting up the National Level Commodity Exchanges. The momentum gathered in 2009-10 continued in 2011-12 and manifested itself in increases in volumes, participation, number of commodities traded and various new initiatives taken by the National Exchanges. These exchanges have introduced various innovations which should increase efficiency of agri-commodity marketing in the country.

We can confidently say that the agri-commodity value chain in India has seen reasonable development in terms of transparency, technology and trading activities. Having said that, we believe there are certain gaps which offer tremendous scope for companies such as ours, to make significant contributions to the economy while enhancing value for our shareholders.

Agri-commodity financing is still highly unorganized with local money lenders and traders providing bulk of the financing. Banks and financial institutions have very limited presence in the agri-value chain. We realize that this is a significant opportunity and this business can be exponentially grown in the next couple of decades given our degree of expertise in commodity business, being one of the first to start participating in the commodity exchanges and commodity trading business.

At Inditrade, it will be our endeavour to professionalize and streamline the agri-value chain by pre-dominantly focusing on financing agri-commodities in a professional manner. This will include all our companies during different phases of the same. During the harvest season need for financing is paramount and timely availability of funds can create a virtuous eco-system for the entire agri-market.

It is estimated that the entire organized agri-commodity financing market is around ₹ 4 Lakh Crore out of which anywhere between ₹ 50-75 Thousand Crore is taken care by the banks and financial institutions. Hence, the scope for an NBFC such as us to enter and affectively professionalize this space is significant.

Today we are in a position to offer attractive financing options to the market participants at the appropriate time i.e., when the commodities arrive post-harvest. Secured lending against these commodities is planned to be extended in a manner whereby price risk is also minimized through the use of exchange mechanism. This will benefit both the borrower and Inditrade. With gradual professionalization of warehouse network in the country, the need for financing should exponentially grow and Inditrade plans to work in collaboration with such professional warehouse service providers.

Having existing expertise in the southern markets of India, we realized that to grow business rapidly we also need to expand our presence in the western and northern parts of the country. In November, 2016, we acquired the agri-commodity trading business of Edelweiss Group. This gave us both expertise and market reach in West and North. Our idea is to significantly scale up business in the current fiscal and get ready for a quantum leap in the next fiscal. Our broking arm is already playing a huge role in securing our loan book thereby adding to the surety of business that is undertaken.

We have received the required approvals for launching our Micro Finance business in the first quarter of 2017-18. We strongly believe that ample opportunities are available in the semi urban areas of the industrialized states for a focused micro finance player to provide services in an effective and efficient manner. With the country already

moving towards becoming a digitized economy, we plan to leverage technology through a completely automated process; thereby fulfilling our aim of reaching our customers and catering to their requirement for finance in the most effective and convenient manner. This is the first time in the industry that a completely digitized loan disbursement and collection process will be implemented including client prospecting, e -KYC, tracking GPS locations, credit check, decision to disburse loan and money transfer to bank accounts. In India, the demand of credit in the unorganized sector is higher compared to the supply. Even after the proliferation of Micro Finance institutions over the last couple of decades, the insatiated demand continues to be significant. We want to address this demand and help in organizing and strengthening the market further.

It is our long term vision to be active participants in nation building by contributing and strengthening Government initiatives at the grass root level, be it strengthening the agri-commodity markets, financial empowerment through inclusive financing and mentoring or providing security through the right insurance products.

Lastly, on behalf of the Board, I wish to express my gratitude to our shareholders, clients, business partners, financial institutions and regulators for their continued support. I would like to extend my vote of thanks to our 'human capital' and the management team for their efforts and standing by the Company values and making it what it is today - a Company based on values and empowered through a joint vision for the future.

Thanking you,  
Brij Gopal Daga

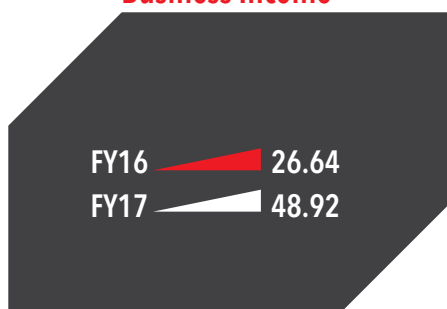
**We can confidently say that the agri-commodity value chain in India has seen reasonable development in terms of transparency, technology and trading activities.**

# [ Financial Highlights ]

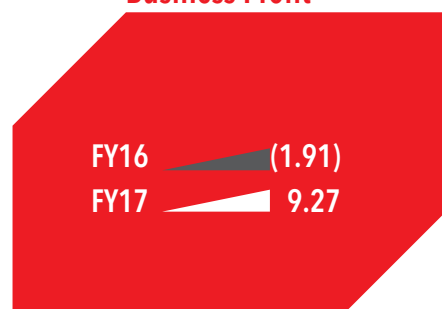
## Key Performance Indicators (Consolidated)

(₹ in Crores)

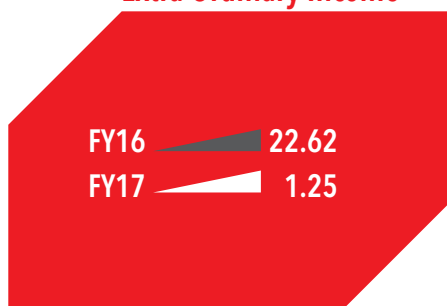
### Business Income



### Business Profit



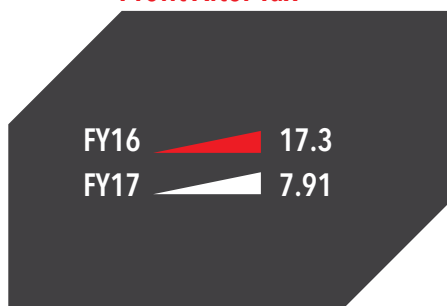
### Extra Ordinary Income



### Profit Before Tax



### Profit After Tax



### Cash and Cash Equivalents



# Board of Directors



**Mr. K A Somasekharan**

**Ms. Jhuma Guha**

**Mr. Brij Gopal Daga**

**Mr. Gurmeet Singh**

## **MR. K A SOMASEKHARAN**

### **Independent Director**

Mr. K A Somasekharan is a Commerce and Law graduate holding AIII from Federation of Insurance Institute, Mumbai. He has a rich experience of over 50 years in the General Insurance sector. He was the Regional Manager of United India Insurance and the Executive Director and CEO of Reliance General Insurance Co. Under his leadership, Reliance General Insurance became the third largest private General Insurance Company. He also acted as the Principal Consultant of India First Life Insurance Company.

## **MS. JHUMA GUHA**

### **Non-Executive Director**

Ms. Jhuma Guha is a qualified Chartered Accountant and a Company Secretary with a rich experience of over 25 years in the field of financial services. She has worked with various reputed companies like ITC Limited, Reliance Securities Limited, Destimoney Securities Private Limited, etc. She brings along with her varied experience and expertise in the field of legal, compliance, finance, mergers and acquisitions.

## **MR. BRIJ GOPAL DAGA**

### **Independent Director**

Mr. Brij Gopal Daga is a Master of Commerce and has professional diplomas in Banking, Accountancy, Co-operation and Secretarial Practice. In a career spanning over more than four decades, Mr. Daga has acquired extensive knowledge in diverse fields like Finance, Investment, Capital and Securities Markets, Regulatory Compliances, etc. He has served premier institutions like Reserve Bank of India (as Asst. Gen. Manager), Unit Trust of India (as Executive Director) and Central Depository Services (India) Ltd. (as Managing Director). Mr. Daga has also served as Institutional Nominee on the Boards of several leading Companies and has also been member on committees appointed by Securities & Exchange Board of India.

## **MR. GURMEET SINGH**

### **Non- Executive Director**

Mr. Gurmeet Singh is a professional with a Post Graduate Diploma in Management. He has a diversified experience of 16 years in the Capital and Commodities Market. He has worked with reputed organisations like Baazee.com (eBay.in), ICICI Direct, Reliance ADAG Group and Destimoney Securities. He has rich experience in the field of Marketing, Sales, Business Development, etc., and also has proficiency in scaling up businesses.





## [ When Expertise Met Opportunity ]

### [ Negligible Quality & Quantity Risk ]

We finance commodities which are less perishable and are with exchange accredited warehouses and which have virtually no quality and quantity risk.

### [ Presence in South, West and North India ]

Apart from South India, the Edelweiss acquisition added expertise in more commodities and increased presence in West and North India.

Unorganised and under-served Commodity Financing needs present an ocean of opportunities for NBFCs. Beyond Finance expertise, commodity expertise too plays a vital role in unlocking the true potential of commodity financing. The synergies of the financial expertise of new promoters and commodity expertise of JRG Fin Corp. will be benefitting the Company in the near future. We have formulated and reinstated the basic health and hygiene of our operating metrics. We chose to finance commodities which are less perishable; exchange traded and accredited warehousing which virtually has no quality and quantity risk. Our sourcing network, human assets, operating framework got motivated and pressed in action with renewed vigor. The Edelweiss acquisition added expertise in more commodities and presence in west and north. Time being an as critical component as capital itself; all these accomplishment were achieved in less than 15 months' time.

Introduction of commodity options trading by regulators would certainly aid liquidity attracting more investors in the commodity market. Additionally, possibility of institutional participation in Commodity exchange could add fillip to the \$1 trillion commodity futures market. The commodity financing space is expanding and with favourable government policies, the future is exciting. India being the largest producer and consumer of commodities with positive announcements would be able to command a better price in the international market. The potential for India for agri-commodity financing business is exponential.



## \$1 Trillion Commodity Futures Market

Introduction of option trading and possibility of institutional participation in commodity exchange could add fillip to the \$1 trillion commodity futures market.

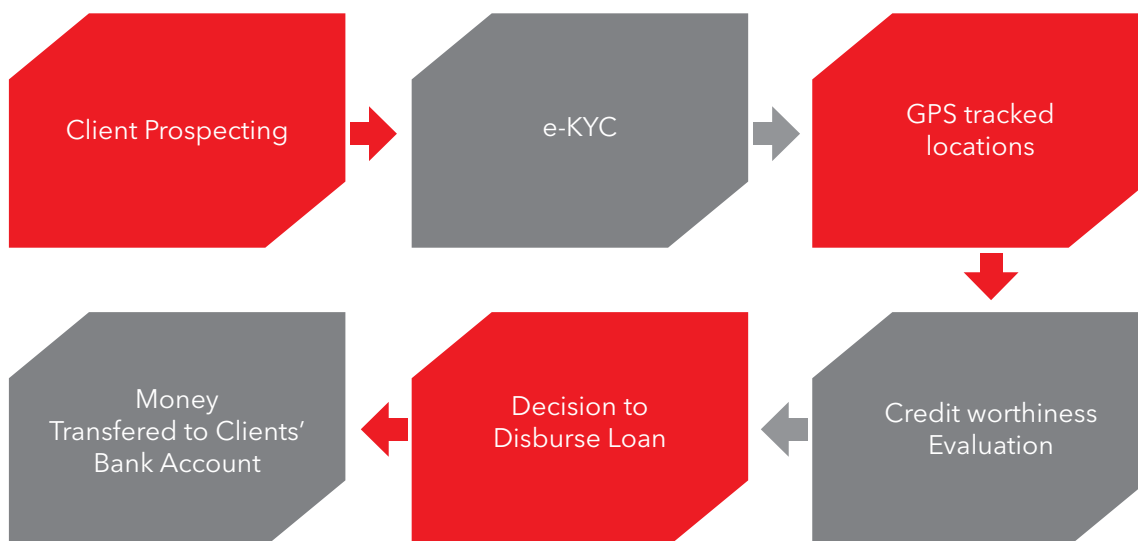
## Pairing Opportunity with Commitment



With the larger chunk of Indian Micro Finance Companies focused on rural and ultra-rural geographies, semi and sub-urban populace around key industrial clusters offer sizeable micro finance potential. A yearlong ground work in terms of market mapping - customer needs, creditworthiness, repayment capability - and uniqueness in terms of absolute digital model was being worked out. The chosen micro finance talent got paired with digital experts to develop, commission and pilot launch the Micro Finance business. Employees became part-owners, infusing one third of equity capital. Equated Monthly Installment got replaced with Equated Weekly Installments. The statutory formalities were attained in FY17 closed with completion of preparation phase. The business got launched in April 2017.

## Digitalized Loan Disbursement Process

Adding to transparency, the organisation is the first in the microfinance industry to deploy technology for loan disbursement and is all set to be a key micro finance player catering to semi urban untapped industrialized areas.



"Easy and quick access are the cornerstones for the success of any micro finance initiative. With the country already moving towards becoming a digitized economy, we plan to leverage technology in fulfilling our aim of reaching our customers and catering to their requirement for finance in the most effective & convenient manner."

**Mr. Sudip Bandyopadhyay**  
Group Chairman of Inditrade (JRG) Group of Companies

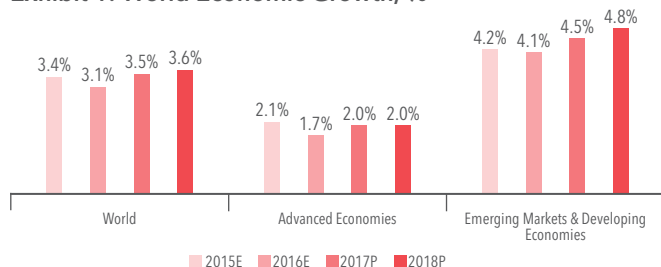


# Management Discussion and Analysis

## Economic Overview

The World Economy during the year 2016 as estimated by IMF's WEO April 2017 has grown at a steady rate. However, the world economic growth of 3.1% has been marginally lower than 3.4% in 2015. The Advanced Economies (AE) which were gaining momentum over the last two years has lost some steam during the year 2016 where the growth has been 1.7%. The first half of 2016 for the AE has largely been sluggish but the second half has witnessed increase in economic activities. With increased confidence amongst the business class, growth in the United States economy has gradually picked up. Also post the June 2016 referendum to exit Europe, United Kingdom has witnessed strong growth with increased spending. The AE's growth has also been supported by stable economic activities in Japan which has witnessed strong net exports and also by Germany and Spain that has witnessed an increase in domestic demand.

**Exhibit 1: World Economic Growth, %**

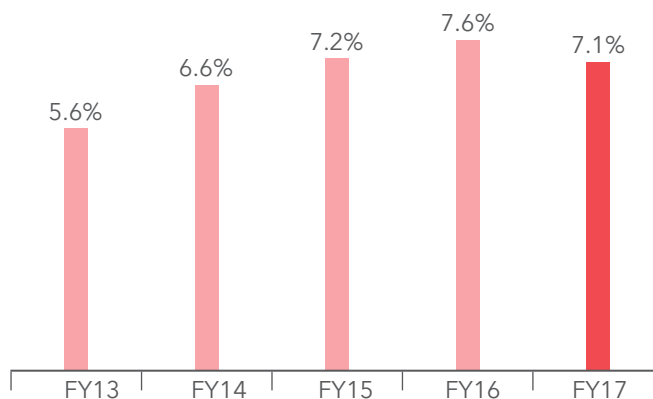


Source: IMF's WEO April 2017

The Emerging Markets & Developing Economies (EMDE) during the year 2016 has seen some amount of stabilization where the fall in growth has been largely curtailed. The economic growth stood at 4.1% in 2016 against 4.2% in 2015. However, the growth trends across the EMDEs have been uneven. The picking up of global activities from the second half of the year along with agreed restrictions on oil supply has fueled the recovery in global commodity prices from their troughs at the start of the year. This has acted as a breather for the commodity exporting nations and reduced global deflationary pressures. Russia which was acting as a big drag on EMDEs has shown early signs of stabilizing. China, which is consciously moving away from its high credit growth fueled economic growth, has witnessed further slippage in growth. However, Brazil continued to be mired in deep recession. The economic growth in Middle East and Turkey was held back due to geopolitical reasons.

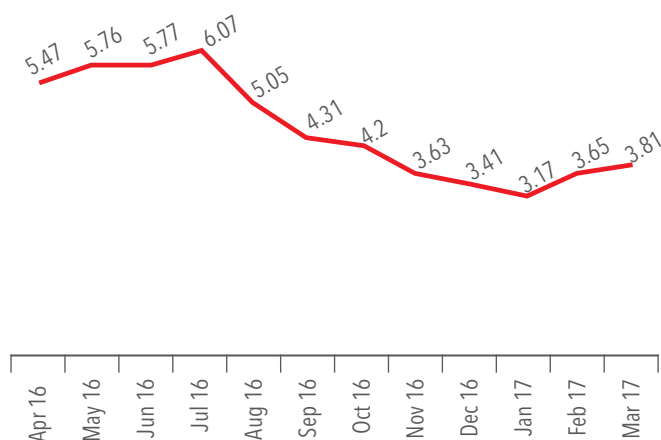
India on the other hand continues to shine brighter with GDP growth estimates of 7.1% by Central Statistical Office (CSO). However, the growth has come down marginally due to the demonetization effect. Agriculture sector has been amongst the key drivers of growth during the year backed by a normal south west monsoon of 97% to Long Period Average. The Indian economy was largely driven by government thrust for infrastructure sector with significant increase in allocation for capital formation. The Construction industry GVA during the year FY17 has further gained momentum and is expected to maintain its upward trajectory. The Government's flagship project 'Make in India' continue to gain momentum with added investments from global MNCs. The Auto Sector is amongst the frontrunner where global players like Daimler and Volvo are getting ready to make India their export hub.

**Exhibit 2: India GDP Growth, %**



Source: MOSPI

**Exhibit 3: Consumer Price Inflation, Monthly % Change**

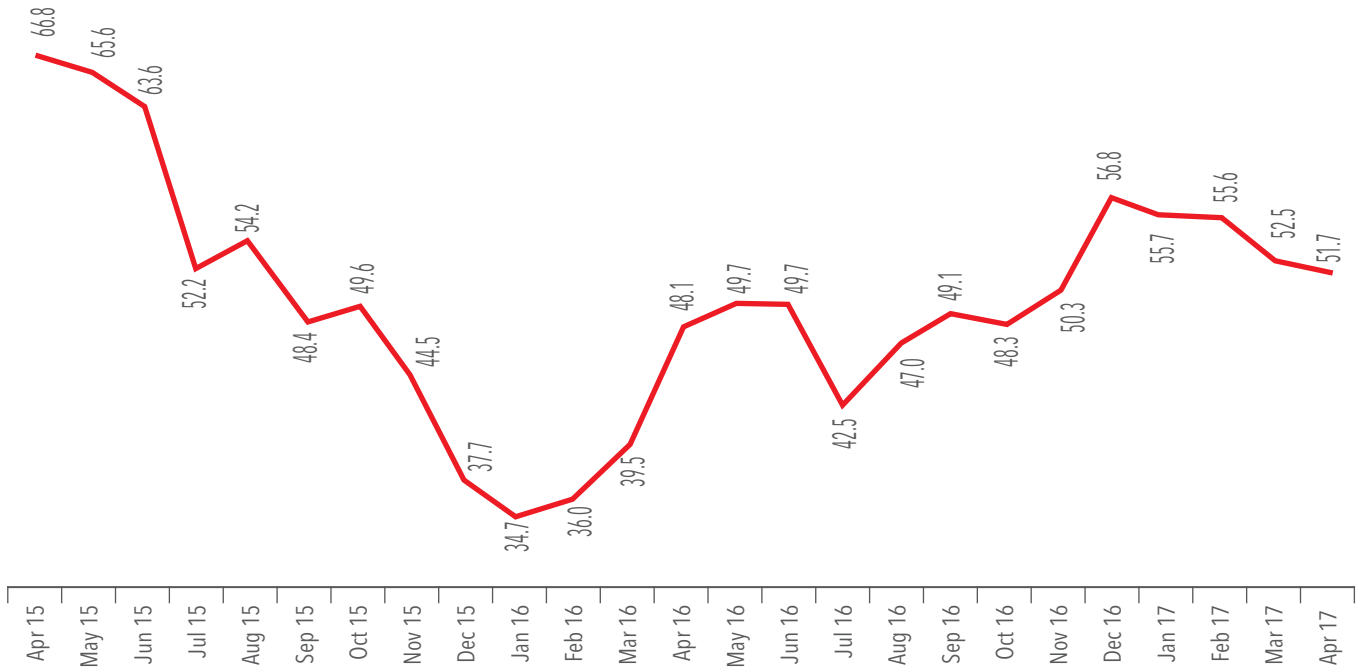


Source: MOSPI

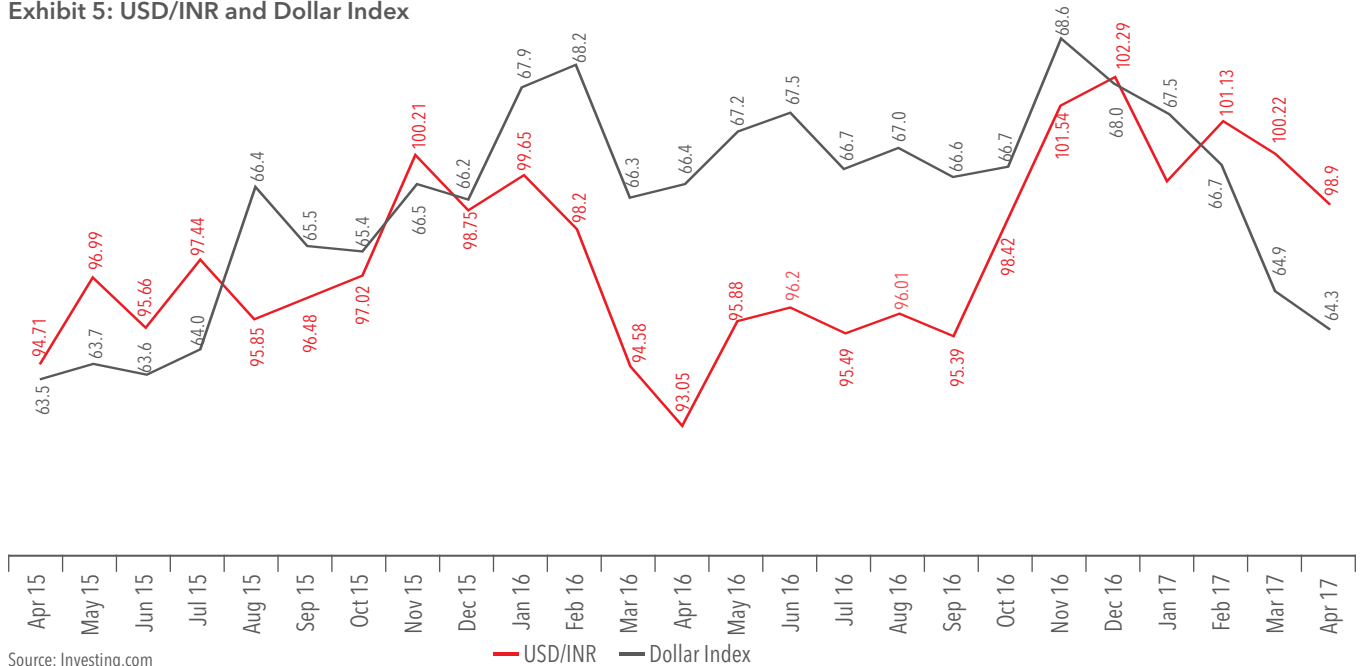
Even after increased government spending the central government remains focused towards fiscal prudence where it has estimated a fiscal deficit of 3.5% of the GDP in FY17 and targeted to reduce to 3.2% in FY18. Balance of payments data for Q3 indicate that the current account deficit for the first three quarters of the financial year narrowed to 0.7% of GDP, half of its level a year ago. RBI has estimated that for the year as a whole, the current account deficit is likely to remain

mutated at less than 1% of GDP. India continues to receive huge foreign inflows where its Foreign Direct Investment is estimated at around USD 56 Billion with manufacturing, communication and financial services being the preferred sectors. The Foreign Institutional Investors also enhanced their inflow where they were net buyers of ₹ 53,696 Crore in Equity market.

**Exhibit 4: Brent Crude Price, USD per barrel**



**Exhibit 5: USD/INR and Dollar Index**



The Consumer Price Inflation has reversed its downward trend from January 2017 but remains well within Reserve Bank of India's comfort levels. RBI has announced two Repo rate cuts during the year of 25 bps each, one in April 2016 and one in October 2016. This was done to kick start credit cycle growth in India which has been very sluggish due to dearth of capital investment by the private sector. The growing NPAs in the public sector bank remains amongst the key concerns for the economy where it has reached ₹ 6.46 Lakh Crore as of December 2016. However, the government remains focused with number of new policy initiatives to reduce and recover the NPAs in the system.

India's Foreign Exchange Reserve stood at \$ 369.95 Billion for the week ended 31 March 2017 a tad above \$ 360 Billion for the week ended 1 April 2016. The Dollar Index during the year has strengthened by 6.0%. Even after that INR has also strengthened by 2.1% during the year which acts as a testimonial to India's sound fundamentals.

### Market Review

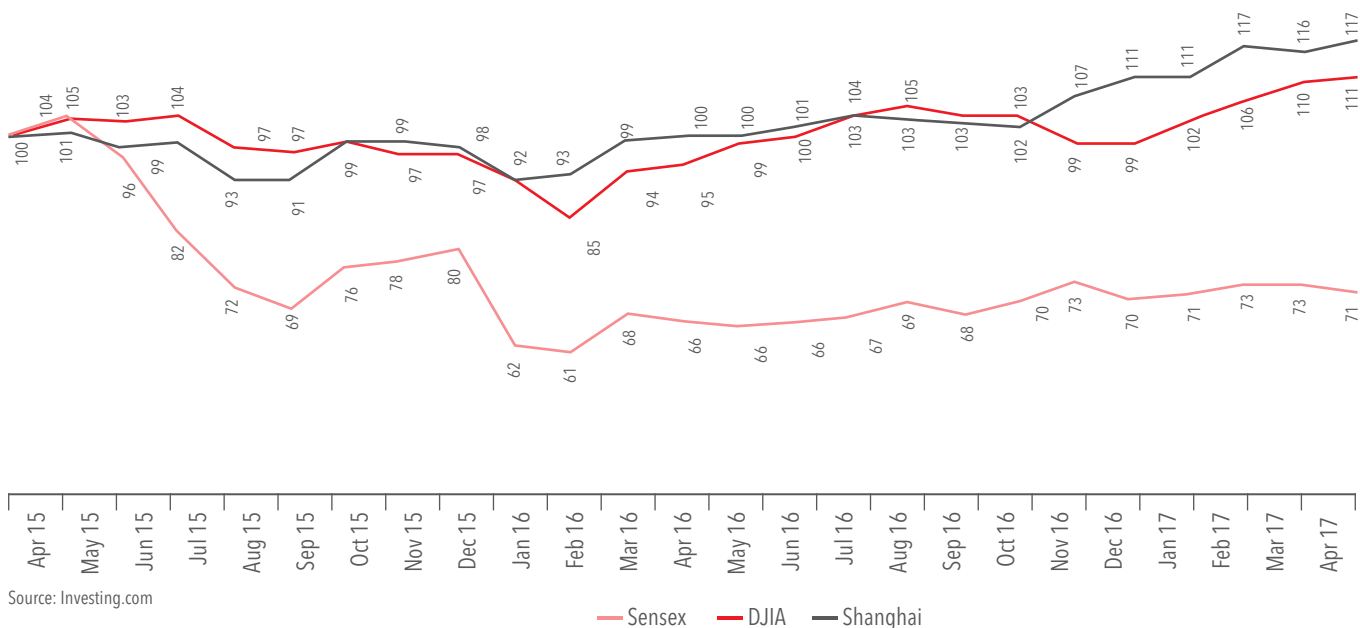
Major equity markets globally have witnessed a strong rally during the year. Where US's benchmark index Dow Jones Industrial Average gained 16.8% in FY17, DAX gained by 23.6%, Shanghai Composite index gained 7.3% and Nikkei 225 gained 12.8%. The equity markets in Advanced Economies were driven up by reflation trade, stronger incoming data and currency movements. Globally the financial markets were influenced by key policy announcements in major AEs, geopolitical events and country-specific factors.

The Indian capital market continues to remain buoyant with a growing confidence of a strong recovery in the earnings growth of corporate. Sensex during the year FY16 has gained close to 17%. The trend for the year was bullish except for the month of November where the market witnessed selling post the announcement of demonetization by government. However, the recovery has been very swift. The capital market during the year has witnessed increased activities with many Initial Public Offerings getting listed at huge premium to their offer price. This has led to an increase in the retail segment which continues to remain active in the secondary and primary market.

Backed by a good monsoon in FY17, there has been increased area under acreage both in Kharif and Rabi season in India. Coupled with government initiatives India has achieved its all-time high food grains production of 272 million tonnes. There has been a record production of rice, wheat and pulses. With this record production the import of wheat is expected to marginalize and also there could be an increase in procurement operations. The significantly depleted rice stock which went close to minimum buffer norms has been refurbished with increased kharif procurement. The year has witnessed a bumper production of pulses majorly supported by central government initiatives. This has helped in building up to the intended buffer stock (i.e., 20 Lakh tonnes) keeping the price of pulses under check. The domestic price of pulses is already trading below the minimum support price (MSP).

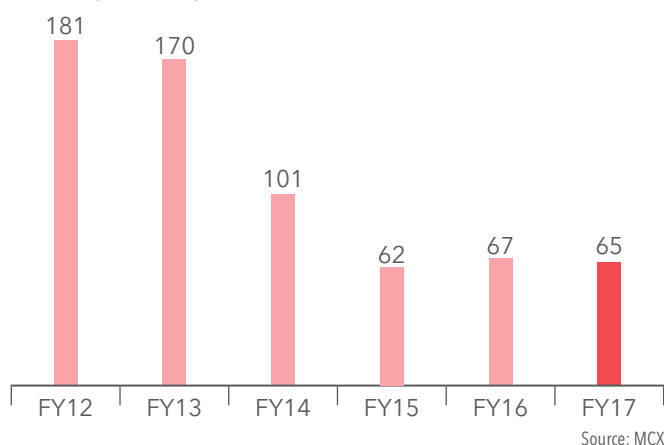
India has two main nationwide commodity exchanges, the National Commodity & Derivatives Exchange (NCDEX) and

**Exhibit 6: Global Indices, Recalibrated to 100**

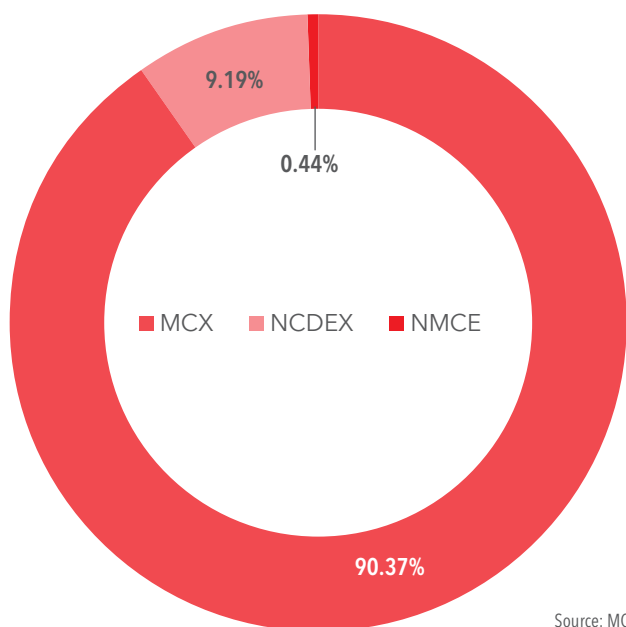


Multi Commodity Exchange of India (MCX). However, MCX holds a lion share of 90.37% of the total market in FY17. To enhance liquidity, capital markets regulator Securities and Exchange Board of India (SEBI) in September 2016 has allowed commodity derivative exchanges to launch options contracts for trading. The commodity options trading would facilitate hedging by market participants and also help deepen the commodity derivatives market. It would help the commodity exchanges to expand their product basket making it more attractive for market participants.

**Exhibit 7: Commodities Market in Terms of Value of Futures Traded (₹ Trillion)**



**Exhibit 8: India Commodity Exchange Share**



It is estimated that the entire organized agri-commodity market is around INR 4 Lakh Crore out of which anywhere between INR 50-75 Thousand Crore is taken care of by the banks and financial institutions. Thus, the scope for NBFCs to enter and affectively professionalize this space is significant.

## Company Review

The Company, is one of India's leading financial services providers. Along with its subsidiaries, it is engaged in the business of retail broking (securities and commodities broking), insurance broking, financial services, marketing support services and dealing in stocks and commodities. The Company's products and services include Equity trading, Commodity brokerage, Insurance broking (products in life insurance, general insurance, pension plans and health insurance segments), Non-banking financial services, and Internet trading and phone-based services.

Started in 1992, the Company has a strong presence in South India and 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 service focus. The Company is committed to being fully compliant with all regulatory requirements. Inditrade is listed on the BSE Limited and has a diverse set of public shareholders.

With the acquisition of Edelweiss Commodities Trading Limited (now known as Inditrade Commodities Trading Limited), in November 2016, the Company cemented its commitment to the commodities trading business. The Company also forayed into micro-finance, during the later part of the financial year under review, seeing the potential in the sector.

With that, the Company is broadly present in three segments of the financial sector - retail securities, commodities and insurance broking, commodities trading, lending and microfinance.

## Operational Review

**Inditrade Capital has a presence in three segments of the financial sector:**

**Retail broking (equity, commodity, currency, insurance):** As part of the retail broking business, Inditrade offers its clients one-stop access to related services such as depository and derivative and commodities trading.

**Agri-commodity Financing:** Through its subsidiary JRG Fincorp Limited, the Company offers funding against exchange traded non-essential commodities, such as soya and rubber, for short durations, ranging from one month to three months. The typical profile of its clients in this business is commodity buyers and traders and those involved in processing. To safeguard its capital, Inditrade has a qualifying pre-condition that requires the commodities which are held as security be placed in exchange-recognized warehouses. Funds are provided against the receipt from the warehouse. Additionally, the goods are required to be sold in the futures market for a time frame that mirrors the term

of the funding, through the Inditrade commodities broking arm. Lastly, the maximum exposure to a single client ranges between ₹ 3-5 Crore.

This model of lending has been well received due to its various attractive facets - funding to the extent of around 95% compared to bank funding of 70-80% against goods, faster processing of funds and attractive rates.

With a strong existing presence in Kerala and AP, Inditrade looks to establish itself in the north and west through its acquisition of Edelweiss' commodity arm.

**Micro-finance:** The focus of Inditrade's microfinance business is to offer credit in semi-industrial clusters. One of the Company's target geographies is Sholapur, where it launched its operations from. The Company offers funding to those who seek to set up traditional businesses and require capital to purchase basic equipment such as sewing machines, etc. and for their working capital requirements. The credit worthiness of the borrowers is established with the help of rating agencies Equifax and High Mark Ratings and the maximum credit provided to a single borrower is ₹ 30,000 over a period of one year.

The entire process from collecting KYC information to disbursement of the loans are all conducted digitally and collection of the loan repayments are undertaken on a weekly basis.

Since its inception, the Company has built up a loan book of ₹ 5 Crore and has recorded ₹ NIL NPAs till 31 March 2017.

Inditrade now looks forward to consolidating its business in Maharashtra and offering microfinance in the districts of Pandharpur, Akalkot and Wai. In FY18, the Company looks forward to expanding this business to the Chennai, Andhra Pradesh and Coimbatore-Kerala regions.

## Financial Review

On a standalone basis during FY17, the Company revenues grew by 22% to ₹ 27 Crores as compared to last year. The EBITDA during the year stood at ₹ 3.88 Crores as against ₹ 4.46 Crores in FY16. The profit after tax was ₹ 2.95 Crores as compared to ₹ 3.14 Crores in the previous year.

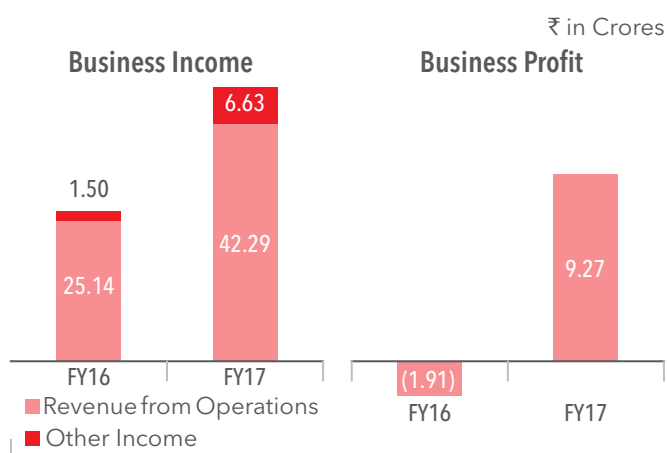
**The performances of the Subsidiary Companies of the Company for FY17 are as follows:**

- Inditrade Derivatives and Commodities Limited's total revenues grew by 29.2% to ₹ 6.86 Crores as compared to the previous year. The Company turned EBITDA positive with ₹ 1.25 Crores during the year. The profit after tax for the year stood at ₹ 1.20 Crores as compared a loss of ₹ 0.14 Crore in the previous year.

- Inditrade Insurance Broking Private Limited's total revenues grew by 203.57% to ₹ 1.89 Crores as against the previous year. The EBITDA for the year stood at ₹ 0.24 Crores as against ₹ 0.10 Crores in FY17. The Company's profit after tax doubled to ₹ 0.23 Crore in FY17.
- JRG Fincorp Limited recorded total revenue of ₹ 13.74 Crores as against ₹ 22.01 Crores during the previous year. The EBITDA during the year stood at ₹ 9.17 Crores as compared to ₹ 18.75 Crores in FY16. The profit after tax for FY17 was at ₹ 5.75 Crores as against profit of ₹ 15.28 Crores during the previous year.
- Inditrade Business Consultants Limited's total revenue for the year stood at ₹ 7.72 Crores. The Company registered an EBITDA of ₹ 6.17 Crores as against ₹ (0.76) Crore in FY16. During the year, the Company registered a positive profit after tax of ₹ 0.18 Crore against loss ₹ 1.37 Crores in the previous year.
- Inditrade Microfinance Limited's total revenue for the year stood at ₹ 0.29 Crore. The net loss during the year was ₹ 0.19 Crore.

The total consolidated income (including other income) of the Company for FY17 stood at ₹ 50.17 Crores as against ₹ 49.26 Crores in the previous year. The Company registered an EBITDA of ₹ 12.34 Crores during the year as compared to ₹ 22.20 in the previous year. The consolidated profits (after tax expense and Minority interest) for the year stood at ₹ 5.51 Crores as compared to ₹ 10.73 Crores in FY16.

On the back of robust growth in its business, Inditrade posted a 68.19% increase in revenue from operations, which rose from ₹ 25.14 Crores in FY16 to ₹ 42.29 Crores in FY17. The PAT was ₹ 7.91 Crores compared to ₹ 17.30 Crores last year due to extra ordinary income of ₹ 22.62 Crores in FY16, realised through sale of shares held by the Company. The business profit, however, stood at ₹ 9.27 Crores in FY17.



## Opportunities & Threats

### Opportunities

**Digitalization:** With the growing mobile and data connectivity there is a sea change in terms of service availability. The Government's drive towards a connected and Digitized Indian economy coupled with advances in high accessible trading platforms via mobile and growing awareness ensures that the securities and commodities trading market would grow steadily. This would add higher growth prospects for the Company.

**Demographics:** India's population is gradually moving up the income curve. There is a growing trend in the emerging-middle, middle and upper-middle classes in the economy as India is steadily moving from developing to developed economy.

**Domestic Macro Scenario:** India is currently the world's fastest growing major economy. This has created a growing business environment where many tier II and tier III towns are showing good signs of growth; increasing the credit scope for the industry with availability of a larger and deeper market.

**Global Macro Scenario:** IMF has projected that the world economy has started gaining momentum and the trade across the world would grow. This would create a higher demand for the commodity market both on delivery and trading front.

**Affordable Credit Cost:** The Reserve Bank of India has continuously reduced the policy rate over the last two years making cost of capital more affordable. This would enhance demand and push economic growth.

**Higher Foreign Inflow:** India, amongst the emerging markets has been the preferred destination for the foreign institutional investors. With better growth prospects and sound fundamentals India holds a strong case for rating upgrade. This would further attract foreign capital which would make the market more attractive for all investors.

### Threats

**Geopolitical scenario:** There is a growing concern about the geopolitical scenario in the Middle East and Asia Pacific. Further aggravation can have an adverse impact on global trade and markets.

**Liquidity:** With inflation well under RBI's target, it has maintained liquidity in the market. If the inflation spikes up RBI would curb liquidity in the market which may have an adverse impact on margins.

### Outlook

The global environment is improving, with global output and trade projected by multilateral agencies to gather momentum in 2017. The key factors leading a demand

revival are a gradual recovery in investments globally; reduced drag from adjustment to lower commodity prices, Chinese government's enhanced support to its infrastructure sector and revival in real estate investments and the end to the inventory cycle in United States.

In the current gradually stabilizing macroeconomic conditions globally, the economic policies across nations would play an important role in maintaining the growth momentum and enhance investments. As per IMF to sustain the global recovery the major economies must focus on policies that support domestic demand and repair balance sheets. There is also a need for enhancing productivity, labor supply, and investment through structural reforms and supply-friendly fiscal measures. The focus must also be towards upgrading the public infrastructure and support those displaced by structural transformations such as technological change and globalization.

IMF has also cautioned with probable downward risk to global economy. One of the key risks is protectionist policies largely driven by low productivity growth and high income inequality in advanced economies. This would have an adverse impact on the Emerging Markets and Developing Economies. In addition, the threat of deepening geopolitical tensions persists, especially in the Middle East and North Africa.

The Federal Reserve of United States has been hawkish where it has projected a faster than expected interest rate hikes. If it materializes it could tighten financial conditions elsewhere. The Dollar could further strengthen, increasing pressure on the emerging market economies' exchange rates or lead to a material balance sheet mismatch.

The economic activity in India has further gained momentum. The key factors as per RBI that would drive the future growth are, the pace of remonetisation, which would support the rebound in discretionary consumer spending. With the enhanced improvement in passage of earlier policy rate reductions by banks to end customer, there would be a push in consumer demand. The central government's budgetary allocation would stimulate capital expenditure, rural demand, and social & physical infrastructure driving economic activity. The materialisation of structural reforms such as implementation of GST from July 2017, the institution of the Insolvency and Bankruptcy Code, and the abolition of the Foreign Investment Promotion Board would boost investor confidence and enhance efficiency. Also the increase in initial public offerings in the primary capital market augurs well for investment and growth. The stable global demand would also act as a support to India's future growth potential.

Within this milieu, Inditrade sees immense scope for growth in all three of its broad business segments. The brokerage



segment is expected to continue on its current growth trajectory as the Company continues to expand its client base through suitable services and products. In the microfinance and agri-commodity lending arenas, the Company aspires to build a loan book of around ₹ 5,000 Crores within a period of 3 years. It is also working towards become a thought leader and well-acknowledged leading player in the agri-commodity financing sector. Last but not the least, the Company seeks to expand its presence within the country. While it is very well established in the southern parts of India, with the acquisition of Edelweiss it is rapidly scaling up in West and North as well.

## Risk Review

Risk management is a very integral part of the Company's business. The Company has built a strong risk management framework with continuous evaluation by management. This framework enables a strong business model and ensures long-term sustainability. The Company is always vigilant about the risk factors and is closely watching the market movements and reviewing the risk policies from time to time. Following are the key risks that the management has identified and its mitigation measures.

### Economic Risk:

**Risk:** The macroeconomic slowdown would have an adverse impact on the Company's business

**Mitigation:** This is a systemic risk and given the Company's business there would be an adverse impact. However, the Company has diverse businesses where local growth factors also play a major role. Hence the macroeconomic risk would be mitigated to some extent.

### Credit Risk:

**Risk:** The Company has lending as one of its businesses through its subsidiaries. The Company may face credit risk if there is a wrong assessment of the borrower or due to future uncertainties the borrower would not be able to meet its financial obligations.

**Mitigation:** The Company has a well-defined comprehensive credit policy in place. It guides the credit approval process which consists of a detailed risk assessment of the borrower. Also the Company makes sure that it is adequately covered by collaterals from the borrowers.

### Market Risk:

**Risk:** The Company's business is exposed to volatility in many market related parameters such as interest rates, exchange rates, Equities, derivatives and other asset classes.

**Mitigation:** The Company has a very well qualified and expert professional team that keeps a watch on the various parameters on a daily basis. The team understands the various market-related trends and formulates strategies accordingly based on the Company's risk management framework.

### Attrition Risk

**Risk:** The Company's business is based to two main pillars liquidity and quality talent. If the Company is not able to recruit or retain talent then business can be hampered

**Mitigation:** The human capital section of the Management Discussion & Analysis addresses the Company's attrition risk.

### Human Capital

Inditrade considers its 'human capital' as a key resource for an overall success. In order to stay competitive, the Company has deployed a diverse pool of talent with a mantra for delivering 'more with less'. Inditrade's HR team gauges 'Performance Excellence' as an effective tool for accomplishing business vision, mission and other long term objectives.

### Core HR Activities

#### Recruiting

- Employee Reference
- Job Portal

#### Training

- Induction & mandatory NISM training for Dealers & Sales Personnel
- Refreshment Training conducted in the area of Operations (KYC & DP) and Compliance (including Anti Money Laundering modules)
- Additional trainings for sharpening & shaping the talent for the next level
- Leadership
- Periodic orientation for grooming the process leaders
- Retaining
- Monthly monetary and non-monetary benefits for the best performers
- Recognition of high achievers through quarterly meets and annual performance appraisals

Additionally, the Company's HR outlines the Key Result Area (KRA) which guides our human resources to give their best performance. The Company's HR team diligently works towards 'Creating People Advantage' organization. Its key resources are tactfully deployed for executing and achieving the Company's overall business strategy. Driven by the passion to excel, some of our transformational HR initiatives are as follows:-

- New Management at Board Level being highly focused to attract diverse talent for its diversified business adding 'spirit of organization'
- Internalization of labour compliance with existing capabilities
- Intreprenurial approach with State Head's accountability to the balance sheet
- Nurturing the 2<sup>nd</sup> line of leadership in all major functions of the organization
- 'Balance Score Card Approach' for accomplishing organization's long term strategic objectives

We combat the VUCA factors (Volatility, Uncertainty, Complexity and Ambiguity) with Versatility, Unprecedented, Creative and Adaptability to stay pertinent in our evolving area of business.

Our 'Human Capital' headcount stands at 232 as on 31 March 2017.

### **Information Technology**

Information technology (IT) plays a critical role in the financial industry. At Inditrade, it is a strong belief that sustained business growth is possible in the current environment only by providing best technology platforms to the end user for their seamless transactions. The Company has a DC and DR environment to provide best services to Indi-Customers. All its primary servers are located @ CTRLS Datacenter which is a Tier - IV datacenter with 6 zone of protection. The Company's DC Servers are on private cloud on VMWare with High availability and Redundancy.

Inditrade uses state-of-the-art technologies like VMWare. VMware is the pioneer in virtualization and an innovator in cloud and business mobility. The Company allows its systems to run, manage, connect and secure applications across clouds and devices in a common operating environment, hence making the most of both freedom and control. All its core applications run on VMWare, so that the manageability and availability of all application to end-user would be more as compared to others.

Inditrade always take a step ahead to enhance its core applications like Trading Platform, ERP System, Trading Back office, etc. to meet the expectations of business needs as well customer expectation.

In the FY17 the Company has upgraded its trading applications with a new technology HTML 5 and new mobile app based applications for trading as well other information to know about the complete transaction details.

All our concerted efforts has improved the systems speed, performance and response time manifold thereby directly enhancing productivity and efficiency and scalability for the future growth of the Company's business in the coming years.

### **Internal Control Systems**

The Company has an internal control system, commensurate with the size, scale and complexity of its operations. The internal audit function includes assessing the adequacy, efficiency and effectiveness of internal control systems across the group. The risk based audit plan is being developed by the internal auditors and will be approved by the Audit Committee. The Audit Committee or the Board reviews the internal audit reports, inspection reports issued by regulatory authorities on a regular basis and necessary /appropriate action will be taken on the recommendations made by the statutory auditors and internal auditors.



# DIRECTORS' REPORT

## Dear Shareholders,

Your Directors are pleased to present the 23<sup>rd</sup> Annual Report of your Company and the Audited Financial Statements of Accounts for the financial year ended 31 March 2017.

## FINANCIAL RESULTS

(₹ in Crores)

Particulars	Standalone		Consolidated	
	2017	2016	2017	2016
Total Revenue	27.00	22.14	50.17	49.26
Total Expenditure	23.77	18.48	39.65	28.55
Profit/(Loss) before Tax	3.23	3.65	10.52	20.71
Finance Cost	0.00	0.16	0.95	0.47
Tax Expense	0.28	0.51	2.61	3.41
Exceptional Item	0.00	0.00	0.00	0.00
Profit/(Loss) for the period (before minority interest, incase of consolidated)	<b>3.23</b>	<b>3.65</b>	<b>7.91</b>	<b>20.71</b>
Profit/(Loss) after tax and minority interest	<b>2.95</b>	<b>3.14</b>	<b>5.51</b>	<b>10.73</b>
<b>Reserves &amp; Surplus</b>	<b>59.10</b>	<b>56.15</b>	<b>75.00</b>	<b>68.88</b>

## RESULTS OF OPERATIONS

During the year under review, the Company along with its subsidiaries provided a bouquet of services to its clients and also forayed into microfinance business. 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.

On a standalone basis, during the year under review, your Company had earned revenue of ₹ 27.00 Crores as against ₹ 22.14 Crores in the previous year. The expenditure incurred was ₹ 23.77 Crores as against ₹ 18.48 Crores in the previous year, resulting in an after tax profit of ₹ 2.95 Crores as against an after tax profit of ₹ 3.14 Crores in previous year. Despite the challenging business environment, the Company has continued to be profitable during the year under review.

The total consolidated revenue of your Company for the year ended 31 March, 2017 was ₹ 50.17 Crores as against ₹ 49.26 Crores in the previous year and the expenditure incurred was ₹ 39.65 Crores against ₹ 28.55 Crores in the previous

year which resulted in a consolidated profit before taxes of ₹ 10.52 Crores as against ₹ 20.71 Crores during the previous year. After tax expense of ₹ 2.61 Crores and minority interest of ₹ 2.40 Crores, the consolidated profit for the year stood at ₹ 5.51 Crores as against ₹ 10.73 Crores in the previous year.

## SUBSIDIARY COMPANIES

At the beginning of the year, the Company had 4 (four) direct subsidiaries and 1 (one) step-down subsidiary. A broad overview of the financials of the Subsidiaries of your Company is presented separately in AOC -1, attached as **Annexure-1**.

During the year under review, further expansion was made by the Company by acquiring new Companies and making further investments in its subsidiaries. The details of investments made in subsidiaries and acquisitions of new Companies are as follows:

### a) Inditrade Microfinance Limited

During the year under review, the Company ventured into the Microfinance business by subscribing to 36,85,000 (Thirty Six

Lakh Eighty Five Thousand) equity shares of ₹ 10/- (Rupees Ten only) each, constituting 67% of the Paid up Capital of Tree Microfinance Limited (CIN: U67190TN2016PLC103904) on 9 May 2016, thereby making it a Subsidiary of the Company. Tree Microfinance Limited, is a Company incorporated on 29 January 2016 under the Companies Act, 2013 having its registered office at 15, Padmanaba Street, T. Nagar, Chennai, Tamil Nadu, India - 600017. Subsequently, the name of Tree Microfinance Limited was changed to Inditrade Microfinance Limited and the registered office of the Company was shifted to 153 and 155, South West Boag Road, T. Nagar, Chennai, Tamil Nadu - 600017.

The Reserve Bank of India has issued certificate of Registration dated 27 March 2017 to Inditrade Microfinance Limited to commence/ carry on the business of non-banking financial institution without accepting public deposits.

#### **b) Inditrade Commodities Trading Limited**

During the year under review, Inditrade Business Consultants Limited, a wholly owned subsidiary of the Company, entered into a Share Purchase Agreement with Edel Commodities Limited to acquire its entire stake in Edel Commodities Trading Limited (wholly owned subsidiary of Edel Commodities Limited). As a result of such acquisition, Edel Commodities Trading Limited along with its wholly owned foreign subsidiaries, Edelweiss Commodities Chad SARL and Edelweiss Commodities Nigeria Limited, became the wholly owned subsidiaries of Inditrade Business Consultants Limited and step down subsidiaries of Inditrade Capital Limited.

However, during the year under review, Edel Commodities Trading Limited sold its entire stake in its wholly owned foreign subsidiaries, Edelweiss Commodities Chad SARL and Edelweiss Commodities Nigeria Limited. Consequently, Edelweiss Commodities Chad SARL and Edelweiss Commodities Nigeria Limited ceased to be the subsidiaries of the Company with effect from 01 January 2017.

The name of Edel Commodities Trading Limited was also changed to Inditrade Commodities Trading Limited, during the year under review.

#### **c) Inditrade Derivatives and Commodities Limited**

At the beginning of the year, your Company was holding 91.5% of the paid up equity share capital of Inditrade Derivatives and Commodities Limited. During the year under review, the Company subscribed to further 18,00,000

(Eighteen Lakhs) equity shares at the face value of ₹ 10/- (Rupees Ten only) each, resulting in an increase in the equity shareholding by the Company to 95.75% of the paid up equity share capital of Inditrade Derivatives and Commodities Limited.

#### **d) Inditrade Business Consultants Limited**

At the beginning of the year, Inditrade Business Consultants Limited was the wholly owned subsidiary of the Company. During the year under review, Inditrade Business Consultants Limited acquired the entire stake in Edel Commodities Trading Limited along with that of its wholly owned foreign subsidiaries, Edelweiss Commodities Chad SARL and Edelweiss Commodities Nigeria Limited, pursuant to the Share Purchase Agreement entered with Edel Commodities Limited (Holding Company of Edel Commodities Trading Limited). In accordance with the Share Purchase Agreement entered into with Edel Commodities Limited, 10,000 equity shares of Inditrade Business Consultants Limited were issued to Edel Commodities Limited. As a result, Inditrade Business Consultants Limited ceased to be the wholly owned subsidiary of the Inditrade Capital Limited.

During the year under review, the Company subscribed to a further 60,00,000 (Sixty Lakh) equity shares of ₹ 10 each of Inditrade Business Consultants Limited at par. As a result, the present equity share holding of your Company in Inditrade Business Consultants Limited is 60,99,994 (Sixty Lakhs Ninety Nine Thousand Nine Hundred and Ninety Four) equity shares constituting approximately 99.84% of the total equity share capital.

As on 31 March 2017, the Company has 4 (four) direct subsidiaries, 2 (two) step-down subsidiaries.

### **ACCOUNTS OF SUBSIDIARIES**

The Board of Directors (including Audit Committee) has reviewed the affairs of the Subsidiaries and the salient features of the financials of Subsidiary Companies are provided in the prescribed format AOC -1.

The Annual Audited Accounts of the Subsidiary Companies and the related detailed information will be made available to the shareholders of the Company at the Registered Office of the Company and on the Company's website [www.inditrade.com](http://www.inditrade.com) under section Investor Relations. The Company shall furnish a hard copy of the detailed accounts of the subsidiaries to any shareholder on demand.

## RECLASSIFICATION OF PROMOTERS

During the year under review, pursuant to the consent of the shareholders and the approval of BSE Limited as per Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Sudip Bandyopadhyay, M/s. Juno Moneta Technologies Private Limited and M/s. A.T. Invofin India Private Limited were classified as the Promoters of the Company and M/s. Baring India Private Equity Fund III Listed Investments Limited was reclassified under the Public category.

## RESERVES

During the year under review, no amount from profit was transferred to reserves.

## DIVIDEND

The Board of Directors do not recommend any dividend to the shareholders for the financial year 2016-2017 since the surplus is intended to be ploughed back into the business for its future expansion plans.

## DETAILS OF UTILIZATION OF IPO PROCEEDS:

(Amount in Lakhs)

Particulars	Envisaged in the prospectus	Change in utilization*	Amount utilized till 31.03.2016	Utilized during the year ended 31.03.2017	Total fund Utilized (Including change in utilization)	Amount remaining to be utilized
Middle East Operations	560	(366.66)	193.34	-	193.34	-
Technology Up gradation						
Computer Software		-	110	-	110	-
Computer Hardware	160		50		50	-
Regional Office	600	-	628.81	-	628.81	-
Issue Expenses	130	-	147.86	-	147.86	-
Opening new branches in India	-	200	155.37	44.63	200	-
Infrastructure development for i-trade	-	40	15.47	24.53	40	-
Other infrastructural requirements.	-	126.66	126.66	-	126.66	-
<b>Total</b>	<b>1,450.00</b>	<b>-</b>	<b>1,427.51</b>	<b>69.16</b>	<b>1,496.67</b>	<b>-</b>
Means of Finance						
Issue Proceeds	-	-	-	-	1,450.00	-
Internal Accruals	-	-	-	-	46.67	-
<b>Total Utilised</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,496.67</b>	<b>-</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 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 utilise for expansion activities of the Company in India for opening new branches, infrastructure development for I-Trade and other infrastructure requirements.

## EXTRACT OF ANNUAL RETURN

The extract of the Annual Return as provided under sub-section (3) of Section 92 of the Companies Act, 2013 in Form MGT-9 is attached as **Annexure II**.

## CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of corporate governance and adherence to the corporate governance requirements set out by Securities and Exchange Board of India (SEBI). The Company strives

to achieve fairness for all stakeholders and to enhance long term shareholders value.

As per Regulation 34 (3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on Corporate Governance practices followed by the Company together with the certificate from M/s BVR & Associates, Kochi, Practicing Company Secretary Firm, forms an integral part of this Report.

### CORPORATE SOCIAL RESPONSIBILITY

In accordance with Section 135 of the Companies Act, 2013, the Company has constituted a Corporate Social Responsibility Committee (CSR Committee) consisting of the following directors as members:

1. Ms. Jhuma Guha
2. Mr. K.A. Somasekharan
3. Mr. B. G. Daga

As per Section 135 read with Companies (Corporate Social Responsibility) Rules, 2014 and Schedule VII of the Companies Act, 2013, the Company is required to spend at least 2% of the average net profits of the three immediately preceding financial years on CSR-related activities (specified in Schedule VII of the Companies Act, 2013). Accordingly, the Company was required to spend ₹ 6,41,470/- (Rupees six lakhs forty one thousand four hundred and seventy only) towards CSR activities specified in Corporate Social Responsibility Policy (CSR Policy) of the Company. As per the recommendations of CSR committee, the Company has spent ₹ 3,00,000/- (Rupees three lakhs only) on CSR activities by way of donation to the Society for the Education of the Crippled (Child and Adult), Maharashtra a NGO which was established in 1958. The annual report on Corporate Social Responsibility activities undertaken by the Company is attached as **Annexure III**.

The CSR Policy is available on the Company's website in the below mentioned link:

[http://www.inditrade.com/Pdf/CSR\\_Policy\\_ICL.pdf](http://www.inditrade.com/Pdf/CSR_Policy_ICL.pdf)

### BOARD MEETINGS

The Board Meetings of the Company were held with requisite notice and with a valid quorum. The Board met 6 (six) times during the financial year 2016-17 on 08 April 2016; 29 April 2016; 23 May 2016; 10 August 2016;

09 November 2016 and 06 February 2017. The maximum interval between the two meetings did not exceed 120 days. Details of the composition of the Board Meetings held, attendance of the Directors at such Meetings and other relevant details are provided in the Corporate Governance Report which forms part of the Annual Report.

### COMMITTEES OF THE BOARD

The Board of Directors has the following Committees:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee
4. Corporate Social Responsibility Committee

The details of the Committees along with their composition, number of meetings and attendance at the meeting are provided in the Corporate Governance Report.

### CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES AND INDEPENDENCE OF A DIRECTOR

The Company had prepared a Nomination and Remuneration policy for performance evaluation of the Chairman, individual Directors, Board and its Committees, and the policy also includes the criteria for appointment and remuneration of Directors including Independent Directors, Key Managerial Persons and Senior Management. The Nomination and Remuneration policy has been framed in accordance with Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement [now replaced by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]. The Nomination and Remuneration Committee of the Company oversees the implementation of the Nomination and Remuneration policy of the Company. The composition of the Nomination and Remuneration Committee and other relevant details are provided in the Corporate Governance Report.

The Nomination and Remuneration Policy spells out the criteria for determining qualifications, positive attributes, independence of a Director and the policy on remuneration of Directors, KMP and senior management employees including functional heads. The Nomination and Remuneration policy of the Company is available on the Company's website:

[http://www.inditrade.com/Pdf/Inditrade\\_Capital-Remuneration\\_Policy.pdf](http://www.inditrade.com/Pdf/Inditrade_Capital-Remuneration_Policy.pdf)

## **Selection and procedure for nomination and appointment of Directors**

The Nomination and Remuneration Committee is responsible for identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down in the Nomination and Remuneration Policy. The Committee shall also recommend to the Board, the appointment of any new Directors/Key Managerial Personnel or removal of the existing Directors/Key Managerial Personnel. The Committee shall recommend to the Board as to whether to extend or continue the term of appointment of the independent directors, on the basis of the report of performance evaluation of Independent Directors. After carefully evaluating and analyzing the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company decides whether to appoint a new Director/Key Managerial Personnel or remove an existing Director/s/ Key Managerial Personnel, as the case may be.

## **Evaluation by Board of its performance and that of its committees and individual Directors;**

The Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of the Committees of the Board. The Board performance was evaluated based on inputs received from all the Directors after considering criteria such as Board composition and structure, effectiveness of Board / Committee processes, and information provided to the Board, etc. The Board and the individual Directors have also evaluated the performance of Independent and Non-independent Directors, performance of the Board as a whole and that of the Chairman.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

The Board of your Company consisted of four Directors at the beginning of the financial year namely Mr. B. G Daga (Non Executive Independent Director), Mr. KA Somasekharan (Non Executive Independent Director), Ms. Jhuma Guha (Non Executive Director) and Mr. Giri Krishnaswamy (Non Executive Director). During the year under review, Mr. Giri Krishnaswamy resigned as the Director and Mr. Gurmeet Singh was appointed as Director of the Company. The Board had placed on record its appreciation for the valuable contribution made by Mr. Giri Krishnaswamy during his tenure as the Director of Company.

During the year under review, Ms. Geniya Banerjee resigned from the post of Chief Financial Officer of the Company and she was relieved from the services of the Company with effect from the close of business hours on 08 July 2016. Mr. Naveen Kumar Jain was appointed as the Chief Financial Officer (CFO) of the Company with effect from 10 August 2016.

The members of the Company at its meeting held on 23 September 2015 had appointed Mr. Vinod Mohan as the Manager of the Company for a period of 2 years commencing 11 November 2014. His term of office expired on 10 November 2016, and the Board of Directors on the recommendation of the Nomination and Remuneration Committee re-appointed Mr. Vinod Mohan as the Manager of the Company for a further period of 3 years effective from 11 November 2016 subject to the approval of members of the Company.

Members are requested to refer to the Notice of the Annual General Meeting and the Explanatory Statement for relevant details including qualifications and experience of the Directors and the Key Managerial Personnel for taking an informed decision regarding their appointment.

## **Key Managerial Personnel**

The following are the Key Managerial Personnel of the Company:

- Mr. Vinod Mohan - Manager & Company Secretary
- Mr. Naveen Kumar Jain - Chief Financial Officer

## **Declaration by Independent Directors**

The Independent Directors of the Company have given declarations that they have met the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## **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 the employees to participate in the growth of the Company. The Securities and Exchange Board of India introduced the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI ESOP Regulations") on 28 October 2014. The Company, during the year under review, substituted and made modifications to the

ESOP scheme and the ESOP Trust constituted to administer the scheme, in line with the Companies Act, 2013 and SEBI (Share Based Employee Benefits) Regulations, 2014.

The Board of Directors in order to rationalise/ rearrange / update/ amend the existing provisions of ESOP plan and to make it more effective and aligned it with the prevailing laws and regulations i.e. changes in definitions, rearrangement of paragraphs, removal of lock-in, introducing a clause on severability, reference to SEBI updated regulations, etc., the approval of members is sought in terms of Regulations of the SEBI (Share Based Employee Benefits) Regulations, 2014.

Disclosure as required under Regulation 14 of SEBI Circular - CIR/CFD/POLICY CELL/2/2015 dated 16 June, 2015 has been made available at the Company website at [www.inditrade.com](http://www.inditrade.com).

#### **FIXED DEPOSITS**

During the year, your Company does not hold/not accepted any deposits within the meaning of Chapter V of the Companies Act, 2013 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 197 of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Disclosure as stipulated under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **Annexure IV**.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The details of Loans, Guarantees or Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Note 10, 11 and 24 to Financial Statements.

#### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

All contracts/ arrangements/ transactions entered by the Company during the financial year were in compliance with the applicable provisions of the Companies Act, 2013, the Listing Agreement and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There are no materially significant Related Party Transactions made by

the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interests of the Company at large.

All Related Party Transactions were placed before the Audit Committee and also before the Board for their approval. Prior omnibus approval of the Audit Committee was obtained for the transactions which were of a repetitive nature. The transactions entered into pursuant to the omnibus approval so granted were reviewed and statements giving details of all related party transactions were placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis.

The Company has framed a Related Party Transactions Policy. The Policy, as approved by the Board, is uploaded on the Company's website:

[http://www.inditrade.com/Pdf/Inditrade\\_RPT\\_Policy.pdf](http://www.inditrade.com/Pdf/Inditrade_RPT_Policy.pdf).

Particulars of contracts or arrangements with related parties referred to in sub section (1) of Section 188 in Form No. AOC 2 of the Companies (Accounts) Rules, 2014 is attached as **Annexure V**.

#### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

As stipulated under Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Management Discussion and Analysis report, is presented in a separate section forming part of the Annual Report.

#### **STATUTORY AUDITORS**

M/s. Haribhakti & Co. LLP, Chartered Accountants, Chennai, was appointed as the Statutory Auditors of the Company to hold office from the conclusion of the 20<sup>th</sup> Annual General Meeting held on 26 September 2014 till the conclusion of the fourth consecutive Annual General Meeting to be held in the year 2018. Ratification of appointment of Statutory Auditors is being sought from the Members of the Company at the ensuing Annual General Meeting.

The Company has received letters from M/s. Haribhakti & Co. LLP, Chartered Accountants to the effect that their appointment, if made, would be within the prescribed limits under Section 141(3) of the Act and that they are not disqualified from appointment as Statutory Auditors of the Company.



There are no audit qualifications, reservations or adverse remarks from the Statutory Auditors during the year under review.

### SECRETARIAL AUDIT

M/s. SVJS & Associates, Practicing Company Secretaries, Kochi was appointed to conduct the Secretarial Audit of the Company for the financial year 2016-2017 as required under Section 204 of the Companies Act, 2013 and the rules made thereunder.

The Secretarial Audit Report for the financial year 2016-2017 forms a part of the Annual Report and is attached as **Annexure VI**.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Considering the nature of activities of the Company, the information required under Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts), Rules 2014 relating to Energy Conservation, Technology Absorption is not applicable. However, the effort made by the Company towards technology absorption includes the following:

- I. Adoption of the latest state-of-the-art Datacentre, software and hardware tools available in the market for rendering stock-broking and other services more efficiently and effectively.
- II. Implemented Server virtualization to reduce the Server, Power and Management foot prints.
- III. Implemented the Log management to identify detailed server, network and application issues and proactively clear them so that they do not affect the trading platform.

The Company had no foreign exchange earnings or outgo during the period under review.

### INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY

The Company has an effective internal control and risk mitigation system, which is reviewed and constantly updated. The internal controls, including the internal financial control of the Company are managed and reviewed by the Audit Committee and apart from the staff employed by the Company, the Company has also appointed Internal Auditors from outside the Company to review and monitor the internal financial controls and their adequacy. The

internal financial controls are adequate and commensurate with the size and nature of business of the Company.

### RISK MANAGEMENT

The Company has framed and implemented a Risk Management Policy to assist the Board in:

- (a) overseeing and approving the Company's enterprise wide risk management framework;
- (b) overseeing that all the risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational and other risks have been identified and assessed.

The Policy is regularly reviewed by the Board. The Company manages, monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. The Company also conducts external research to identify external threats, internal audit and internal surveys to identify internal risks.

The Risk Management Policy has been uploaded on the Company's website and also available for verification at the below mentioned link:

[http://www.inditrade.com/Pdf/Risk\\_Managment\\_Policy\\_ICL.pdf](http://www.inditrade.com/Pdf/Risk_Managment_Policy_ICL.pdf)

### VIGIL MECHANISM/ WHISTLE BLOWER POLICY

In order to address the genuine concerns and grievances of the Directors and Employees of the Company, the Company has established a vigil mechanism/ Whistle Blower Policy for Directors and employees pursuant to section 177(9) of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The vigil mechanism provides adequate safeguards against victimization of director(s) or employee(s) or any other person who avails the mechanism and also provide for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.

The vigil mechanism is available in the website of the Company in the below mentioned link:

[http://www.inditrade.com/Pdf/Vigil%20Mechanism%20Whistle%20Blower%20Policy\\_Inditrade.pdf](http://www.inditrade.com/Pdf/Vigil%20Mechanism%20Whistle%20Blower%20Policy_Inditrade.pdf)

### **Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company has in place the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress any complaint regarding sexual harassment.

The following is a summary of sexual harassment complaints received and disposed off during the year 2016-17:

- No of complaints at the beginning of the year 2016-2017: NIL
- No of complaints received: NIL
- No of complaints disposed off: NIL
- No of complaints at the end of the year 2016-2017: NIL

### **DIRECTORS' RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 134 (5) of the Companies Act, 2013, the Board of Directors affirm:

- (a) That in the preparation of the annual accounts for the financial year ending 31 March 2017, the applicable Accounting Standards have been followed and there are no material departures.
- (b) That the Directors have selected such accounting policies and have applied them consistently and 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 31 March 2017 and of the profit of the Company for the financial year ended on that date.

- (c) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (d) That the Directors have prepared annual accounts for the financial year ended 31 March 2017 on a 'going concern' basis.
- (e) That the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.
- (f) That the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### **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 Directors wish to place on record their appreciation for the contributions made by the employees at all levels for their efforts, hard work and support which are indispensable for the Company. Your involvement as shareholders is also greatly valued and your Directors look forward to your continued support.

**For and on behalf of the Board**

**Date : 25 May 2017**  
**Place : Kochi**

<b>Sd/-</b>	<b>Sd/-</b>
<b>B G Daga</b>	<b>Jhuma Guha</b>
<b>Director</b>	<b>Director</b>
<b>DIN: 00004858</b>	<b>DIN: 00007454</b>



**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014  
Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures

**Part "A": Subsidiaries**

(in ₹)

1. Name of the Subsidiary	JRG Fincorp Ltd		Inditrade Derivatives and Commodities Limited		Inditrade Business Consultants Limited		Inditrade Insurance Broking Private Limited		Inditrade Microfinance Limited		Inditrade Commodities Trading Limited	
	31 March 2017	31 March 2017	31 March 2017	31 March 2017	31 March 2017	31 March 2017	31 March 2017	31 March 2017	31 March 2017	31 March 2017	31 March 2017	31 March 2017
2. Reporting period for the subsidiary concerned	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees
3. Reporting currency	54,82,45,610	11,06,24,270	12,11,00,000	6,50,00,000	5,75,00,000	17,00,000						
4. Share capital	44,21,15,746	(6,94,30,118)	(5,67,97,921)	(5,09,44,392)	(19,43,799)	86,31,102						
5. Reserves & surplus	1,39,30,43,366	16,63,13,488	1,32,85,15,706	1,48,06,835	5,68,10,410	3,73,10,192						
6. Total assets	40,26,82,010	12,51,19,336	1,26,42,13,627	7,51,227	12,54,209	2,69,79,090						
7. Total Liabilities	8,23,10,135	1,50,00,000	3,09,69,985	NIL	NIL	NIL						
8. Investments	11,71,40,146	6,28,61,087	5,76,32,314	1,80,92,942	NIL	23,64,00,533						
9. Turnover	8,24,36,418	1,22,19,084	17,53,565	22,53,879	(19,43,799)	(6,12,98,793)						
10. Profit/(Loss) before taxation	2,48,92,893	1,90,000	NIL	NIL	NIL	2,71,91,306						
11. Provision for taxation	5,75,43,525	1,20,29,084	17,53,565	22,53,879	(19,43,799)	(8,84,90,099)						
12. Profit/(Loss) after taxation	NIL	NIL	NIL	NIL	NIL	NIL						
13. Proposed Dividend	57	95.75	99.84	0*	64	0**						
14. Extent of shareholding												

Note:

\* Inditrade Insurance Broking Private Limited is a Wholly Owned Subsidiary of Inditrade Derivatives and Commodities Limited

\*\* Inditrade Commodities Trading Limited is a Wholly Owned Subsidiary of Inditrade Business Consultants Limited

1. Names of subsidiaries which are yet to commence operations:	Inditrade Microfinance Limited (Formerly known as Tree Microfinance Limited) has become the Subsidiary of the Company since 09 May 2016.
	Inditrade Microfinance Limited got RBI License on 27 March 2017 to commence/carry on the business of non-banking financial institution without accepting public deposits.
2. Names of subsidiaries which have been liquidated or sold during the year:	1. Edelweiss Commodities Chad SARL
	2. Edelweiss Commodities Nigeria Ltd
	Part "B": Associates and Joint Ventures
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures	NIL

## ANNEXURE - II

Form No. MGT-9

**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31 March 2017

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

**I. REGISTRATION AND OTHER DETAILS:**

CIN	L67120KL1994PLC008265
Registration Date	17/10/1994
Name of the Company	Inditrade Capital Limited
Category/ Sub Category of the Company	Company limited by shares and Indian Non Government Company
Address of the Registered office and contact details	XXXVI/202, JJ Complex, Dairy Methanam Road, Edappally, Kochi - 682024. Tel : 0484-3006000, 248,339
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Bigshare Services Pvt. Ltd., 1 <sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai 400059, Maharashtra. Board No. : 022 62638200

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

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

SL. NO.	NAME AND DESCRIPTION OF MAIN PRODUCTS / SERVICES	NIC CODE OF THE PRODUCT/ SERVICE	% TO TOTAL TURNOVER OF THE COMPANY
1	Securities brokerage services	K-66- 66120	94.18

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl. No	NAME AND ADDRESS OF THE COMPANY	CIN/ GLN	HOLDING / SUBSIDIARY/ ASSOCIATE	% SHARES HELD	APPLICABLE SECTION
1	Juno Moneta Technologies Private Limited 204, 2 <sup>nd</sup> Floor, B Wing , Phoenix House, Senapati Bapat Marg, Lower Parel West, Mumbai, Mumbai City, Maharashtra, India - 400013	U72900MH2008PTC178080	Holding	71.13	2(46)
2	JRG Fincorp Limited XXXVI 203, JJ Complex, Dairy Methanam Road, Edappally Kochi, Kerala, India - 682024	U65923KL2007PLC021180	Subsidiary	57	2(87)
3	Inditrade Derivatives and Commodities Limited First Floor, M E S Building, Kaloar, Cochin, Kerala, India - 682017	U66010KL1996PLC010093	Subsidiary	95.75	2(87)
4	Inditrade Business Consultants Limited XXXVI -203, JJ Complex, Dairy Methanam Road, Edappally Kochi, Kerala, India - 682024	U74140KL2008PLC023055	Subsidiary	99.99	2(87)

Sl. No	NAME AND ADDRESS OF THE COMPANY	CIN/ GLN	HOLDING / SUBSISIARY/ ASSOCIATE	% SHARES HELD	APPLICABLE SECTION
5	Inditrade Microfinance Limited (Formerly known as Tree Microfinance Limited) 153 and 155, South West Boag Road, T. Nagar, Chennai, Tamil Nadu, India - 600017.	U67190TN2016PLC103904	Subsidiary	64	2(87)
6	Inditrade Commodities Trading Limited (Formerly known as Edel Commodities Trading Limited) Balaji Empire, Plot No 6, Sy.No 103/1,105 & 106 Jayaberi Enclave, Gachibowli, Hyderabad, Telengana, India - 500032.	U67190TG2011PLC077783	Step down Subsidiary*	0	2(87)
7	Inditrade Insurance Broking Private Limited 36/1563 First Floor, M E S Buildings Kaloor, Cochin, Ernakulam, Kerala India - 682017.	U67190KL2000PTC013701	Step down Subsidiary**	0	2(87)

\* Inditrade Commodities Trading Limited is a Wholly Owned Subsidiary of Inditrade Business Consultants Limited

\*\* Inditrade Insurance Broking Private Limited is a Wholly Owned Subsidiary of Inditrade Derivatives and Commodities Limited

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

##### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01-04-2016)				No. of Shares held at the end of the year (as on 31-03-2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
(a) Individual/ HUF	50,000	0	50,000	0.21	50,000	0	50,000	0.21	0.00
(b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
(c ) State Govt. (s)	0	0	0	0.00	0	0	0	0.00	0.00
(d) Bodies Corp.	16,694,461	0	16,694,461	71.49	16,710,440	0	16,710,440	71.56	0.10
(e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
(f) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-Total (A) (1)</b>	<b>16,744,461</b>	<b>0</b>	<b>16,744,461</b>	<b>71.70</b>	<b>16,760,440</b>	<b>0</b>	<b>16,760,440</b>	<b>71.77</b>	<b>0.10</b>
(2) Foreign									
(a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(b) Other- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
(e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-Total (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total shareholding</b>	<b>16,744,461</b>	<b>0</b>	<b>16,744,461</b>	<b>71.70</b>	<b>16,760,440</b>	<b>0</b>	<b>16,760,440</b>	<b>71.77</b>	<b>0.10</b>

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01-04-2016)				No. of Shares held at the end of the year (as on 31-03-2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
B Public Shareholding									
1. Institutions									
(a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
(b) Banks / FI	0	0	0	0.00	36,376	0	36,376	0.16	0.00
(c ) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
(d) State Govt. (s)	0	0	0	0.00	0	0	0	0.00	0.00
(e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(g) FIIs	858,425	0	858,425	3.68	663,377	0	663,377	2.84	-22.72
(h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i) Others (specify):	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-Total (B) (1)</b>	<b>858,425</b>	<b>0</b>	<b>858,425</b>	<b>3.68</b>	<b>699,753</b>	<b>0</b>	<b>699,753</b>	<b>3.00</b>	<b>-18.48</b>
2. Non- Institutional									
(a) Bodies Corporate	559,165	0	559,165	2.39	298,457	0	298,457	1.28	-46.62
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1,794,118	8258	1,802,376	7.72	1,709,660	6943	1,716,603	7.35	-4.76
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	3,066,853	30,000	3,096,853	13.26	3,594,196	15,000	3,609,196	15.46	16.54
(c )Others (Specify)									
(i) Director /Relatives	0	0	0	0.00	0	0	0	0	0.00
(ii) Clearing members	12,880	0	12,880	0.06	17,591	0	17,591	0.08	36.58
(iii) Market Makers, office bearer	0	0	0	0.00	0	0	0	0.00	0.00
(iv) Foreign Nationals-NRI	211,341	0	211,341	0.90	183,461	0	183,461	0.79	-13.19
(v) Trusts	67,125	0	67,125	0.29	67,125	0	67,125	0.29	0.00
<b>Sub - Total (B) (2):</b>	<b>5,711,482</b>	<b>38,258</b>	<b>5,749,740</b>	<b>24.62</b>	<b>5,870,490</b>	<b>21,943</b>	<b>5,892,433</b>	<b>25.23</b>	<b>2.48</b>
Total Public Shareholding (B)= (B) (1)+(B)(2)	6,569,907	38,258	6,608,165	28	6,570,243	21,943	6,592,186	28	-0.24
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
<b>Grand Total (A+B+C)</b>	<b>23,314,368</b>	<b>38,258</b>	<b>23,352,626</b>	<b>100</b>	<b>23,330,683</b>	<b>21,943</b>	<b>23,352,626</b>	<b>100</b>	

(ii) Shareholding of Promoters:

Sl. No.	Shareholder's Name	No. of Shares held at the beginning of the year (as on 01.04.2016)			No. of Shares held at the end of the year (as on 31.03.2017)			
		No. of Shares	% of Total Shares of the Company	% of shares Pledged / Encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of shares Pledged / Encumbered to total shares	% Change in shareholding during the year
1	Juno Moneta Technologies Private Limited	16,594,461	71.06	0	16,610,440	71.13	0	0.10
2	A T Invofin India Private Limited	100,000	0.43	0	100,000	0.43	0	0.00
3	Sudip Bandyopadhyay	50,000	0.21	0	50,000	0.21	0	0.00
<b>TOTAL</b>		<b>16,744,461</b>	<b>71.70</b>	<b>0</b>	<b>16,760,440</b>	<b>71.77</b>	<b>0</b>	<b>0.10</b>

(iii) Change in Promoters' Shareholding

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Increase / Decrease in Share holding during the year			Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	Date	Increase / Decrease in Share holding	Reasons for increase/decrease	No. of shares	% of total shares of the company
1	Juno Moneta Technologies Private Limited	16,594,461	71.06	-	0	NIL	16,594,461	71.06
				01/04/2016	15979	Transfer	16,610,440	71.13
2	A T Invofin India Private Limited	100,000	0.43	-	0	NIL	100,000	0.43
3	Sudip Bandyopadhyay	50,000	3.79	-	0	NIL	50,000	0.21

(iv) Shareholding pattern of top ten shareholders

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Increase / Decrease in Share holding during the year			Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	Date	Increase / Decrease in Share holding	Reasons for increase/decrease	No. of shares	% of total shares of the company
1	Sunita Gupta	733,005	3.14	-	0	NA	733,005	3.14
2	Murugu Selvan K	0	0.00	-	0	NA	0	
			0.00	30/9/2016	400	Purchase	400	0.00
				7/10/2016	13,495	Purchase	13,895	0.06
				14/10/2016	254	Purchase	14,149	0.06
				21/10/2016	2,551	Purchase	16,700	0.07
				28/10/2016	8,800	Purchase	25,500	0.11
				4/11/2016	2,277	Purchase	27,777	0.12
				11/11/2016	20,000	Purchase	47,777	0.20
				18/11/2016	17,500	Purchase	65,277	0.28

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Increase / Decrease in Share holding during the year			Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	Date	Increase / Decrease in Share holding	Reasons for increase/decrease	No. of shares	% of total shares of the company
				25/11/2016	2,500	Purchase	67,777	0.29
				2/12/2016	3,000	Purchase	70,777	0.30
				9/12/2016	1,700	Purchase	72,477	0.31
				16/12/2016	1,300	Purchase	73,777	0.32
				23/12/2016	1,000	Purchase	74,777	0.32
				6/1/2017	2,500	Purchase	77,277	0.33
				13/1/2017	21,500	Purchase	98,777	0.42
				20/1/2017	300	Purchase	99,077	0.42
				27/1/2017	500	Purchase	99,577	0.43
				3/2/2017	80,000	Purchase	179,577	0.77
				31/3/2017	7,200	Purchase	186,777	0.80
3	CLSA Global Markets Pte Limited	0	0.00	-	0	-	0	0.00
				23/12/2016	525,553	Purchase	525,553	2.25
				3/3/2017	-50	Sale	525,503	2.25
				17/3/2017	-4,315	Sale	521,188	2.23
				24/3/2017	-17,738	Sale	503,450	2.16
				31/3/2017	-11	Sale	503,439	2.16
4	Fereshte Dhunjishaw Sethna	166,574	0.71	-	0	-	166,574	0.71
5	Asharaff M Sultan	145,150	0.62	-	0	-	145,150	0.62
6	Nasir Firoz Khambatta	0	0.00	-	0	NA	0	0.00
		0.00		23/9/2016	25,458	Purchase	25,458	0.11
				30/9/2016	17,896	Purchase	43,354	0.19
				7/10/2016	11,297	Purchase	54,651	0.23
				21/10/2016	2,781	Purchase	57,432	0.25
				11/11/2016	9,700	Purchase	67,132	0.29
				18/11/2016	48,099	Purchase	115,231	0.49
				25/11/2016	5,383	Purchase	120,614	0.52
				20/1/2017	162	Purchase	120,776	0.52
				3/2/2017	10,029	Purchase	130,805	0.56
				10/2/2017	10,000	Purchase	140,805	0.60
				17/2/2017	1,699	Purchase	142,504	0.61
				24/2/2017	605	Purchase	143,109	0.61
				3/3/2017	1,000	Purchase	144,109	0.62
7	Ram Saran Dua	0	0.00	-	0	-	0	0.00
				29/7/2016	61,780	Purchase	61,780	0.26
				5/8/2016	10,000	Purchase	71,780	0.31
				23/9/2016	8,977	Purchase	80,757	0.35
				17/3/2017	11,613	Purchase	92,370	0.40

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Increase / Decrease in Share holding during the year			Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	Date	Increase / Decrease in Share holding	Reasons for increase/decrease	No. of shares	% of total shares of the company
				24/3/2017	7,126	Purchase	99,496	0.43
				31/3/2017	3,506	Purchase	103,002	0.44
8	Jiji Antony	101,424	0.43	-	0	-	101,424	0.43
				15/4/2016	223,046	Purchase	324,470	1.39
				29/7/2016	-3,970	Sale	320,500	1.37
				5/8/2016	-700	Sale	319,800	1.37
				12/8/2016	-150	Sale	319,650	1.37
				19/8/2016	-2,550	Sale	317,100	1.36
				30/9/2016	-4,500	Sale	312,600	1.34
				21/10/2016	-86	Sale	312,514	1.34
				4/11/2016	-2,000	Sale	310,514	1.33
				11/11/2016	-2,500	Sale	308,014	1.32
				18/11/2016	-1,000	Sale	307,014	1.31
				23/12/2016	-650	Sale	306,364	1.31
9	Baring India Private Equity Fund III Listed Investments Limited	159,938	0.68	-	0	NA	159,938	0.68
10	Satyanarian Prakash Punj	98,010	0.42	-	0	NA	98,010	0.42

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

		Shareholding at the beginning of the year		Increase / Decrease in Share holding during the year			Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	Date	Increase / (Decrease) in Share holding	Reasons for increase/decrease	No. of shares	% of total shares of the company
S l .	No.	Shareholder's Name						
NIL/ NOT APPLICABLE								

## V. INDEBTEDNESS

Sl. No.	Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
	Indebtedness at the beginning of the financial year				
1	Principal Amount	0	0	0	0
2	Interest due but not paid	0	0	0	0
3	Interest accrued but not due	0	0	0	0
	<b>Total (1+2+3)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	Change in indebtedness during the year				
	Addition	0	20,00,000	0	20,00,000
	Reduction	0	0	0	0
	<b>Net Change</b>	<b>0</b>	<b>2,000,000</b>	<b>0</b>	<b>2,000,000</b>
	Indebtedness at the end of the financial year				
1	Principal Amount	0	20,00,000	0	20,00,000
2	Interest due but not paid	0	0	0	0
3	Interest accrued but not due	0	0	0	0
	<b>Total (1+2+3)</b>	<b>0</b>	<b>20,00,000</b>	<b>0</b>	<b>20,00,000</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of Managing Director, Whole-time Directors and/or Manager	
		Manager Vinod Mohan	Total Amount
1	Gross Salary		
a.	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	525,754	525,754
b.	Value of perquisites under Section 17(2) of the Income-tax Act, 1961	0	0
c.	Profits in lieu of Salary under Section 17(3) of the Income-tax Act, 1961	0	0
2	Stock Option	0	0
3	Sweat Equity	0	0
4	Commission	0	0
	- as % of profit	0	0
	- others	0	0
5	Others	0	0
		0	0
	<b>Total (A)</b>	<b>525,754</b>	<b>525,754</b>
	Ceiling as per the Act	1,598,209	1,598,209



## B. Remuneration to other Directors

(in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
1	<b>Independent Directors</b>	<b>Mr. K A Somasekharan</b>	<b>Mr. B G Daga</b>		
a	Fee for attending Board/ Committee meetings	150,000	170,000		320,000
b	Commission	0	0		0
c	Others	0	0		0
	Total (1)	150,000	170,000		320,000
2	<b>Other Non-Executive Directors</b>	<b>Ms. Jhuma Guha</b>	<b>Mr. Giri Krishnaswamy</b> (Upto 09 September 2016)	<b>Mr. Gurmeet Singh</b> (Upto 01 September 2016)	
a	Fee for attending Board/ Committee meetings	0	0	0	0
b	Commission	0	0	0	0
c	Others	0	0	0	0
	Total (2)	0	0	0	0
	Total Managerial Remuneration (Fee for attending Board /Committee meetings is excluded from the Overall Ceiling as per the Act)				320,000
	Overall Ceiling as per the Act				319,642

## C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Company Secretary	Chief Financial Officer (CFO)		
		Mr. Vinod Mohan	Ms. Geniya Banerjee	Mr. Naveen Jain	
1	Gross Salary				
a	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	368,170	NIL	770,968	1,139,138
b	Value of perquisites under Section 17(2) of the Income-tax Act, 1961	NIL	NIL	NIL	NIL
c	Profits in lieu of Salary under Section 17(3) of the Income-tax Act, 1961	NIL	NIL	NIL	NIL
2	Stock Option	12,000 Options	NIL	25,000 Options	37,000 Options
3	Sweat Equity	NIL	NIL	NIL	NIL
4	Commission	NIL	NIL	NIL	NIL
	– as % of profit	NIL	NIL	NIL	NIL
	– others	NIL	NIL	NIL	NIL
5	Others	NIL	NIL	NIL	NIL
	Total	368,170	NIL	770,968	1,139,138

Note:

- Mr. Vinod Mohan was drawing salary as the Manager of the Company till November, 2016 and thereafter he was drawing salary in the capacity of Company Secretary.
- Ms. Geniya Banerjee resigned as CFO with effect from 08 July 2016 and Mr. Naveen Kumar Jain was appointed as CFO from 10 August 2016.
- Ms. Geniya Banerjee was drawing salary from the Subsidiary Company.

## VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

## Annual Report on CSR Activities

### 1. Brief outline of the Company's CSR policy

Inditrade Capital Limited (formerly known as JRG Securities Limited) is one of India's leading financial services providers with a strong presence in South India. The Inditrade Group of Companies is fully committed to comply with all regulatory requirements mandated by Exchanges, Securities and Exchange Board of India (SEBI), Insurance Development and Regulatory Authority of India (IRDAl), Reserve Bank of India (RBI), etc.

The CSR Policy of the Company is in alignment with its objective, principles and values, for delineating its responsibility as a socially and environmentally responsible corporate citizen. The Policy lays down the principles and mechanism for undertaking various programs in accordance with Section 135 of the Companies Act, 2013. The Policy shall apply to all the CSR programs and activities undertaken by the Company at various locations for the benefit of diverse sectors of the society. The Company's CSR Policy focuses on the activities relating to promotion of education, poverty eradication and rural development projects. During the year under review, the Company has sponsored 15 children with physical and multiple disabilities in rural area for education, learning, vocation, therapies, medical treatments, nutrition, co- curricular activities, etc., to enable them to become contributing and productive members of the society. In this regard, the Company donated ₹ 300,000/- to Society for the Education of the Crippled (Child and Adult), a Non-Governmental Organization (NGO) established in 1958. The donation made to Society for the Education of the Crippled

(Child and Adult) qualifies for 100% exemption under section 35AC as it operates in the rural area and is a project/scheme approved by the National Committee for Promotion of Social & Economical Welfare.

The CSR Policy of the Company is available on the Company website at [http://www.inditrade.com/Pdf/CSR\\_Policy\\_ICL.pdf](http://www.inditrade.com/Pdf/CSR_Policy_ICL.pdf)

### 2. Composition of the CSR Committee

The Corporate Social Responsibility Committee (CSR Committee) consists of the following Directors:

Sr. No	Name	Designation
1.	Mr. B G Daga	Member
2.	Mr. K.A Somasekharan	Member
3.	Ms. Jhuma Guha	Member

The Chairperson of the Committee shall be decided from amongst the members at the respective meeting.

### 3. Average net profit of the Company for last three financial years

The average net profit of the Company for last three financial years is ₹ 3,20,73,523/-.

### 4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)

The Company is required to spend ₹ 6,41,470/- towards CSR for the financial year 2016-17.

**5. Details of CSR spent during the financial year.**

- a. Total amount to be spent for the financial year : ₹ 6,41,470/-  
 b. Amount unspent, if any : ₹ 3,41,470/-

Manner in which the amount spent during the financial year									
Sl. No	CSR project or activity	Sector in which the Project is covered under Schedule VII	Projects or programs 1) Local area or other 2) State and district where projects or programs was undertaken	Amount outlay (in ₹)	Amount spent on the projects or programs (in ₹)		Cumulative expenditure upto to the reporting period (in ₹)	Amount spent direct or through implementing agency:(in ₹)	
					Direct Expense	Overheads		Direct	Implementing agency (Amount and Name)
1.	Sponsorship of children with physical & multiple disabilities in rural area with education, learning a vocation, therapies, medical treatments, nutrition, co-curricular activities. This has been done through Society for the Education of the Crippled (Child and Adult)	Cl (ii): promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	1) Other area  2) Mumbai, Maharashtra	6,41,470	3,00,000	Nil	3,00,000	₹3,00,000/-	NIL

**6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.**

Based on the discussions held internally, the Company has identified certain institutions where contributions could be made towards CSR activities. Among those that were evaluated, Society for the Education of the Crippled (Child and Adult), a Non-Governmental Organization (NGO) was considered appropriate for an initial contribution of an amount of ₹ 3 Lakhs, during the F.Y. 2016-17. It may be noted that this was the first year that the Company had considered CSR spends, and in the light of experience gained, it could be spread over multiple such organizations and with a geographical spread. Further this being a continuous process, the Company is constantly looking for other avenues for making such contribution towards CSR activities for the betterment of society. Going forward, the Company would be evaluating more such avenues and endeavour to fully utilise the CSR amount earmarked for CSR activities in a judicious and beneficial manner in the forthcoming years.

**7. Responsibility statement of the CSR Committee**

The CSR Committee hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Date : 25 May 2017  
Place : Kochi

Sd/-  
B G Daga  
Director  
DIN: 00004858

Sd/-  
Jhuma Guha  
Director  
DIN: 00007454

**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

(i) the ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year;	NA (None of the Directors of the Company receive any remuneration from the Company apart from sitting fees received by the Independent Directors)
(ii) the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	Mr. Vinod Mohan, : 10% (on CTC level) CS/Manager CFO* : Refer Note - 27 to Financial Statements. * Ms. Geniya Banerjee resigned as CFO with effect from 08 July 2016 and Mr. Naveen Kumar Jain was appointed as CFO from 10 August 2016. Ms. Geniya Banerjee was drawing salary from the Subsidiary Company during the financial year 2015-2016 till her resignation.
(iii) the percentage increase in the median remuneration of employees in the financial year;	6.50%
(iv) the number of permanent employees on the rolls of the Company	232
(v) average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Average increase in remuneration is 6.5% for Employees other than Managerial Personnel and 10% for the managerial personnel.
(vi) Names of the top ten employees in terms of remuneration drawn and the name of every employee, who:	NIL
(i) if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees;	
(ii) if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month;	
(iii) if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company.	

## ANNEXURE - V

**Form No. AOC-2**

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

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

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

(a) Name(s) of the related party and nature of relationship	
(b) Nature of contracts/ arrangements/ transactions	
(c) Duration of the contracts / arrangements/transactions	
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	
(e) Justification for entering into such contracts or arrangements or transactions	Not Applicable
(f) Date(s) of approval by the Board	
(g) Amount paid as advances, if any:	
(h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	

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

The transaction entered into by the Company during the year with related parties on an arms length basis were not material in nature.

For and on behalf of the Board

Date : 25 May 2017  
Place : Kochi

Sd/-  
B G Daga  
Director  
DIN: 00004858

Sd/-  
Jhuma Guha  
Director  
DIN: 00007454



## Form No. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2017

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To  
The Members  
Inditrade Capital Limited  
XXXVI/202, JJ Complex  
Dairy Methanam Road, Edappally  
Kochi, Kerala - 682024

We, SVJS & Associates, Company Secretaries, have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Inditrade Capital Limited [CIN: L67120KL1994PLC008265] (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31 March 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the Rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (d) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996;
  - (e) The Securities and Exchange Board of India (Stock Brokers and Sub-brokers) Regulations, 1992;
  - (f) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (g) The Securities and Exchange Board of India (Intermediaries) Regulations, 2008;
  - (h) The Securities and Exchange Board of India (Certification of Associated Persons In The Securities Markets) Regulations, 2007;
  - (i) The Securities and Exchange Board of India (Research Analysts) Regulations, 2014;
  - (j) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003;
  - (k) The Securities and Exchange Board of India (KYC (Know Your Client) Registration Agency) Regulations, 2011;
  - (l) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(vi) As informed to us, the following other laws are specifically applicable to the Company:

1. The Prevention of Money Laundering Act, 2002;
2. SEBI's master circular on AML/CFT and AML rules and regulation and Bye-Law and Circulars issued by said regulators from time to time.

We have also examined compliance with the applicable clauses of:

- (i) Secretarial Standards relating to Board (SS 1) and General Meetings (SS 2) issued by The Institute of Company Secretaries of India;
- (ii) The Listing Agreement entered into by the Company with BSE Limited;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We report that:**

The Board of Directors of the Company is duly constituted. All the directors of the Company are Non-Executive Directors.

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices were given to all directors to schedule the Board meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions of the Board were unanimous and the same was captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were no instances of:

- (i) Public / Right/ Preferential issue of shares / debentures / sweat equity etc;
- (ii) Redemption / buy-back of securities;
- (iii) Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013;
- (iv) Merger / amalgamation / reconstruction etc.;
- (v) Foreign technical collaborations.

This report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of this Report

**For SVJS & Associates  
Company Secretaries**

**Kochi  
25 May 2017**

**Jayan K.  
Partner  
CP. No. : 7363, FCS: 8154**

To  
The Members  
Inditrade Capital Limited  
XXXVI/202, JJ Complex  
Dairy Methanam Road, Edappally  
Kochi, Kerala - 682024

Our report of even date is to be read along with this letter.

1. Maintenance of the Secretarial records is the responsibility of the management of the Company. Our responsibility as Secretarial Auditors is to express an opinion on these records, based on our audit.
2. During the audit, we have followed the practices and process as were appropriate, to obtain reasonable assurance about the correctness of the contents of the Secretarial records. We believe that the process and practices we followed provide a reasonable basis for our report.
3. The correctness and appropriateness of financial records and Books of Accounts of the Company have not been considered.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events, etc.

#### **ANNEXURE - A**

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards, etc. is the responsibility of management. Our examination was limited to the verification of the procedures and compliances on test basis.
6. While forming an opinion on compliance and issuing the Secretarial Audit Report, we have also taken into consideration the compliance related actions taken by the Company after 31 March 2017 but before issuing this Report.
7. We have considered actions carried out by the Company based on independent legal / professional opinion as being in compliance with law, wherever there was scope for multiple interpretations.

**For SVJS & Associates  
Company Secretaries**

**Kochi  
25 May 2017**

**Jayan K.  
Partner  
CP. No. : 7363, FCS: 8154**

# Report on Corporate Governance

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

Your Company is committed to follow the best Corporate Governance practices not only to ensure success in business, but also for maximizing value for all the stakeholders be it Shareholders, investors, clients, employees or Regulators. The trust of the stakeholders is built by maintaining the highest ethical standards, transparency and accountability.

At 'Inditrade', emphasis is given to four key building blocks – Trust, Transparency, Technology and Talent. The Directors and Management of your Company continue to be committed to adhering to the best governance standards and to comply with regulatory requirements in the true sense and beyond the letter of law.

## 2. Board of Directors:

### i. Composition and Category of Directors:

As on 31 March 2017, the Company's Board comprised of 4 (four) Directors of which 2 (two) are Independent Non-Executive Directors. The Company has complied with the requirement of Woman Director pursuant to Section 149 of the Companies Act 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All the directors possess expertise in the financial services sector. The composition of the Board and category of Directors as on 31 March 2017 is as follows:

Name of the Directors	DIN	Category
Mr. Brij Gopal Daga	00004858	Independent Non- Executive Director
Mr. K A Somasekharan	01573721	Independent Non- Executive Director
Ms. Jhuma Guha	00007454	Non- Executive Director
Mr. Gurmeet Singh (Appointed on 01 September 2016)	03294406	Non- Executive Director

The details of Directors who resigned or who ceased to be directors are as follows:

Name of the Director	DIN	Category	Date of Cessation
Mr. Giri Krishnaswamy	05238555	Non- Executive Director	09 September 2016

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 March 2017:

Name of the Director	No of Board Meetings which Director was entitled to attend	Attendance at meetings during 2016-17		No. of Other Directorship	No. of Committee Membership(s)/ No. of Chairmanship(s) of Board Committees in other Companies
		Board Meetings	Last AGM held on 30 August 2016		
Mr. Brij Gopal Daga	6	6	Yes	6	As Member-4 As Chairman-2
Mr. K A Somasekharan	6	5	Yes	3	As Member-1 As Chairman-NIL
Ms. Jhuma Guha	6	6	Yes	NIL	As Member- NIL As Chairman-NIL
Mr. Giri Krishnaswamy	4	4	No	Nil	As Member- NIL As Chairman-NIL
Mr. Gurmeet Singh	2	2	N.A.	Nil	As Member- NIL As Chairman-NIL

Notes:

- Number of Board Meetings held in 2016-17: 6
- Mr. Gurmeet Singh was appointed as an Additional Director on 01 September 2016.
- Mr. Giri Krishnaswamy ceased to be the Director w.e.f. 09 September 2016.
- The Directorships, held by Directors as mentioned above, do not include Alternate Directorships, and Directorships in Private Limited Companies, Foreign Companies and Companies registered under Section 8 of the Companies Act, 2013.
- In accordance with Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Memberships/Chairmanships of only Audit Committees and Stakeholders' Relationship Committee in all public limited companies (excluding Inditrade Capital Limited) have been considered.
- The meetings of the board of directors and the above committees have been conducted in the manner as specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013.

iii. Number of Board meetings held with dates:

During the financial year 2016-17, 6 (Six) Board meetings were held and the details of Board meetings held are given below:

Date of Board Meeting	Board Strength	Number of Directors Present	% of attendance
08 April 2016	4	4	100
29 April 2016	4	3	75
23 May 2016	4	4	100
10 August 2016	4	4	100
09 November 2016	4	4	100
06 February 2017	4	4	100

## iv. Details of Shares/Convertible Instruments held by the Directors

Name of Director	Category	No of Shares/Convertible instruments held
Mr. Brij Gopal Daga	Independent Non Executive Director	Nil
Mr. K A Somasekharan	Independent Non Executive Director	Nil
Ms. Jhuma Guha	Non Executive Director	Nil
Mr. Giri Krishnaswamy*	Non Executive Director	Nil
Mr. Gurmeet Singh	Non Executive Director	Nil

\* Mr. Giri Krishnaswamy ceased to be the Director w.e.f. 09 September 2016.

## v. Code of Conduct of the Board

The Board of Directors of the Company meets regularly to discuss the operational and financial performance of the Company and that of its Subsidiary Companies. The Board periodically reviews the compliance reports pertaining to all laws applicable to the Company as well as takes steps to rectify instances of non-compliances, if any.

The Board has constituted the Nomination and Remuneration Committee to satisfy itself that plans are in place for orderly succession for appointment to the Board of Directors and senior management.

The Board of Directors has laid down a code of conduct for all the Members of the Board of Directors and senior management. The Independent Directors are suitably made aware of their duties and responsibilities and their performance is evaluated by the entire Board apart from the Director who is subject to evaluation.

## vi. Independent Directors.

The Company has two Independent Directors, Mr. Brij Gopal Daga and Mr. K A Somasekharan. The Company has received declarations from the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has conducted familiarisation programme for its Independent Directors to make them aware of the nature of the industry and their roles, rights, responsibilities in the Company. The details of the familiarisation programme and the terms of appointment of the Independent Directors are available on the Company website.

## Board Committees

Composition of Committees of the Board			
<b>1) Audit Committee</b>		<b>2) Nomination and Remuneration Committee</b>	
• Mr. Brij Gopal Daga (Independent Non-Executive Director)		• Mr. Brij Gopal Daga (Independent Non-Executive Director)	
• Mr. K A Somasekharan (Independent Non-Executive Director)		• Mr. K A Somasekharan (Independent Non-Executive Director)	
• Ms. Jhuma Guha (Non- Executive Director)		• Ms. Jhuma Guha (Non- Executive Director)	
<b>3) Stakeholders Relationship Committee</b>		<b>4) Corporate Social Responsibility Committee</b>	
• Mr. Brij Gopal Daga (Independent Non-Executive Director)		• Mr. Brij Gopal Daga (Independent Non-Executive Director)	
• Mr. K A Somasekharan (Independent Non-Executive Director)		• Mr. K A Somasekharan (Independent Non-Executive Director)	
• Ms. Jhuma Guha (Non- Executive Director)		• Ms. Jhuma Guha (Non- Executive Director)	



Meetings of Board Committees held during the financial year 2016-17 and Directors' attendance:				
Board Committees	Audit Committee	Stakeholders Relationship Committee	Nomination and Remuneration Committee	CSR Committee
Meetings held	5	1	4	2
Number of Meeting and Directors' Attendance				
1. Mr. Brij Gopal Daga	5	1	4	2
2. Mr. K A Somasekharan	5	1	4	2
3. Ms. Jhuma Guha	5	1	4	2

#### A. Audit Committee:

##### i. Composition of the Committee:

The Audit Committee comprises of Mr. Brij Gopal Daga, Mr. K A Somasekharan and Ms. Jhuma Guha as members. The details of the composition of the Audit Committee have been provided earlier. The Chairperson of the Committee is an Independent Director and is decided by the members at their respective meetings. Mr. Vinod Mohan, Company Secretary of the Company acts as the Secretary to the Audit Committee.

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

During the financial year 2016-17, 5 (Five) meetings of the Audit Committee were held and the details of meetings and attendance are given below.

Audit Committee				
Sr. No.	Date of Meeting	Total number of Members as on the date of meeting	Attendance	
			Number of Members attended	% of total Directors
1.	23 May 2016	3	3	100
2.	10 August 2016	3	3	100
3.	29 August 2016	3	3	100
4.	09 November 2016	3	3	100
5.	06 February 2017	3	3	100
Total No of Meeting : 5			Percentage of Attendance - 100	

##### iii. Terms of reference of Audit Committee:

The Audit Committee of the Company analyses the financial conditions and results of the operation of the Company. It also reviews the significant Related Party Transactions, internal audit reports, internal audit plan and performance of the internal auditors and statutory auditors. The terms of reference of Audit Committee are inclusive but not exclusive of the following.

- The recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Review and monitor the auditor's independence and performance and effectiveness of the audit process;
- Examination of the financial statement (including Subsidiaries) and the auditors' report thereon;
- Approval of any subsequent modification of the transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments including that of the Subsidiary Companies;

- f) Valuation of undertakings or assets of the Company, wherever it is necessary;
- g) Evaluation of internal financial controls and risk management systems;
- h) Monitoring the end use of funds raised through public offers and related matters.

## B. Nomination and Remuneration Committee:

### i. Composition of the Committee:

Nomination and Remuneration Committee comprises of Mr. Brij Gopal Daga, Mr. K A Somasekharan and Ms. Jhuma Guha as Members. The Chairman of the Committee is an Independent Director and is decided amongst the members at the respective meeting. All the Directors appointed to the Nomination and Remuneration Committee are Non-Executive Directors.

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

Four meetings of the Nomination and Remuneration Committee were held during the financial year under review. The details of meetings and attendance have been provided below:

Nomination and Remuneration Committee				
Sr. No.	Date of Meeting	Total number of Members as on the date of meeting	Attendance	
			Number of Members attended	% of total Directors
1.	23 May 2016	3	3	100
2.	10 August 2016	3	3	100
3.	09 November 2016	3	3	100
4.	06 February 2017	3	3	100
Total No of Meeting : 4			Percentage of Attendance - 100	

### iii. Nomination and Remuneration Policy:

Your Company is having a well structured Nomination and Remuneration Policy which is readily available on the website of the Company. You could refer the same by following the link:  
[http://www.inditrade.com/Pdf/Inditrade\\_Capital-Remuneration\\_Policy.pdf](http://www.inditrade.com/Pdf/Inditrade_Capital-Remuneration_Policy.pdf)

### iv. Criteria for the evaluation of the performance of the Non Executive Directors and Independent Directors:

The Company has framed a Nomination and Remuneration Policy in accordance with Section 178(3) of the Companies Act, 2013 which provides for the evaluation of the performance of the Directors. The evaluation of the performance of the Directors is made by a rating method, the criteria of which includes inter alia the following:

1. Possession of the requisite expertise, experience, industry knowledge, etc.
2. Time spent on discussions on strategic and general issues.
3. Monitoring the Company's internal controls.
4. Independence in true letter and spirit in the case of Independent Directors.
5. Demonstration of the highest levels of integrity.

**v. Terms of reference of Nomination and Remuneration Committee:**

The terms of reference of the Nomination and Remuneration Committee inter alia includes the following:

- 1) to review the overall compensation policy, service agreements and other employment conditions of Managing/ Whole-time Director(s) and Senior Management (one level below the Board);
- 2) to help in determining the appropriate size, diversity and composition of the Board;
- 3) to recommend to the Board appointments/reappointments and removal of Directors;
- 4) to frame criteria for determining qualifications, positive attributes and independence of Directors;
- 5) to recommend to the Board remuneration payable to the Directors (while fixing the remuneration to Executive Directors, the restrictions contained in the Companies Act, 2013 is to be considered);
- 6) to create an evaluation framework for Independent Directors and the Board;
- 7) to provide necessary reports to the Chairman after the evaluation process is completed by the Directors;
- 8) to assist in developing a succession plan for the Board;
- 9) to assist the Board in fulfilling responsibilities entrusted from time-to-time;
- 10) to delegate any of its powers to any Member of the Committee or the Compliance Officer.

**vi. Details of Directors' Remuneration including sitting fees:**

Apart from the sitting fee paid to the Independent Non-Executive Directors, no other remuneration is paid to the Directors of the Company. The Independent Non-Executive Directors are paid sitting fees for attending the Board and Audit Committee meetings of the Company.

The Non-Executive Directors including the Independent Directors do not have any material pecuniary relationship or transactions with the Company.

Details of remuneration including sitting fees paid to Directors during 2016-17:

Name of the Director	Basic Pay	Perquisites	Sitting Fees	Stock Options granted
Mr. Brij Gopal Daga	Nil	Nil	₹ 1,70,000/-	Nil
Mr. K A Somasekharan	Nil	Nil	₹ 1,50,000/-	Nil
Ms. Jhuma Guha	Nil	Nil	Nil	100,000
Mr. Gurmeet Singh	Nil	Nil	Nil	67,500
Mr. Giri Krishnaswamy*	Nil	Nil	Nil	Nil

\* Mr. Giri Krishnaswamy ceased to be the Director w.e.f. 09 September 2016.

**C. Stakeholders' Relationship Committee:**

**i. Composition of the Committee:**

Stakeholders' Relationship Committee comprises of Mr. Brij Gopal Daga, Mr. K A Somasekharan and Ms. Jhuma Guha as members. All the members of the Committee are Non Executive Directors and the Chairperson of the Committee shall be decided from amongst the members at the respective meeting. Mr. Vinod Mohan, Company Secretary of the Company is the Compliance Officer of the Stakeholders' Relationship Committee.

ii. **Meetings and Attendance during the year:**

One meeting of the Stakeholders' Relationship Committee was held during the year. The details of meeting and attendance are given below:

Nomination and Remuneration Committee				
Sr. No.	Date of Meeting	Total number of Members as on the date of meeting	Attendance	
			Number of Members attended	% of total Directors
1.	10 August 2016	3	3	100
Total No of Meeting : 1			Percentage of Attendance - 100	

iii. **Details of queries and grievances received and attended by the Company during the financial year 2016-17 are given below:**

Pending as on 1 April, 2016	Received during the year	Resolved during the year	Pending as on 31 March, 2017
Nil	2	2	Nil

D. **Corporate Social Responsibility (CSR) Committee:**

The Company as a part of its social commitment and responsibility towards the society has constituted a Corporate Social Responsibility Committee with Mr. Brij Gopal Daga, Mr. K A Somasekharan and Ms. Jhuma Guha as the Members of the Committee. The details of meetings and attendance are given below:

Corporate Social Responsibility Committee				
Sr. No.	Date of Meeting	Total number of Members as on the date of meeting	Attendance	
			Number of Members attended	% of total Directors
1.	09 November 2016	3	3	100
2.	06 February 2017	3	3	100
Total No of Meeting : 2			Percentage of Attendance - 100	

**Term of Reference of Corporate Social Responsibility Committee:**

The terms of reference of the Corporate Social Responsibility Committee includes the following:

1. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company.
2. To recommend the amount of expenditure to be incurred on the activities to be undertaken.
3. To monitor the Corporate Social Responsibility Policy of the Company.

### 3. General Body Meetings:

#### i. Details of General Meetings:

Details of the last three Annual General Meetings are given below:

Details of last three Annual General Meetings (AGM)				
Meeting	Financial year to which AGM relates	Date & Time	Venue	No of special Resolution Passed
22 <sup>nd</sup>	2015-16	30.08.2016 At 10.30 A.M.	The Renai Cochin, Kochi - 682 025	2
21 <sup>st</sup>	2014-15	23.09.2015 At 10.30 A.M.	The Renai Cochin, Kochi - 682 025	1
20 <sup>th</sup>	2013-14	26.09.2014 At 10.30 A.M.	The Renai Cochin, Kochi - 682 025	1

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

Financial year to which AGM relates	Date of AGM	Particulars
2015-16	30.08.2016	1. Reclassification of Promoters
		2. Amendment of Employees' Stock Option Plan dated July 15 2008 ("ESOP 2008")
2014-15	23.09.2015	Approval for Related Party Transactions
2013-14	26.09.2014	Appointment of Mr. Guruswami Raj G as the Manager of the Company.

#### iii. Special Resolutions passed through postal ballot in the last three years, with requisite majority:

During the year under review, the following special resolution was passed through postal ballot:

Approval for giving loans/ guarantees or providing securities and/or making investments in terms of the provisions of Section 186 of the Companies Act, 2013 provided that the aggregate amount of all the loans or guarantees or providing any security or the acquisition of securities shall not exceed an aggregate amount of ₹ 436 Crores (Rupees Four Hundred and Thirty Six Crores only) at any point of time.

No other Special Resolutions has been passed through postal ballot during the last three years. Further the Company does not propose to conduct any special resolutions through postal ballot as on date.

### 4. Means of Communication

The Quarterly and Half-yearly/Annual financial results were forthwith communicated to BSE Limited, 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. The financial results, Corporate Governance Report, Shareholding pattern of the Company and Information pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are also put up on Company's website [www.inditrade.com](http://www.inditrade.com). All official news releases are also uploaded on the Company Website.

## i. Publication of the financial results in the year 2016-2017:

Quarter/Annual	Date of Board Meeting to approve the result	Date of Publication	English News Paper	Malayalam Newspaper
Quarterly (I)	10.08.2016	12.08.2016	Business Standard	Mangalam
Quarterly (II) & Half year	09.11.2016	11.11.2016	Business Standard	Mangalam
Quarterly (III)	06.02.2017	08.02.2017	Business Standard	Mangalam
Quarterly (IV) & Annual	25.05.2017	27.05.2017	Business Standard	Mangalam

## ii. Website:

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

## 5. General Shareholders Information:

## i. Basic Information:

<b>Incorporation Details</b>	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.		
<b>AGM Date</b>	10 August 2017		
<b>Time &amp; Venue</b>	10.30 A.M at The Renai Cochin, Kochi – 682 025		
<b>Dividend</b>	Not recommended by the Board for the financial year 2016-17		
<b>Date of Book Closure</b>	N.A		
<b>Financial Year</b>	1 April 2016 to 31 March 2017		
<b>Approval of financial results proposed</b>	QE	30 June 2017	1 <sup>st</sup> or 2 <sup>nd</sup> week of August 2017
	QE	30 September 2017	1 <sup>st</sup> or 2 <sup>nd</sup> week of November 2017
	QE	31 December 2017	1 <sup>st</sup> or 2 <sup>nd</sup> week of February 2018
	YE	31 March 2018	3 <sup>rd</sup> or 4 <sup>th</sup> week of May 2018
<b>Listing on Stock Exchanges</b>	BSE Limited The listing fees for the financial year 2016-17 were duly paid to the BSE Limited within time.		

## ii. Details of Listing with Exchange &amp; Stock Code:

Name and address of the Stock Exchange	Stock Code
BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400001	532745
ISIN allotted by depositories	INE347H01012



iii. Stock Market Price Data during the Financial year 2016-17:

Month	High Price	Low Price	Total Turnover (₹)
Apr-2016	34.85	28.20	17,81,111
May-2016	32.25	26.50	42,64,062
Jun-2016	35.25	26.80	24,25,274
Jul-2016	45.50	28.00	1,34,87,481
Aug-2016	45.80	35.25	1,24,91,783
Sep-2016	48.85	36.05	1,52,66,936
Oct-2016	47.00	40.60	58,89,930
Nov-2016	48.00	33.10	1,08,40,015
Dec-2016	44.80	34.05	2,24,31,055
Jan-2017	41.85	33.65	91,76,636
Feb-2017	39.45	33.65	46,31,059
Mar-2017	38.00	32.00	75,86,930

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

iv. Distribution of Shareholding as on 31 March, 2017:

No. of shares	Shareholders	In percentage	No. of shares	In percentage
001-500	3,855	83.5682	5,81,267	2.4891
501-1000	358	7.7607	2,79,639	1.1975
1001-2000	147	3.1866	2,27,791	0.9754
2001-3000	53	1.1489	1,33,884	0.5733
3001-4000	33	0.7154	1,18,088	0.5057
4001-5000	33	0.7154	1,56,373	0.6696
5001-10000	50	1.0839	3,81,259	1.6326
10001 & Above	84	1.8209	2,14,74,325	91.9568
<b>Total</b>	<b>4,613</b>		<b>2,33,52,626</b>	<b>100.0000</b>

## v. Shareholding Pattern as on 31 March 2017:

Category Code	Category of Shareholder	Number of Shareholders	Total number of shares	As a percentage of (A+B+C)
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>			
(1)	Indian	3	1,67,60,440	71.77
(2)	Foreign	0	0	0
	<b>Total Shareholding of Promoter and Promoter Group</b>	<b>3</b>	<b>1,67,60,440</b>	<b>71.77</b>
<b>(B)</b>	<b>Public Shareholding</b>			
(1)	Institutions	2	6,63,377	2.84
(2)	Non-institutions	4,607	58,61,684	25.1
	<b>Total Public Shareholding</b>	<b>4,609</b>	<b>65,25,061</b>	<b>27.94</b>
<b>(C)</b>	<b>Shareholding Pattern of the Non Promoter- Non Public shareholder</b>			
(1)	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	1	67,125	0.29
	<b>Grand Total(A)+(B)+(C)</b>	<b>4,613</b>	<b>2,33,52,626</b>	<b>100.00</b>

## vi. Share transfer system:

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

The Company seeks to ensure that transfers, if any, are approved for registration within the stipulated period. The transfer of shares in physical form is processed and completed by Registrar & Transfer Agent within a period of seven days from the date of receipt thereof provided all the documents are in order. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants.

Pursuant to Regulation 40 (9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, certificates on half-yearly basis have been issued by a Practicing 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 Practicing Company Secretary for timely dematerialization 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.

## vii. Dematerialization of Shares:

As on 31 March 2017, 99.91% of shares of the Company have been dematerialized as compared to 99.84% in the previous year.

Shares held in demat and physical modes as on 31 March 2017 are as below:

Mode of holding	Shareholding	% to total paid up share capital
NSDL	21566798	92.35
CDSL	1763885	7.55
Physical	21943	0.10
<b>Total</b>	<b>23352626</b>	<b>100.00</b>

### viii. Equity Shares in the Suspense Account:

In terms of disclosure to be made under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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:

Particulars	Number of Shareholders	Number of Equity shares
Aggregate Number of Shareholders and the outstanding shares in the suspense account lying as on 1 April 2017	3	450
Number of Shareholders who approached the Company for transfer of shares from suspense account during the year	0	0
Number of Shareholders to whom shares were transferred from the suspense account during the year	0	0
Aggregate Number of Shareholders and the outstanding shares in the suspense account lying as on 31 March 2017	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.

## 6. Other Disclosures:

### i. Disclosures on Related Party Transactions:

During the year, the Company did not enter into any transaction of material nature with its promoters, the Directors or their relatives or the management except with its subsidiaries, which had omnibus approval from the audit committee. The details of Related Party Transactions are set out in Notes to Financial Statement, Note No: 27.

As required under Regulation 23(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has formulated a policy on dealing with Related Party Transactions. The Policy is available on the website of the Company viz.,

[http://www.inditrade.com/Pdf/Inditrade\\_RPT\\_Policy.pdf](http://www.inditrade.com/Pdf/Inditrade_RPT_Policy.pdf)

## ii. Subsidiary Companies:

The following are the particulars of the Subsidiary Companies of the Company:

Sl. No	Name of the Company	Cin/ Gln	Holding / Subsidiary/ Associate	% Shares Held	Applicable Section
1.	JRG Fincorp Limited	U65923KL2007PLC021180	Subsidiary	57.00	2(87)
2.	Inditrade Derivatives and Commodities Limited	U66010KL1996PLC010093	Subsidiary	95.75	2(87)
3.	Inditrade Business Consultants Limited	U74140KL2008PLC023055	Subsidiary	99.84	2(87)
4.	Inditrade Microfinance Limited (formerly known as Tree Microfinance Limited)	U67190TN2016PLC103904	Subsidiary	64.00	2(87)
5.	Inditrade Commodities Trading Limited (formerly known as Edel Commodities Trading Limited)	U67190TG2011PLC077783	Step down Subsidiary*	0	2(87)
6.	Inditrade Insurance Broking Private Limited	U67190KL2000PTC013701	Step down Subsidiary**	0	2(87)

\* Inditrade Commodities Trading Limited is a Wholly Owned Subsidiary of Inditrade Business Consultants Limited.

\*\* Inditrade Insurance Broking Private Limited is a Wholly Owned Subsidiary of Inditrade Derivatives and Commodities Limited.

As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a "material subsidiary" is a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year". Under this definition, JRG Fincorp Limited is a material non listed Subsidiary Company. The Company has framed a Policy on Material Subsidiaries which is available in the link:

[http://www.inditrade.com/Pdf/Material\\_subsidary\\_policy-Inditrade\\_Capital\\_Ltd.pdf](http://www.inditrade.com/Pdf/Material_subsidary_policy-Inditrade_Capital_Ltd.pdf)

Pursuant to Regulation 24 of the SEBI (Listing Obligations and Requirements) Regulations, 2015, the Company has appointed Mr. Brij Gopal Daga and Mr. K A Somasekharan, both of whom are Non-Executive Independent Directors of the Company, as the Directors in JRG Fincorp Limited.

The Company monitors the 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 are placed and taken on record by the Board.
- iii. **Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years:**
- During the year 2016-17, a monetary penalty of ₹ 8 Lakhs was imposed by SEBI for quarterly non settlement of funds and securities pertaining to some quarters of the F.Y 2011-12 and 2012-13.

- During the year 2015-16, NSE had levied a monetary fine of ₹ 24,000/- for trading terminals being operated by persons other than approved user and without valid certification in few instances.

**iv. Vigil Mechanism / Whistle Blower Policy:**

The Company has adopted the Vigil Mechanism/Whistle Blower Policy 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. It is hereby affirmed that no personnel has been denied access to the audit committee.

**v. Adoption of Requirements of Regulations 17 to 27 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015:**

The Company has complied with all applicable requirements of Regulations 17 to 27 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

**vi. Website**

The Company is maintaining a functional website where all material information about the Company is shared. All information as specified in the clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 of the SEBI Listing Obligations and Disclosure Requirements, Regulations, 2015 is available in the Company Website at <http://www.inditrade.com/>

**vii. Adoption of Discretionary Requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015**

The Company has adopted following non-mandatory requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

**a. Modified opinion(s) in audit report:**

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

**b. Reporting of internal auditor:**

The internal auditor of the Company reports directly to the Audit Committee.

### CFO Certification:

CFO of the Company gives quarterly/annual certification on financial reporting and internal controls to the Board in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The CFO of the Company also gives quarterly certification on financial results while placing the financial results before the Board in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### Declaration for compliance with the Code of Conduct:

In accordance with Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance to the Code of Conduct for the financial year ended 31 March, 2017.

For and on behalf of the Board

Date : 25 May 2017  
Place : Kochi

Sd/-  
B G Daga  
Director  
DIN: 00004858

Sd/-  
Jhuma Guha  
Director  
DIN: 00007454

### Address for Correspondence

#### Registered Office of the Company

##### Inditrade Capital Limited

XXXVI/202, J J Complex, Dairy Methanam Road,  
Edappally-682 024

#### Registrar and Share Transfer Agent

##### Bigshare Services Pvt. Ltd

1<sup>st</sup> Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis, Makwana Road,  
Marol, Andheri (East) Mumbai 400059 Maharashtra  
Ph No. : 022 62638200

#### For queries relating to Secretarial

##### Mr. Vinod Mohan

Company Secretary  
Tele: + 91 9895213707  
E mail: vinod.mohan@inditrade.com

#### For queries relating to Financial statements

##### Mr. Naveen Kumar Jain

Chief Financial Officer  
Tele: + 91 9930128542  
E mail: naveen.jain@inditrade.com



To  
The Board of Directors/Audit Committee  
Inditrade Capital Limited  
XXXVI/202, JJ Complex,  
Dairy Methanam Road, Edappally,  
Kochi, Kerala,  
India - 682024

## Chief Financial Officer Certificate

I hereby certify that I have reviewed the Consolidated and Standalone financial statements and the Cash Flow Statements of the Company for the financial year ended 31 March 2017 and that to the best of my knowledge and belief

1. a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;  
b) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. I accept the responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and I have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, of which I was aware and the steps have been taken to rectify these deficiencies.
4. I have indicated to the Auditors & the Audit Committee
  - a) That there were no significant changes in internal control over the financial reporting during the reporting period.
  - b) There were no significant changes in accounting policies
  - c) There are no instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Date : 25 May 2017  
Place : Mumbai

Sd/-  
Naveen Jain  
Chief Financial Officer

## CERTIFICATE ON CORPORATE GOVERNANCE

### To the Members of Inditrade Capital Limited

We have examined the compliance of conditions of Corporate Governance of Inditrade Capital Limited, for the year ended March 31, 2017 as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015).

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

In our opinion and to the best of our information and according to the explanations given to us,

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

We 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.

FOR BVR & ASSOCIATES COMPANY SECRETARIES LLP

Place: Kochi  
Date: 25 May 2017

**CS Vijay S**  
(Designated Partner)  
C.P No:8268  
Membership No: 7873

# Independent Auditor's Report

To the Members of  
**Inditrade Capital Limited**

## Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Inditrade Capital Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss, 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 Standalone Financial Statements

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

## Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements

and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017, its profit and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of written representations received from the directors as on 31 March 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our separate Report in "Annexure 2";
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 24 on Contingent Liabilities to the standalone Financial Statements;
  - (ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
  - (iv) The Company did not have any holdings or dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 (Refer Note No. 38 to the financial statements).

For **Haribhakti & Co. LLP**  
Chartered Accountants  
**ICAI Firm Registration No.103523W/W100048**

Chennai  
25 May 2017

**G N Ramaswami**  
Partner  
Membership No. 202363

# Annexure 1 to the Independent Auditor's Report

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Inditrade Capital Limited on the standalone financial statements for the year ended 31 March 2017]

- (i) (a) The Company has maintained proper 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) The Company does not have any immovable property and hence paragraph 3(i)(C) of the order is not applicable to the company.
- (ii) As the entity is into the business of stock broking, Paragraph 3 (ii) of the order is not applicable to the company.
- (iii) The Company has granted loans, secured or unsecured, to companies covered in the register maintained under Section 189 of the Act.
  - (a) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that, the terms and conditions of the aforesaid loans granted by the Company are not prejudicial to the interest of the Company.
  - (b) The schedule of repayment of principal and payment of interest in respect of such loans has been stipulated and the repayments or receipts are regular.
  - (c) In respect of the aforesaid loans, there is no overdue amount of loans granted to companies listed in the register maintained under Section 189 of the Act.
- (iv) Based on information and explanation given to us in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of Section 185 and 186 of the Act.
- (v) 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 provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) The Central Government has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of Section 148 of the Act and the rules framed there under.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, service tax and other material statutory dues applicable to it, however, there have been slight delay in few cases.

And

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, 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, the dues outstanding with respect to, income tax, sales tax, service tax, value added tax, customs duty, excise duty on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount ₹	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Disallowed Expenditure	2,24,43,597	Assessment Years: 2007-08 2008-09 2009-10 2010-11	Commissioner of Income Tax (Appeals)
Service Tax Rules, 1994	Service Tax	72,19,878	Financial Years: 2010-11 2011-12 2015-16	Commissioner of Central Excise and Customs

- (viii) The Company has not borrowed funds from financial institutions, banks, Government or issued any debenture, and hence Paragraph 3 (viii) of the order is not applicable to the company.
- (ix) The Company has neither raised money by way of public issue offer nor has obtained any term loans. Therefore, paragraph 3(ix) of the Order is not applicable to the Company.
- (x) 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 by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- (xi) According to the information and explanations given to us, managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year.
- (xvi) According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Haribhakti & Co. LLP**  
Chartered Accountants  
**ICAI Firm Registration No.103523W/W100048**

Chennai  
25 May, 2017

**G N Ramaswami**  
Partner  
Membership No.202363

# Annexure 2 to the Independent Auditor's Report

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Inditrade Capital Limited on the standalone financial statements for the year ended 31 March 2017]

## **Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Inditrade Capital Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

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

### **Auditors' Responsibility**

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

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

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

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

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future



periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential

components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **Haribhakti & Co. LLP**  
Chartered Accountants  
**ICAI Firm Registration No.103523W/W100048**

Chennai  
25 May 2017

**G N Ramaswami**  
Partner  
Membership No.202363

# Balance Sheet as at 31 March 2017

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

Particulars	Note	As at 31 March 2017	As at 31 March 2016
<b>EQUITY AND LIABILITIES</b>			
Shareholders' funds			
Share capital	3	23,28,55,010	23,28,55,010
Reserves and surplus	4	59,09,89,637	56,14,71,996
		<b>82,38,44,647</b>	<b>79,43,27,006</b>
Non-current liabilities			
Other long-term liabilities	5	1,28,66,425	1,25,74,315
Long-term provisions	6	18,42,222	99,507
		<b>1,47,08,647</b>	<b>1,26,73,822</b>
Current liabilities			
Trade payables	7	-	-
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		15,24,14,980	11,55,70,155
Other current liabilities	5	3,81,33,052	1,62,83,068
Short-term provisions	6	2,07,850	1,27,959
		<b>19,07,55,882</b>	<b>13,19,81,182</b>
<b>TOTAL</b>		<b>1,02,93,09,176</b>	<b>93,89,82,010</b>
<b>ASSETS</b>			
Non-current assets			
Fixed assets			
Property, Plant and Equipment	8	1,59,68,400	1,37,01,042
Intangible assets	9	9,59,725	23,50,637
		<b>1,69,28,125</b>	<b>1,60,51,679</b>
Non-current investments	10	48,17,85,250	34,62,85,250
Long-term loans and advances	11	8,42,23,921	9,25,37,979
		<b>58,29,37,296</b>	<b>45,48,74,908</b>
Current assets			
Current investments	12	-	5,00,00,000
Trade receivables	13	12,42,10,956	9,23,85,391
Cash and bank balances	14	17,75,66,825	21,53,17,354
Short-term loans and advances	11	14,36,14,797	12,59,18,464
Other current assets	15	9,79,302	4,85,893
		<b>44,63,71,880</b>	<b>48,41,07,102</b>
<b>TOTAL</b>		<b>1,02,93,09,176</b>	<b>93,89,82,010</b>
Summary of Significant accounting policies and notes to accounts	1-39		
The notes referred to above form an integral part of the financial statements			

**As per our report of even date attached**  
For **Haribhakti & Co.LLP**  
Chartered Accountants  
ICAI Firm registration No : 103523W/W100048

**G N Ramaswami**  
Partner  
Membership No: 202363

Place: Chennai  
Date: 25 May 2017

**For and on behalf of the Board**

**Brij Gopal Daga**  
Director  
DIN:00004858

**Vinod Mohan**  
Manager cum Company Secretary

Place: Kochi  
Date: 25 May 2017

**Jhuma Guha**  
Director  
DIN:00007454

**Naveen Kumar Jain**  
Chief Financial Officer

# Statement of Profit and Loss

for the year ended 31 March 2017

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

Particulars	Note	Year Ended 31 March 2017	Year Ended 31 March 2016
<b>Income</b>			
Income From Operations	16	20,50,58,458	14,65,43,262
Other operating revenues	17	1,26,65,871	61,34,612
		<b>21,77,24,329</b>	<b>15,26,77,874</b>
Other income	18	5,22,32,590	6,86,75,783
<b>Total revenue</b>		<b>26,99,56,919</b>	<b>22,13,53,657</b>
<b>Expenses</b>			
Operating expenses	19	8,06,71,999	5,29,70,964
Employee benefits expense	20	9,73,34,193	5,54,70,481
Depreciation and amortisation	8&9	64,04,487	65,59,706
Finance costs	21	31,577	15,66,904
Other expenses	22	5,10,40,065	4,32,10,219
Provisions and write off	23	21,56,957	2,50,70,571
<b>Total expenses</b>		<b>23,76,39,278</b>	<b>18,48,48,845</b>
<b>Profit before tax</b>		<b>3,23,17,641</b>	<b>3,65,04,812</b>
Tax Expense			
- Current Tax		28,00,000	1,27,00,000
- For earlier years		-	20,281
- MAT Credit		-	(76,00,000)
<b>Profit after tax</b>		<b>2,95,17,641</b>	<b>3,13,84,531</b>
<b>Earnings per equity share:</b>			
Basic	29	1.27	1.35
Diluted	29	1.26	1.34
Nominal value of equity shares		10	10
Summary of Significant accounting policies and notes to accounts	1-39		

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

**As per our report of even date attached**

For **Haribhakti & Co.LLP**

Chartered Accountants

ICAI Firm registration No : 103523W/W100048

**G N Ramaswami**

Partner

Membership No: 202363

**For and on behalf of the Board**

**Brij Gopal Daga**

Director

DIN:00004858

**Vinod Mohan**

Manager cum Company Secretary

**Jhuma Guha**

Director

DIN:00007454

**Naveen Kumar Jain**

Chief Financial Officer

Place: Chennai

Date: 25 May 2017

Place: Kochi

Date: 25 May 2017

# Standalone Cash Flow Statement

for the year ended 31 March 2017

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

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
<b>Cash flow from operating activities</b>		
Net Profit before tax	3,23,17,641	3,65,04,812
Adjustments for:		
Depreciation and amortization	64,04,487	65,59,706
Provision for doubtful loans and advances	-	24,58,682
Provision for doubtful trade receivables	11,77,030	19,43,809
Bad debts written off	4,38,793	18,080
Profit on sale of assets (net)	(3,53,466)	(1,50,742)
Interest income	(1,46,04,152)	(69,64,036)
Unrealized foreign exchange (gain) (net)	-	(10,53,342)
Provision for diminution in value of investments other than temporary/(Written back)	(2,06,50,000)	2,06,50,000
Dividend income	(5,000)	(4,56,113)
Provisions / liabilities no longer required written back	(37,31,877)	(60,15,419)
(Profit)/Loss on sale of derivatives - equity futures	(92)	54,44,524
Profit on sale / redemption of Current Investments	(1,20,91,072)	(5,22,38,989)
Interest expense	31,577	15,66,904
<b>Operating profit before working capital changes</b>	<b>(1,10,66,131)</b>	<b>82,67,876</b>
Adjustments for:		
(Increase)/decrease in trade receivables	(3,34,41,388)	1,84,30,661
(Increase) /decrease in loans and advances	5,34,48,642	(10,59,57,932)
(Decrease)/increase in liabilities	6,27,18,796	5,78,63,073
(Decrease)/increase in provisions	18,22,606	2,27,466
<b>Cash generated from/(used) in operations</b>	<b>7,34,82,525</b>	<b>(2,11,68,855)</b>
Income tax (Paid) (net of refunds)	(26,80,917)	(2,21,53,753)
<b>Net cash generated from/(used) in operating activities (A)</b>	<b>7,08,01,608</b>	<b>(4,33,22,609)</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets	(79,29,349)	(,22,61,087)
Proceeds from sale of fixed assets	10,01,882	1,51,012
Investment in subsidiary companies	(11,48,50,000)	-
Investment in proceeds from bank deposits (having original maturity of more than three months)	59,17,200	(1,56,48,151)
Purchase of current investments	(85,99,45,476)	(79,01,52,729)
Proceeds from Sale / Redemption of current Investments	92,20,36,548	93,23,66,650
Net inflow/(outflow) on Equity Derivative instruments	92	(81,53,666)
Dividend income received from investments	5,000	4,56,113
Interest received	1,01,67,690	67,20,471
<b>Net cash generated from/(used) in investing activities (B)</b>	<b>(4,35,96,413)</b>	<b>12,34,78,613</b>

Particulars		Year ended 31 March 2017	Year ended 31 March 2016
<b>Cash flow from financing activities</b>			
Loan to subsidiary companies		(6,29,50,000)	(1,40,00,000)
Finance cost paid		(31,577)	(15,66,904)
Interest income		39,43,053	10,784
<b>Net cash generated from/(used) in financing activities (C)</b>		<b>(5,90,38,524)</b>	<b>(1,55,56,120)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>		<b>(3,18,33,329)</b>	<b>6,45,99,884</b>
Cash and cash equivalents at the beginning of the year		13,16,99,861	6,70,99,977
<b>Cash and cash equivalents at the end of the year</b>	<b>14</b>	<b>9,98,66,532</b>	<b>13,16,99,861</b>
<b>Cash and Cash Equivalent comprise of:</b>			
Cash on hand		35,088	41,331
<b>Balances with banks</b>			
On current accounts		5,30,37,602	8,46,11,360
On Deposits with upto 3 months maturity		4,67,93,842	4,70,47,170
<b>Total Cash and cash equivalent</b>		<b>9,98,66,532</b>	<b>13,16,99,861</b>

Summary of Significant accounting policies and notes to accounts

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

**As per our report of even date attached**

For **Haribhakti & Co.LLP**

Chartered Accountants

ICAI Firm registration No : 103523W/W100048

**G N Ramaswami**

Partner

Membership No: 202363

For and on behalf of the Board

**Brij Gopal Daga**

Director

DIN:00004858

**Vinod Mohan**

Manager cum Company Secretary

**Jhuma Guha**

Director

DIN:00007454

**Naveen Kumar Jain**

Chief Financial Officer

Place: Chennai

Date: 25 May 2017

Place: Kochi

Date: 25 May 2017

# Notes to Financial Statements for the year ended 31 March 2017

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

## 1 Company overview

Inditrade Capital 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 Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, other pronouncements of the Institute of Chartered Accountants of India (ICAI), the relevant provisions of the Companies Act, 2013. 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 III of Companies Act, 2013. 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 Indian GAAP requires management to make estimates, judgments 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 year. Actual figures may differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future years.

### 2.3 Fixed Assets and depreciation

#### Plant, Property and Equipment (PPE)

PPE 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. Subsequent expenditures relating to an asset are added to its gross book value only if it increases the future benefits from the insisting asset beyond its previously assessed standard of performance.

PPE are depreciated over their useful lives. The useful life of an asset is the period over which an asset is expected to be available for use by the Company. The useful lives of PPE as specified in Part C of Schedule II to the Companies Act 2013 has been adopted except in respect of V-sat equipments where the useful life is estimated to be 10 years based on technical assessment. If the management's estimate of the useful life of a PPE 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/ useful life, depreciation is provided based on the management's estimate of the useful life/remaining useful life. In such cases, the difference is appropriately disclosed. The useful lives adopted by the Company for its assets are as follows:

Category	Useful Life (in Years)
Furniture and fittings	10
Office equipments	5
Computers	3
Data Centre	6
Electrical fittings	10
V- Sat equipments	10
Motor Car	8
Motor Cycles	10

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.

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 Financial Statements

for the year ended 31 March 2017

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

## 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. Amortisation period and method is reviewed at each financial year end.

## 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 such reversal is recognised in the statement of Profit & Loss account. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

## 2.5 Revenue

Revenue is recognised to the extent it is probable that economic benefits will flow and can be reliably measured. 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 is recognised on the basis of agreement entered with clients and when the right to receive the income is established.

## 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. Cost comprises purchase price and directly attributable charges such as brokerage, fees and duties.

Current investments are carried at the lower of cost and fair value on an individual investment basis. 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. On disposal of an investment, the difference between its carrying value and net disposal proceeds is charged/credited to Profit & Loss account.

## 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.



# Notes to Financial Statements for the year ended 31 March 2017

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

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 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.

## 2.10 Operating lease

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

## 2.11 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.

### 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 recognised in the statement of profit and loss of the year.

## 2.12 Taxation

Income-tax expense comprise current tax (i.e. amount of tax for the period determined in accordance with the income-tax law 1961), 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. 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.

# Notes to Financial Statements for the year ended 31 March 2017

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

## 2.13 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.

## 2.14 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.

## 2.17 Employee stock option plan

In accordance with the Securities and Exchange Board of India guidelines, the Company determines the Compensation cost based on Intrinsic value method . The Compensation cost is amortised on a straight line basis over the vesting period.

# Notes to Financial Statements for the year ended 31 March 2017

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

## 3 Share capital

Particulars	As at	
	31 March 2017	31 March 2016
<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 36)	(6,71,250)	(6,71,250)
<b>Total Share capital</b>	<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 2017		As at 31 March 2016	
	No. of shares	Value	No. of shares	Value
At the beginning and at the end of the year	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 2017		As at 31 March 2016	
	No. of shares	Value	No. of shares	Value
At the beginning and at the end of the year	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 shares held by Holding Company

Name of the shareholder	As at 31 March 2017		As at 31 March 2016	
	No. of shares	% holding	No. of shares	% holding
Juno Moneta Technologies Private Limited	1,66,10,440	71.13%	1,66,10,440	71.13%

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

Name of the shareholder	As at 31 March 2017		As at 31 March 2016	
	No. of shares	% holding	No. of shares	% holding
Juno Moneta Technologies Private Limited	1,66,10,440	71.13%	1,66,10,440	71.13%

### f) Information regarding shares allotted as fully paid up pursuant to contract(s) without payment being received in cash and buy back of shares (during 5 years immediately preceding 31 March 2017)

- 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.
- The Company has not bought back any shares during the period of 5 years preceding the reporting period.

# Notes to Financial Statements

for the year ended 31 March 2017

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

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

During the financial year 2005-06 the Company had implemented an "Employee Stock Option Plan, 2005" which was subsequently superseded by the "Employees Stock Option Plan, 2008" in the financial year 2007-08. The options granted as per the above schemes were forfeited in earlier years and there were no exercisable options as at the beginning of the current financial year. However, pursuant to the aforesaid schemes, 67,125 equity shares of ₹ 10 each were allotted to JRG ESOP Trust which remain with the Trust.

During the financial year 2016-17 the said Employees Stock Option Plan, 2008 has been amended to align with the new regulations, viz., the Companies Act, 2013 and SEBI (Share Based Employee Benefits) Regulations, 2014 and to rationalise the provisions within the ESOP framework as originally approved. The scheme post amendment has been renamed as "Inditrade Employees Stock Option Plan 2016 ("ESOP 2016")".

The ESOP 2016 plan was approved on 30 August 2016 at the Annual General Meeting of Shareholders and subsequently considered and actioned upon by the Board of Directors at their meeting held on 06 February, 2017 and was effective from the said date.

The objective of this plan is to encourage ownership of the Company's equity by its employees on an ongoing basis. The ESOP 2016 is intended to reward the employees for their contribution to the successful operation of Inditrade Capital Limited and to provide an incentive to continue contributing to the success of the Company. The basic terms of the options granted under ESOP 2016 Plan are as under:

Grant Date	06.02.2017
Options Granted	7,94,500
Exercise Price (₹ per option)	₹ 37.75
Share Price at Grant Date	₹ 36.40
Vesting Period	4 Years (25% for each year)
Exercise Period	3 years from the date of vesting
Method of Accounting	Intrinsic Value
Options Vested during the year	Nil
Options exercised during the year	Nil
Options outstanding at the end of the year	7,94,500
Employee Compensation cost as per Intrinsic Value for the financial year 2016-17	Nil

Additional Disclosures as required under the "Guidance Note on Accounting for Employee Share-based Payments":

1	A description of the method used during the year to estimate the fair values of Options, the weighted average exercise prices and weighted average fair values of Options granted	The fair value of each Option is estimated using the Black Scholes Option Pricing model. Weighted average exercise price per Option : ₹ 37.75 Weighted average fair value per Option : ₹16.56
2	The significant assumptions used to ascertain the above	The fair value of each Option is estimated using the Black Scholes Option Pricing model after applying the following key assumptions on a weighted average basis: (i) Risk-free interest rate 6.45% (ii) Time to Maturity 4 years (iii) Expected volatility 61.97% (iv) Expected dividends 2.06% (v) The price of the underlying shares in market at the time of Option grant ₹ 36.40

# Notes to Financial Statements

for the year ended 31 March 2017

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

3	Difference between the employee compensation cost so computed at Intrinsic Value and the employee compensation cost that shall have been recognised if it had used the fair value of the Options	₹ 9,23,547																	
4	The impact of this difference on profits and on Earnings Per Share of the Company.	<div>The effect on the profits and earnings per share, had the fair value method been adopted, is presented below:</div> <div>(₹)</div> <table><tr><td>Profit After Tax As reported</td><td>2,95,17,641</td></tr><tr><td>Add: Intrinsic Value Compensation Cost</td><td>Nil</td></tr><tr><td>Less: Fair Value Compensation Cost (Black Scholes model)</td><td>9,23,547</td></tr><tr><td>Adjusted Profit</td><td>2,85,94,094</td></tr><tr><td><b>Earnings Per Share</b></td><td><b>Basic</b></td><td><b>Diluted</b></td></tr><tr><td>As reported</td><td>1.27</td><td>1.26</td></tr><tr><td>As adjusted</td><td>1.23</td><td>1.22</td></tr></table>	Profit After Tax As reported	2,95,17,641	Add: Intrinsic Value Compensation Cost	Nil	Less: Fair Value Compensation Cost (Black Scholes model)	9,23,547	Adjusted Profit	2,85,94,094	<b>Earnings Per Share</b>	<b>Basic</b>	<b>Diluted</b>	As reported	1.27	1.26	As adjusted	1.23	1.22
Profit After Tax As reported	2,95,17,641																		
Add: Intrinsic Value Compensation Cost	Nil																		
Less: Fair Value Compensation Cost (Black Scholes model)	9,23,547																		
Adjusted Profit	2,85,94,094																		
<b>Earnings Per Share</b>	<b>Basic</b>	<b>Diluted</b>																	
As reported	1.27	1.26																	
As adjusted	1.23	1.22																	
5	Methodology for determination of expected volatility	Annualised standard deviation of the continuously compounded rates of return over a period prior to the date of grant, corresponding with the expected life of the option																	

## 4 Reserves and surplus

Particulars	As at 31 March 2017	As at 31 March 2016
<b>I. Capital reserve</b>		
At the beginning and end of the year	7,19,54,736	7,19,54,736
<b>II. Securities premium Reserve</b>		
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	-	32,05,125
Less: Transfer to general reserve on account of forfeiture	-	(32,05,125)
<b>Balance at the end of the year</b>	-	-
<b>IV. General reserve</b>		
Balance at the beginning of the year	1,29,59,405	97,54,280
Add: Transfer from employee stock option reserve	-	,32,05,125
<b>Balance at the end of the year</b>	1,29,59,405	1,29,59,405
<b>V. Surplus/(Deficit) in the statement of profit and loss</b>		
Balance at the beginning of the year	(2,07,64,279)	(5,21,48,810)
Net profit after tax transferred from statement of profit and loss	2,95,17,641	3,13,84,531
<b>Balance at the end of the year</b>	87,53,362	(2,07,64,279)
<b>Total reserves and surplus</b>	59,09,89,637	56,14,71,996

# Notes to Financial Statements

for the year ended 31 March 2017

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

## 5 Other liabilities

Particulars	Non-current		Current	
	As at 31 March 2017	As at 31 March 2016	As at 31 March 2017	As at 31 March 2016
<b>Dues to Companies within the same group</b>				
Inditrade Commodities Trading Limited (Refer Note. 27)	-	-	2,00,00,000	-
	-	-	<b>2,00,00,000</b>	-
<b>Other payables</b>				
Security deposits	1,28,66,425	1,25,74,315	-	-
Provision for expenses	-	-	95,69,896	1,07,06,541
Payable to employees	-	-	19,66,569	13,03,736
Unearned revenue	-	-	13,13,722	5,54,167
Payable to exchanges	-	-	14,69,048	7,41,766
Others (Statutory liabilities and other sundry creditors)	-	-	38,13,817	29,76,858
	<b>1,28,66,425</b>	<b>1,25,74,315</b>	<b>1,81,33,052</b>	<b>1,62,83,068</b>
<b>Total Other liabilities</b>	<b>1,28,66,425</b>	<b>1,25,74,315</b>	<b>3,81,33,052</b>	<b>1,62,83,068</b>

## 6 Provisions

Particulars	Non-current		Current	
	As at 31 March 2017	As at 31 March 2016	As at 31 March 2017	As at 31 March 2016
Provision for Employee benefits - Gratuity (Refer note no. 31)	18,42,222	99,507	2,07,850	1,27,959
<b>Total Provision</b>	<b>18,42,222</b>	<b>99,507</b>	<b>2,07,850</b>	<b>1,27,959</b>

## 7 Trade payables \*

Particulars	As at 31 March 2017	As at 31 March 2016
Total outstanding dues of micro and small enterprises	-	-
Total outstanding dues of creditors other than micro and small enterprises :-		
Payable to clients **	14,53,89,898	11,14,94,880
Business incentive payable	70,25,082	40,75,275
<b>Total trade payables</b>	<b>15,24,14,980</b>	<b>11,55,70,155</b>

\* Refer note 34

\*\* Includes payable to JRG Fincorp Limited - ₹ 2,03,55,361 (Previous year - ₹ Nil) & Inditrade Business Consultants Limited - ₹ 84,04,328 (Previous year ₹ Nil)

# Notes to Financial Statements for the year ended 31 March 2017

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

## 8 Property, Plant and Equipment

Particulars	Furniture and Fittings	Motor Vehicles	V-Sat Equipments	Office Equipments	Electrical Fittings	Computers	Total
<b>Gross Block</b>							
Balance as at 01 April 2015	4,10,43,624	1,02,679	1,93,80,245	3,08,37,581	72,88,210	5,33,91,808	15,20,44,147
Additions	2,48,361	-	-	12,73,865	-	2,16,928	17,39,154
Deletions / write off	2,25,293	-	-	22,48,677	-	4,71,046	29,45,016
<b>Balance as at 31 March 2016</b>	<b>4,10,66,692</b>	<b>1,02,679</b>	<b>1,93,80,245</b>	<b>2,98,62,769</b>	<b>72,88,210</b>	<b>5,31,37,690</b>	<b>15,08,38,285</b>
Additions	31,10,360	-	-	19,75,956	2,09,450	26,33,583	79,29,349
Deletions / write off	1,97,70,471	62,563	49,17,864	1,44,70,237	18,94,600	1,16,10,426	5,27,26,161
<b>Balance as at 31 March 2017</b>	<b>2,44,06,581</b>	<b>40,116</b>	<b>1,44,62,381</b>	<b>1,73,68,488</b>	<b>56,03,060</b>	<b>4,41,60,847</b>	<b>10,60,41,473</b>
<b>Accumulated depreciation</b>							
Balance as at 01 April 2015	3,83,73,904	1,00,235	1,75,81,236	2,93,01,657	48,81,811	4,41,64,269	13,44,03,112
Depreciation	4,42,734	310	9,17,134	7,78,502	3,06,108	32,34,090	56,78,878
Accumulated depreciation on disposals/ write off	2,25,293	-	-	22,48,408	-	4,71,046	29,44,747
<b>Balance as at 31 March 2016</b>	<b>3,85,91,345</b>	<b>1,00,545</b>	<b>1,84,98,370</b>	<b>2,78,31,751</b>	<b>51,87,919</b>	<b>4,69,27,313</b>	<b>13,71,37,243</b>
Depreciation	3,10,671	417	5,19,968	9,12,820	3,88,014	28,81,685	50,13,575
Accumulated depreciation on disposals/write off	1,91,93,288	62,563	49,10,101	1,44,38,276	18,63,091	1,16,10,426	5,20,77,745
<b>Balance as at 31 March 2017</b>	<b>1,97,08,728</b>	<b>38,399</b>	<b>1,41,08,237</b>	<b>1,43,06,295</b>	<b>37,12,842</b>	<b>3,81,98,572</b>	<b>9,00,73,073</b>
<b>Net Block</b>							
As at 31 March 2016	24,75,347	2,134	8,81,875	20,31,018	21,00,291	62,10,377	1,37,01,042
As at 31 March 2017	46,97,853	1,717	3,54,144	30,62,193	18,90,218	59,62,275	1,59,68,400

## 9 Intangible Assets

Particulars	Computers	Total
<b>Gross Block</b>		
Balance as at 01 April 2015	8,57,79,325	8,57,79,325
Additions	5,21,934	5,21,934
Deletions / write off	-	-
<b>Balance as at 31 March 2016</b>	<b>8,63,01,259</b>	<b>8,63,01,259</b>
Additions	-	-
Deletions / write off	-	-
<b>Balance as at 31 March 2017</b>	<b>8,63,01,259</b>	<b>8,63,01,259</b>
<b>Accumulated amortization</b>		
Balance as at 01 April 2015	8,30,69,793	8,30,69,793
Amortization	8,80,829	8,80,829
Accumulated amortization on disposals	-	-
<b>Balance as at 31 March 2016</b>	<b>8,39,50,622</b>	<b>8,39,50,622</b>
Amortization	13,90,912	13,90,912
Accumulated amortization on disposals	-	-
<b>Balance as at 31 March 2017</b>	<b>8,53,41,534</b>	<b>8,53,41,534</b>
<b>Net Block</b>		
As at 31 March 2016	23,50,637	23,50,637
As at 31 March 2017	9,59,725	9,59,725



# Notes to Financial Statements for the year ended 31 March 2017

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

## 10 Non-current investments

Particulars	As at 31 March 2017	As at 31 March 2016
<b>Trade investments (valued at cost unless other wise stated )</b>		
<b>I. Investments in equity instruments (unquoted)</b>		
Investment in subsidiaries		
60,99,994 (Previous year : 99,994) shares of ₹ 10 each fully paid up in Inditrade Business Consultants Limited	6,09,99,940	9,99,940
34,47,095 (Previous year : 16,47,095) shares of ₹ 10 each fully paid up in Inditrade Derivatives and Commodities Limited	5,93,09,850	4,13,09,850
3,12,49,994 (Previous year : 3,12,49,994) shares of ₹ 10 each fully paid up in JRG Fincorp Limited	24,99,99,940	24,99,99,940
36,85,000 (Previous year : Nil) shares of ₹ 10 each fully paid up in Inditrade Microfinance Limited (Formerly known as Tree Microfinance Limited)	3,68,50,000	-
	<b>40,71,59,730</b>	<b>29,23,09,730</b>
Less : Provision for diminution other-than-temporary	-	(2,06,50,000)
	<b>40,71,59,730</b>	<b>27,16,59,730</b>
<b>II. Investments in preference shares (unquoted)</b>		
Investment in subsidiaries		
74,62,427 (Previous year : 74,62,427) preference shares of ₹10 each fully paid up in Inditrade Derivatives and Commodities Limited	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)
	<b>1,250</b>	<b>1,250</b>
400 (Previous year : 400) shares of AED 1,000 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>Total Non - Current Investments</b>	<b>48,17,85,250</b>	<b>34,62,85,250</b>
	-	-
Aggregate amount of unquoted investments	48,76,66,016	37,28,16,016
Aggregate amount of provision for diminution in value of investments	(58,80,766)	(2,65,30,766)

# Notes to Financial Statements for the year ended 31 March 2017

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

## 11 Loans and advances

Particulars	Non-current		Current	
	As at 31 March 2017	As at 31 March 2016	As at 31 March 2017	As at 31 March 2016
<b>I. Capital advances (Unsecured, considered good)</b>	-	-	1,20,000	-
	-	-	<b>1,20,000</b>	-
<b>II. Deposits ( Unsecured )</b>				
<b>Considered good</b>				
Deposits with exchanges	4,24,07,582	5,05,72,902	4,11,00,000	8,50,00,000
Rental deposits	31,50,121	28,16,921	44,78,149	44,78,149
Electricity, telephone and other deposits	18,40,769	21,37,624	-	-
<b>Considered doubtful</b>				
Deposits with exchanges	-	-	5,00,000	5,00,000
Rental deposits	-	-	52,90,195	52,90,195
Electricity, telephone and other deposits	-	-	5,90,119	5,90,119
	4,73,98,472	5,55,27,447	5,19,58,463	9,58,58,463
Less: Provision for doubtful deposits	-	-	(63,80,314)	(63,80,314)
	<b>4,73,98,472</b>	<b>5,55,27,447</b>	<b>4,55,78,149</b>	<b>8,94,78,149</b>
<b>III. Loans and advances to related parties (Unsecured, considered good)</b>				
JRG Fincorp Limited (Refer Note. 27)	-	-	16,82,043	10,89,148
Inditrade Business Consultants Limited (Refer Note. 27)	-	-	7,86,11,226	1,40,34,487
Inditrade Derivatives and Commodities Limited (Refer Note. 27)	-	-	94,02,682	1,43,84,157
	-	-	<b>8,96,95,951</b>	<b>2,95,07,792</b>
<b>IV. Advances recoverable in cash or kind (Unsecured)</b>				
Considered good	6,72,000	7,38,000	14,36,072	33,61,477
Considered doubtful	-	-	95,12,143	95,12,143
	6,72,000	7,38,000	1,09,48,215	1,28,73,620
Less: Provision for doubtful advances	-	-	(95,12,143)	(95,12,143)
	<b>6,72,000</b>	<b>7,38,000</b>	<b>14,36,072</b>	<b>33,61,477</b>
<b>V. Other loans and advances</b>				
<b>Considered good</b>				
Tax payments pending adjustment	1,89,88,119	1,89,27,202	-	-
MAT Credit entitlement	1,71,65,330	1,73,45,330	-	-
Prepaid expenses	-	-	45,58,145	15,38,036
Other Advances	-	-	19,15,050	12,63,123
Balance with government authorities	-	-	3,11,430	7,69,887
<b>Considered doubtful</b>				
Loan to JRG International Brokerage DMCC, Dubai	-	-	1,82,51,029	1,86,71,651
	<b>3,61,53,449</b>	<b>3,62,72,532</b>	<b>2,50,35,654</b>	<b>2,22,42,697</b>
Less: Provision for doubtful loan and advances	-	-	(1,82,51,029)	(1,86,71,651)
	<b>3,61,53,449</b>	<b>3,62,72,532</b>	<b>67,84,625</b>	<b>35,71,046</b>
<b>Total loans and advances</b>	<b>8,42,23,921</b>	<b>9,25,37,979</b>	<b>14,36,14,797</b>	<b>12,59,18,464</b>

# Notes to Financial Statements

for the year ended 31 March 2017

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

## 12 Current Investments

Particulars	As at 31 March 2017	As at 31 March 2016
Mutual Funds (Unquoted)		
Nil (Previous year : 14,400) units in Reliance mutual fund- Liquid Fund Treasury Plan- Growth Plan	-	5,00,00,000
<b>Total Current Investments</b>	<b>-</b>	<b>5,00,00,000</b>
NAV of Mutual Funds ( Unquoted)	-	5,30,72,175

## 13 Trade receivables

Particulars	As at 31 March 2017	As at 31 March 2016
<b>I. Outstanding for a period exceeding six months from the date they are due for payment</b>		
Secured, considered good	2,06,37,815	4,29,30,032
Unsecured, considered doubtful	40,04,466	28,27,436
	<b>2,46,42,281</b>	<b>4,57,57,468</b>
Less: Provision for doubtful trade receivables	(40,04,466)	(28,27,436)
	<b>2,06,37,815</b>	<b>4,29,30,032</b>
<b>II. Others</b>		
Unsecured, considered good	10,35,73,141	4,94,55,359
	<b>10,35,73,141</b>	<b>4,94,55,359</b>
<b>Total trade receivables</b>	<b>12,42,10,956</b>	<b>9,23,85,391</b>

## 14 Cash and bank balances

Particulars	As at 31 March 2017	As at 31 March 2016
<b>Cash and cash equivalents</b>		
Cash on hand	35,088	41,331
Balances with banks		
On current accounts**	5,30,37,602	8,46,11,360
On Deposits with upto 3 months maturity	4,67,93,842	4,70,47,170
	<b>9,98,66,532</b>	<b>13,16,99,861</b>
<b>Other balances</b>		
Deposits with original maturity for more than 3 months but less than 12 months*	7,77,00,293	8,36,17,493
Deposits with original maturity for more than 12 months	-	-
	<b>7,77,00,293</b>	<b>8,36,17,493</b>
<b>Total cash and bank balances</b>	<b>17,75,66,825</b>	<b>21,53,17,354</b>

\* Includes deposits pledged with banks for guarantees issued by banks in favour of various stock / commodity exchanges

\*\* Balance in current account includes the amount in the name of JRG ESOP Trust.

## 15 Other current assets

Particulars	As at 31 March 2017	As at 31 March 2016
Interest accrued on fixed deposits	9,79,302	4,85,893
<b>Total other current assets</b>	<b>9,79,302</b>	<b>4,85,893</b>

# Notes to Financial Statements for the year ended 31 March 2017

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

## 16 Income from Operations

Particulars	Year Ended 31 March 2017	Year Ended 31 March 2016
Income from broking and related services	19,39,20,655	13,32,56,122
Income from depository participant services	1,11,37,803	1,32,87,140
<b>Total Income from operations</b>	<b>20,50,58,458</b>	<b>14,65,43,262</b>

## 17 Other operating income

Particulars	Year Ended 31 March 2017	Year Ended 31 March 2016
Income from financial distribution support services	8,39,163	11,14,221
Profit/(Loss) on trading in derivative instruments F&O	92	(54,44,524)
Interest / Penal charges for delayed payment	1,18,26,616	1,04,64,915
<b>Total other operating income</b>	<b>1,26,65,871</b>	<b>61,34,612</b>

## 18 Other income

Particulars	Year Ended 31 March 2017	Year Ended 31 March 2016
Interest income		
Interest on fixed deposits	1,06,61,099	69,53,252
Interest on Income tax refund	-	8,49,172
Dividend income on current investments	5,000	4,56,113
Profit on sale of fixed asset	3,53,466	1,50,742
Net gain on sale of current investment	1,20,91,072	5,22,38,989
Exchange fluctuation gain (net)	-	10,53,342
Provision/ liabilities no longer required written back	37,31,877	60,15,419
Provision for Diminution on investment written back	2,06,50,000	-
Other non-operating income	47,40,076	9,58,754
<b>Total other income</b>	<b>5,22,32,590</b>	<b>6,86,75,783</b>

## 19 Operating expenses

Particulars	Year Ended 31 March 2017	Year Ended 31 March 2016
Business incentive	6,05,57,528	4,14,94,722
Turnover charges	1,13,85,931	62,91,677
Other trading expenses	87,28,540	51,84,565
<b>Total operating expenses</b>	<b>8,06,71,999</b>	<b>5,29,70,964</b>

## 20 Employee benefits expense

Particulars	Year Ended 31 March 2017	Year Ended 31 March 2016
Salaries, Wages & Bonus	8,22,46,544	4,58,21,924
Contribution to provident and other funds	79,71,492	66,42,198
Staff welfare expenses	26,43,120	10,83,460
Staff incentive expenses	44,73,037	19,22,899
<b>Total employee benefits expense</b>	<b>9,73,34,193</b>	<b>5,54,70,481</b>

# Notes to Financial Statements

for the year ended 31 March 2017

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

## 21 Finance cost

Particulars	Year Ended 31 March 2017	Year Ended 31 March 2016
Interest expense*	31,577	15,66,904
<b>Total finance cost</b>	<b>31,577</b>	<b>15,66,904</b>

\*includes interest paid to group companies ₹ Nil (Previous year ₹14,15,814/-)

## 22 Other expenses

Particulars	Year Ended 31 March 2017	Year Ended 31 March 2016
Advertisement and business promotion	14,55,592	7,34,684
Communication	79,17,781	69,92,830
Registration and renewals	6,55,634	20,02,948
Rent (Refer note no. 32)	97,65,296	1,00,89,088
Rates and taxes	27,35,115	2,23,162
Repair and maintenance - Others	57,91,119	47,76,571
Travelling expenses	37,16,724	18,41,041
Directors sitting fees	3,20,000	2,77,500
Corporate social responsibility	3,00,000	-
Office and branch expenses	25,26,971	18,33,697
Power and fuel	42,50,629	34,20,943
Printing and stationery	14,41,117	9,64,697
Professional and consultancy charge ( Refer note no 25 )	78,73,338	79,08,604
Postage & Courier	9,02,556	10,21,408
Shared service expenses (net)	2,69,773	6,26,963
Bank and other charges	9,89,832	85,147
Miscellaneous expenses	1,28,588	4,10,936
<b>Total admin and other expenses</b>	<b>5,10,40,065</b>	<b>4,32,10,219</b>

## 23 Provision and write offs

Particulars	Year Ended 31 March 2017	Year Ended 31 March 2016
Provision for doubtful trade receivables	11,77,030	19,43,809
Provision for doubtful loans and advances	-	24,58,682
Assets written off	5,41,134	-
Bad debts written off	4,38,793	18,080
Provision for Diminution in the value of long term investments	-	2,06,50,000
<b>Total provision and write offs</b>	<b>21,56,957</b>	<b>2,50,70,571</b>

# Notes to Financial Statements for the year ended 31 March 2017

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

## 24 Contingent liabilities and commitments

Particulars	As at 31 March 2017	As at 31 March 2016
<b>Contingent liabilities</b>		
<b>a) Guarantees</b>		
Guarantee issued by the bank	10,00,00,000	10,00,00,000
Guarantees on behalf of subsidiary companies	19,00,00,000	7,00,00,000
<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	2,24,43,597	1,97,81,966
Provident Fund dues disputed in appeal against which ₹ 7,84,476/- (PY - ₹ 7,84,476/-) is paid under dispute and included under advances	2,55,72,295	2,55,72,295
Other Claims against the Company not acknowledge as debt	1,15,31,740	1,13,51,000
Service Tax demand disputed in appeal	72,19,878	66,12,274
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.		

## 25 Payment to auditor (included in professional and consultancy charges, excluding service tax)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
<b>As Auditor :</b>		
Statutory audit	5,50,000	5,50,000
Consolidation and Limited Review	4,50,000	3,00,000
Other services	10,000	10,000
For reimbursement of expenses	1,16,750	1,24,500

## 26 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.

# Notes to Financial Statements

for the year ended 31 March 2017

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

## 27 Related party disclosures

Names of related parties and nature of relationship:

<b>Holding Company</b>	Juno Moneta Technologies Pvt Ltd
<b>Entities/person having significant influence on the company</b>	Duckworth Limited, Mauritius (Till 15/02/2016) Barings India Private Equity Fund II Limited (Holding Company of Duckworth Limited) (Till 15/02/2016) AT Infovin Limited (From 15/02/2016) Sudip Bandyopadhyay (From 15/02/2016)
<b>Subsidiary and step down subsidiary Companies</b>	Inditrade Derivatives and Commodities Limited Inditrade Insurance Broking Private Limited JRG Fincorp Limited Inditrade Business Consultants Limited Inditrade Microfinance Limited Inditrade Commodities Trading Limited
<b>Key managerial personnel</b>	Vinod Mohan, Manager cum Company Secretary Naveen Kumar Jain, CFO (From 10/08/2016) Geniya Banerjee, CFO (Till 08/07/2016)

### Transactions and balance with related parties

Particulars	March 2017		March 2016	
	Transactions during the year	Amount (payable) / receivable	Transactions during the year	Amount (payable) / receivable
<b>Equity contribution</b>				
Inditrade Business Consultants Limited	6,00,00,000	6,10,00,000	-	10,00,000
Inditrade Derivatives and Commodities Limited (Equity shares)	1,80,00,000	3,44,70,950	-	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
Inditrade Microfinance Limited	3,68,50,000	3,68,50,000	-	-
<b>Advance given/ (taken) (net)</b>				
Inditrade Derivatives and Commodities Limited	(1,11,80,770)	94,02,683	73,40,045	1,43,84,158
JRG Fincorp Limited	(45,12,969)	16,82,042	(42,24,914)	10,89,148
Inditrade Business Consultants Limited	(32,17,089)	16,61,226	62,317	34,487
Inditrade Commodities Trading Limited	(2,00,00,000)	(2,00,00,000)	-	-
<b>Loan given to / (taken from) to Subsidiaries</b>				
Inditrade Business Consultants Limited	45,55,01,554	7,69,50,000	1,40,00,000	1,40,00,000
Inditrade Derivatives and Commodities Limited	-	-	-	-
<b>Loan repaid</b>				
Inditrade Business Consultants Limited	(39,25,51,554)	-	-	-
<b>Balance in trading account</b>				
JRG Fincorp Limited	-	(2,03,55,361)	-	-
Barings India Private Equity Fund II Limited	-	-	(7,34,564)	14,309
Inditrade Business Consultants Limited	-	(84,04,328)	-	-



# Notes to Financial Statements for the year ended 31 March 2017

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

Particulars	March 2017		March 2016	
	Transactions during the year	Amount (payable) / receivable	Transactions during the year	Amount (payable) / receivable
<b>Reimbursement of expenses (paid)/ recovered (net)</b>				
Inditrade Derivatives and Commodities Limited	64,939	-	1,89,238	-
JRG Fincorp Limited	2,08,389	-	59,987	-
Inditrade Business Consultants Limited	11,45,995	-	1,422	-
<b>Interest (expense) / income (net)</b>				
Inditrade Business Consultants Limited	35,48,748	-	-	-
Inditrade Derivatives and Commodities Limited	-	-	10,784	-
<b>Shared service cost recovered (including service tax)</b>				
Inditrade Business Consultants Limited	1,49,085	-	19,578	-
JRG Fincorp Limited	48,97,476	-	39,97,712	-
Inditrade Derivatives and Commodities Limited	61,34,357	-	53,88,695	-
<b>Remuneration paid</b>				
<b>Salaries, other allowances and perquisites -</b>				
Naveen Kumar Jain	10,46,400	-	-	-
Vinod Mohan	8,93,924	-	8,99,584	-

## 28 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.

## 29 Earnings per share

Particulars		Year ended 31 March 2017	Year ended 31 March 2016
<b>Earnings</b>			
Profit for the year	A	2,95,17,641	3,13,84,531
<b>Shares</b>			
Number of shares at the beginning and at the end of the year (Basic)	B	2,32,85,501	2,32,85,501
Add: weighted average number of shares arising out of shares issued to trust under ESOP 2008 plan but not exercised by employees		67,125	67,125
Weighted average number of equity shares outstanding at the end during the year (diluted)	C	2,33,52,626	2,33,52,626
Basic earnings per share	A/B	1.27	1.35
Diluted earnings per share	A/C	1.26	1.34

# Notes to Financial Statements for the year ended 31 March 2017

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

## 30 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.

## 31 Employee benefit

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

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
<b>Change in projected benefit obligation</b>		
Projected benefit obligation at the beginning of the year	51,92,644	34,18,953
Service cost	16,91,931	9,72,198
Interest cost	3,73,870	2,63,259
Actuarial gain	1,41,973	26,07,464
Benefits paid	(1,67,518)	(20,69,230)
<b>Projected benefit obligation at the end of the year</b>	<b>72,32,900</b>	<b>51,92,644</b>
<b>Change in plan assets</b>		
Fair value of plan assets at beginning of the year	49,65,178	46,50,198
Expected return on plan assets	4,04,449	3,86,704
Actuarial (gain)/ loss	(61,270)	(33,700)
Contributions	41,989	20,31,206
Benefits paid	(1,67,518)	(20,69,230)
<b>Fair value of plan assets at the end of the year</b>	<b>51,82,828</b>	<b>49,65,178</b>
<b>Reconciliation of present value of obligation on the fair value of plan assets</b>		
Present value of projected benefit obligation at the end of the year	72,32,900	51,92,644
Funded status of the plans	51,82,828	49,65,178
<b>Funded status amount of asset recognized in the balance sheet (Refer note no. 6)</b>	<b>20,50,072</b>	<b>2,27,466</b>
<b>The components of net gratuity costs are reflected below:</b>		
Service cost	16,91,931	9,72,198
Interest cost	3,73,870	2,63,259
Expected return on plan assets	(4,04,449)	(3,86,704)
Recognized net actuarial (gain)/ loss	2,03,243	26,41,164
<b>Net gratuity costs</b>	<b>18,64,595</b>	<b>34,89,917</b>
<b>Financial assumptions as at the balance sheet date:</b>		
Discount rate	7.20%	7.70%
Long-term rate of compensation increase	7.00%	7.00%
Rate of return on plan assets	8.25%	8.35%

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.

### Experience Adjustments for the current and previous period:

Gratuity (Funded)	31 March 2017	31 March 2016	31 March 2015
Defined Benefit obligations	72,32,900	51,92,644	34,18,953
Plan Assets	51,82,828	49,65,178	46,50,198
Surplus / (Deficit)	(20,50,072)	(2,27,466)	12,31,245
Experience Adjustments on Plan Liabilities	(3,25,788)	25,37,792	10,28,837
Experience Adjustments on Plan assets	(61,270)	(33,700)	5,835

# Notes to Financial Statements for the year ended 31 March 2017

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

## Defined Contribution Plan

The Company contributed ₹ 55.90 Lakhs towards provident fund for the year ended 31 March 2017 (Previous year - ₹ 33.81 Lakhs)

## 32 Leases

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Lease rentals recognised during the year	97,65,296	1,00,89,088
Non cancellable operating lease obligation	-	-

## 33 Statement of utilisation of Initial Public Offering ('IPO') as on 31 March 2017

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 : (Amount In Lakhs)

Particulars	Envisaged in the prospectus	Change in utilisation *	Utilized as on 1 April 2016	Utilized during the year	Total fund Utilised (Including change in utilization)	Amount remaining to be utilized
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	155.37	44.63	200.00	-
Infrastructure development for I-trade	-	40.00	15.47	24.53	40.00	-
Other infrastructural requirements	-	126.66	126.66	-	126.66	-
<b>Total</b>	<b>1,450.00</b>	<b>-</b>	<b>1,427.51</b>	<b>69.16</b>	<b>1,496.67</b>	<b>-</b>
<b>Means of finance</b>						
Issue proceeds					1,450.00	
Internal accruals					46.67	
<b>Total utilized</b>					<b>1,496.67</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.

## 34 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 2017.

## 35 Foreign Currency Forward Contracts

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

# Notes to Financial Statements

for the year ended 31 March 2017

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

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

Particulars	As at	As at
	31 March 2017	31 March 2016
Amount receivable in foreign currency USD	2,81,484	2,81,484
Amount equivalent in INR	1,82,51,029	1,86,71,651

## 36 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 plans of 2005 and 2008 schemes were 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 2017 have been presented as a deduction from the share capital. The bank balance of the JRG ESOP Trust as on 31 March 2017 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.

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

## 38 Disclosure on Specified Bank Notes

The details of Specified Bank Notes & Other Denomination Notes for the period 08 November 2016 to 30 December 2016, as required by the MCA Notification No: GSR 308 E date 30 March 2017, are given below:

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	-	75,825	75,825
Add : Permitted receipts	-	82,500	82,500
Less : Permitted payments	-	108,083	108,083
Less : Other payments	-	-	-
Less : Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	50,242	50,242

For the purpose of this disclosure, the term Specified Bank Notes shall have the same meaning provided in the notification of the Government of India in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E ) dated 08 November 2016.

- 39** 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.LLP**

Chartered Accountants

ICAI Firm registration No : 103523W/W100048

**G N Ramaswami**

Partner

Membership No: 202363

### For and on behalf of the Board

**Brij Gopal Daga**

Director

DIN:00004858

**Vinod Mohan**

Manager cum Company Secretary

**Jhuma Guha**

Director

DIN:00007454

**Naveen Kumar Jain**

Chief Financial Officer

Place: Chennai

Date: 25 May 2017

Place: Kochi

Date: 25 May 2017

# Independent Auditor's Report

To the Members of  
**Inditrade Capital Limited**

## Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Inditrade Capital Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31 March 2017, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

## Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") 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 the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

## Auditors' Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit

report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 auditor's 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 financial control relevant to the Holding Company's preparation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## 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 reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2017, their consolidated profit and their consolidated cash flows for the year ended on that date.

## Emphasis of Matter

We draw attention to Note no. 33 regarding change in accounting of derivatives as per Hedge Accounting principles in line with "Guidance Note on Accounting for Derivative Contracts" applicable from 1 April 2016, which has resulted in increase in profits and reserves by

₹ 352.24 Lakhs for the year and a decrease in the other current liabilities by ₹ 437.35 Lakhs.

Our report is not modified in respect of this matter.

### Other Matters

We did not audit the financial statements of 2 subsidiaries, whose financial statements reflects total assets of ₹ 9,41,20,602/- and net assets of ₹ 6,58,87,303/- as at 31 March, 2017, total revenues of ₹ 94,24,561/- and net cash flows amounting to ₹ 4,10,77,558/- for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the Consolidated Financial Statements and our report on the Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements;
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept by the Company so far as it appears from our examination of those books and the reports of the other auditors;
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements;
- d. In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7

of the Companies (Accounts) Rules, 2014;

- e. On the basis of written representations received from the directors of the Holding Company as on 31 March 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, we give our separate Report in the "Annexure".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group-Refer Note 26 to the Consolidated Financial Statements;
  - (ii) The Group did not have any material foreseeable losses on long term contracts including derivative contracts;
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies;
  - (iv) The Holding Company and its subsidiary companies did not have any holdings or dealings in Specified Bank Notes during the period from 08 November 2016 to 30 December 2016 (Refer Note No. 44 to the consolidated financial statements);

For **Haribhakti & Co. LLP**  
Chartered Accountants  
**ICAI Firm Registration No.103523W/W100048**

Chennai  
25 May 2017

**G N Ramaswami**  
Partner  
Membership No. 202363



# Annexure to the Independent Auditor's Report

[Referred to under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Inditrade Capital Limited on the consolidated financial statements for the year ended 31 March 2017]

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2017, We have audited the internal financial controls over financial reporting of the Group, as of that date.

### **Management's Responsibility for Internal Financial Controls**

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

### **Auditor's Responsibility**

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

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and



not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Group, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

### Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to 2 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **Haribhakti & Co. LLP**  
Chartered Accountants  
**ICAI Firm Registration No.103523W/W100048**

Chennai  
25 May 2017

**G N Ramaswami**  
Partner  
Membership No. 202363

# Consolidated Balance Sheet as at 31 March 2017

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

PARTICULARS	Note	As at 31 March 2017	As at 31 March 2016
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
(a) Share capital	3	23,28,55,010	23,28,55,010
(b) Reserves and surplus	4	75,24,28,377	68,87,94,393
		<b>98,52,83,387</b>	<b>92,16,49,403</b>
<b>(2) Minority Interest</b>		<b>44,56,81,888</b>	<b>40,11,15,699</b>
<b>(3) Non-current liabilities</b>			
(a) Other long term liabilities	5	1,89,85,064	1,86,17,944
(b) Long term provisions	6	67,11,759	22,80,925
		<b>2,56,96,823</b>	<b>2,08,98,869</b>
<b>(4) Current Liabilities</b>			
(a) Short term borrowings	7	48,55,80,085	-
(b) Trade Payables	5	-	-
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		33,02,23,726	24,59,16,091
(c) Other current liabilities	5	7,86,71,971	3,30,37,932
(d) Short term provisions	6	17,77,143	1,01,41,620
		<b>89,62,52,925</b>	<b>28,90,95,643</b>
		<b>2,35,29,15,023</b>	<b>1,63,27,59,614</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed Assets			
Property, Plant & Equipment	8	1,77,72,495	1,48,80,361
Intangible assets	9	9,78,152	40,36,261
		<b>1,87,50,647</b>	<b>1,89,16,622</b>
(b) Goodwill on consolidation		1,90,74,108	-
(c) Non-current Investments	10	2,00,10,649	1,250
(d) Deferred Tax Asset (net)	27	19,46,029	13,002
(e) Long term loans and advances	11	10,26,28,454	11,33,63,690
(f) Other non-current Assets	12	60,29,739	12,33,357
		<b>16,84,39,626</b>	<b>13,35,27,921</b>
<b>(2) Current assets</b>			
(a) Current Investments	13	23,00,736	5,11,52,958
(b) Inventories	14	70,23,14,578	9,81,97,614
(c) Trade receivables	15	39,95,16,042	12,49,96,265
(d) Cash and bank balances	16	57,23,70,122	49,79,31,841
(e) Short term loans and advances	11	50,56,69,291	72,28,57,599
(f) Other Current Assets	12	23,04,628	40,95,416
		<b>2,18,44,75,397</b>	<b>1,49,92,31,693</b>
		<b>2,35,29,15,023</b>	<b>1,63,27,59,614</b>
Summary of Significant accounting policies and notes to accounts	1-45		
The accompanying notes form an integral part of the consolidated financial statements			

As per our report of even date attached

For **Haribhakti & Co.LLP**

Chartered Accountants

ICAI Firm registration No : 103523W/W100048

**G N Ramaswami**

Partner

Membership No: 202363

For and on behalf of the Board

**Brij Gopal Daga**

Director

DIN:00004858

**Vinod Mohan**

Manager cum Company Secretary

**Jhuma Guha**

Director

DIN:00007454

**Naveen Kumar Jain**

Chief Financial Officer

Place: Chennai  
Date: 25 May 2017

Place: Kochi  
Date: 25 May 2017

# Consolidated Statement of Profit and Loss

for the year ended 31 March 2017

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

PARTICULARS	Note	Year ended 31 March 2017	Year ended 31 March 2016
<b>Income</b>			
Income from operations	17	40,96,39,420	24,43,03,461
Other Operating Income	18	1,32,34,209	71,28,280
		<b>42,28,73,629</b>	<b>25,14,31,741</b>
Other income	19	7,88,49,189	24,11,61,234
<b>Total Revenue</b>		<b>50,17,22,818</b>	<b>49,25,92,975</b>
<b>Expenses</b>			
Operating expenses	20	10,47,69,868	6,99,72,320
Employee Benefit Expenses	21	17,44,65,063	10,46,81,040
Depreciation/ Amortization	8&9	86,63,699	1,02,39,963
Finance Costs	22	95,43,539	46,74,585
Other Expenses	23	9,47,90,111	6,98,68,603
Provision and Write Off	24	42,45,167	2,60,73,320
<b>Total Expenses</b>		<b>39,64,77,447</b>	<b>28,55,09,831</b>
<b>Profit before tax</b>		<b>10,52,45,371</b>	<b>20,70,83,144</b>
<b>Tax expense</b>			
Current tax		2,90,13,176	5,12,00,000
For earlier years		3,18,420	4,14,233
Deferred tax		(19,33,027)	9,10,288
MAT credit		(12,90,000)	(1,84,00,000)
<b>Profit before minority interest</b>		<b>7,91,36,802</b>	<b>17,29,58,623</b>
Less: Minority interest in share of profit and losses (net)		2,40,13,874	6,56,98,791
<b>Profit after minority interest</b>		<b>5,51,22,928</b>	<b>10,72,59,832</b>
<b>Earnings per equity share:</b>			
Basic	30	2.37	4.59
Diluted	30	2.36	4.58
Nominal value of equity shares (₹)		10.00	10.00
Summary of Significant accounting policies and notes to accounts	1-45		

The accompanying notes form an integral part of the consolidated financial statements

**As per our report of even date attached**

For **Haribhakti & Co.LLP**

Chartered Accountants

ICAI Firm registration No : 103523W/W100048

**G N Ramaswami**

Partner

Membership No: 202363

**For and on behalf of the Board**

**Brij Gopal Daga**

Director

DIN:00004858

**Vinod Mohan**

Manager cum Company Secretary

**Jhuma Guha**

Director

DIN:00007454

**Naveen Kumar Jain**

Chief Financial Officer

Place: Chennai

Date: 25 May 2017

Place: Kochi

Date: 25 May 2017

# Consolidated Cash Flow Statement

for the year ended 31 March 2017

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

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
<b>Cash flow from Operating Activity</b>		
Profit before tax	10,52,45,371	20,70,83,144
Adjustments for:		
Depreciation & Amortisation	86,63,699	1,02,39,963
Provision for doubtful Loans and Advances/ debts	11,77,029	54,45,231
Bad debts written off	25,27,004	13,98,408
Profit on sale of Assets	(3,55,966)	(1,91,642)
Interest income	(4,12,61,776)	(1,46,60,802)
Dividend income	(98,004)	(24,56,938)
Unrealised foreign exchange (gain) (net)	-	(10,53,342)
Provision / Liabilities no longer required written back	(61,26,902)	(1,34,84,818)
Provision for impairment of Goodwill on consolidation	-	1,77,20,414
Provision for Non Performing Assets	-	15,09,267
Profit /(Loss) on F&O Trading in Equity	16,340	33,02,796
Profit on sale of current investment	(1,14,34,005)	(20,80,72,851)
Profit on sale of step down subsidiaries	(1,74,69,700)	-
Finance Cost	95,43,539	46,74,585
<b>Operating profit before working capital changes</b>	<b>5,04,26,629</b>	<b>1,14,53,415</b>
Adjustments for:		
(Increase) / decrease in Inventories	(60,96,04,705)	(8,01,57,793)
(Increase) / decrease in trade receivables	(27,82,23,808)	1,23,16,259
(Increase) / decrease in Loans and advances	24,52,06,641	(40,48,39,992)
Increase / (decrease) in trade payables, Other payables & Provisions	13,45,79,917	7,27,45,053
<b>Cash used in Operations</b>	<b>(45,76,15,326)</b>	<b>(38,84,83,058)</b>
Less : Income tax paid (net of refunds)	(3,41,60,144)	(6,80,73,032)
<b>Net Cash used in Operating Activities</b>	<b>A (49,17,75,470)</b>	<b>(45,65,56,090)</b>
<b>Cash flows from Investing Activity</b>		
Payments for Fixed Assets	(91,46,141)	(27,61,242)
Sale Proceeds from Fixed Assets	10,04,383	2,16,427
Payments for Purchase of non current Investment	(2,00,09,399)	-
Payments for Purchase of current Investment	(2,29,13,61,827)	(1,95,65,49,646)
Sale Proceeds from current Investments	2,35,16,48,055	2,64,59,89,492
Payments for acquiring new subsidiaries net of cash and cash equivalents	(27,95,712)	-
Sale Proceeds from sale of step down subsidiaries	2,00,00,000	-
Net inflow/(outflow) on equity derivative instrument	(16,340)	(78,63,726)
Investment in Bank deposits (having original maturity of more than three months)	2,96,80,193	(16,09,80,983)
Dividend income received from investments	98,004	24,56,938
Interest Received	3,66,01,717	1,17,89,477
<b>Net Cash Flow from Investing Activities</b>	<b>B 11,57,02,933</b>	<b>53,22,96,738</b>

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
<b>Cash flows from Financing Activity</b>		
Proceeds from issue of share capital	25,00,000	-
(Repayment)/ Proceeds from borrowings (net)	48,55,80,085	-
Finance Cost	(95,43,539)	(46,74,585)
<b>Net Cash flow used in Financing Activities</b>	<b>47,85,36,546</b>	<b>(46,74,585)</b>
<b>Net Increase in Cash and Cash Equivalents ( A + B + C )</b>	<b>10,24,64,009</b>	<b>7,10,66,064</b>
<b>Cash and Cash Equivalents at beginning of Period</b>	<b>20,00,63,452</b>	<b>12,89,97,388</b>
<b>Cash and Cash Equivalents at End of Period</b>	<b>30,25,27,461</b>	<b>20,00,63,452</b>
<b>Cash and Cash Equivalent consists of:</b>		
Cash on hand	70,887	52,269
<b>Balances with banks</b>		
On current accounts	18,46,88,186	12,72,72,097
Deposits with original maturity of less than 3 months	11,77,68,388	7,27,39,086
On unpaid dividend account	-	-
	<b>30,25,27,461</b>	<b>20,00,63,452</b>
Summary of Significant accounting policies and notes to accounts	1-45	

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

**As per our report of even date attached**

For **Haribhakti & Co.LLP**

Chartered Accountants

ICAI Firm registration No : 103523W/W100048

For and on behalf of the Board

**G N Ramaswami**

Partner

Membership No: 202363

**Brij Gopal Daga**

Director

DIN:00004858

**Vinod Mohan**

Manager cum Company Secretary

**Jhuma Guha**

Director

DIN:00007454

**Naveen Kumar Jain**

Chief Financial Officer

Place: Chennai

Date: 25 May 2017

Place: Kochi

Date: 25 May 2017

# Notes to Consolidated Financial Statements

for the year ended 31 March 2017

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

## 1 Company overview

Inditrade Capital 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)	India	95.75%
Inditrade Insurance Broking Private Limited	India	Wholly owned subsidiary of IDCL
JRG Fincorp Limited	India	57.00%
Inditrade Business Consultants Limited (IBCL)	India	99.84%
Inditrade Commodities Trading Limited	India	Wholly owned subsidiary of IBCL
Inditrade Microfinance Limited	India	64.09%

## 2 Significant accounting policies

### 2.1 Basis of preparation

a) 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 Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, other pronouncements of the Institute of Chartered Accountants of India (ICAI), the relevant provisions of the Companies Act, 2013 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.

b) 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 III of the Companies Act, 2013. 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 consolidated financial statements in conformity with Indian GAAP requires management to make estimates, judgements 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

# Notes to Consolidated Financial Statements

for the year ended 31 March 2017

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

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 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

### Property Plant & Equipment (PPE)

PPE 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. Subsequent expenditures relating to a PPE are added to its gross book value only if it increases the future benefits from the insisting asset beyond its previously assessed standard of performance.

PPE are depreciated over their useful lives. The useful life of an asset is the period over which an asset is expected to be available for use by the Company. The useful lives of PPE as specified in Part C of Schedule II to the Companies Act, 2013 has been adopted except in respect of V-sat equipments where the useful life is estimated to be 10 years based on technical assessment. 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/ useful life, depreciation is provided based on the management's estimate of the useful life/

remaining useful life. In such cases, the difference is appropriately disclosed. The useful lives adopted by the Company for its assets are as follows:

Category	Useful Life (in Years)
Furniture and fittings	10
Office equipments	5
Computers	3
Data Centre	6
Electrical fittings	10
V- Sat equipments	10
Motor Car	8
Motor Vehicles	10

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.

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 and amortization

Intangible assets represented by 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. Amortization period and method is reviewed at each financial year end.

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



# Notes to Consolidated Financial Statements

for the year ended 31 March 2017

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

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. Such reversal is recognised in the statement of profit and loss account. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

## 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 the basis of agreement entered with clients and when the right to receive the income is established.

Brokerage income in relation to insurance broking is recognised on accrual basis at the inception of the insurance policy based on the terms agreed with the insurance companies. Brokerage income on renewal policy is recognised on receipt of income or based on commission statement received from 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 at 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 in accordance with the 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, full provision will be made against such assets.

## 2.9 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 on an individual investment basis. 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 investments mutual funds held by NBFC company are carried at net asset value as per the Non -Banking Financial (non-deposit accepting or holding) Companies, prudential norms (Reserve Bank) Directions, 2007.

# Notes to Consolidated Financial Statements

for the year ended 31 March 2017

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

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

Cost comprises purchase price and directly attributable charges such as brokerage fees and duties. On disposal of an investment the difference between its carrying value and net disposal proceeds is charged/credited to statement of profit and loss account.

## 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.

Cost shall comprise of all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net Realisable value is the estimated selling price in the ordinary course of business less estimated cost necessary to make the sale.

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

### Equity Stock Futures

Equity 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 stock - future account", represents the net amount paid or received on the basis of movement in the prices of equity stock - futures till the balance sheet date.

As on the Balance Sheet date the profit or loss on closed and open positions would be accounted by the Company as follows:

- Credit balance in the "Mark-to-Market Margin - equity 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 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 stock - 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 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 futures account", representing initial margin paid, and "Margin Deposits - equity index / stock /futures account", representing additional margin over and above initial margin, for entering into contracts for equity index / stock futures, which are released on final settlement/squaring-up of underlying contracts, are disclosed under loans and advances.

### Commodity Stock Futures - Hedge Accounting

The company follows Hedge accounting procedures for Derivative instruments designated as Hedging Instrument. Consequently, changes in the fair value of a derivative hedging instrument designated as a cash flow hedge are recognised as hedge reserve and included within reserves and surplus. The cumulative gain or loss previously recognised in hedge reserve is retained in the hedge reserve until the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was included in hedge reserve is immediately transferred to the statement of profit and loss. If the hedging instrument no longer meets the criteria on account of the expiry of the hedge or the underlying is sold or terminated or the hedge is considered ineffective then hedge accounting is discontinued prospectively. Consequently any cumulative gain or loss existing in equity at that time is recognised in the statement of profit and loss and the changes in fair value are recognised in the statement of profit and loss from that reporting period.

# Notes to Consolidated Financial Statements

for the year ended 31 March 2017

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

## 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 as a lessee 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 plan

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 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.

# Notes to Consolidated Financial Statements

for the year ended 31 March 2017

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

## 2.17 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.

## 2.18 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.

## 2.19 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 to be issued at a later date.

## 2.20 Employee stock option plan

In accordance with the Securities and Exchange Board of India guidelines, the Company determines the compensation cost based on Intrinsic method. The compensation cost is amortized on a straight line basis over the vesting period.

# Notes to Consolidated Financial Statements

for the year ended 31 March 2017

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

## 3 Share capital

Particulars	As at	
	31 March 2017	31 March 2016
<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 39)	(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 2017		As at 31 March 2016	
	No. of shares	Value	No. of shares	Value
At the beginning and at the end of the year	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 2017		As at 31 March 2016	
	No. of shares	Value	No. of shares	Value
At the beginning and at the end of the year	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 shares held by Holding Company

Name of the shareholder	As at 31 March 2017		As at 31 March 2016	
	No. of shares	% holding	No. of shares	% holding
Juno Moneta Technologies Private Limited	1,66,10,440	71.13%	1,66,10,440	71.13%

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

Name of the shareholder	As at 31 March 2017		As at 31 March 2016	
	No. of shares	% holding	No. of shares	% holding
Juno Moneta Technologies Private Limited	1,66,10,440	71.13%	1,66,10,440	71.13%

### f) Information regarding shares allotted as fully paid up pursuant to contract(s) without payment being received in cash and buy back of shares (during 5 years immediately preceding 31 March 2017)

- 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.
- The company has not bought back any shares during the period of 5 years preceding the reporting period.

# Notes to Consolidated Financial Statements

for the year ended 31 March 2017

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

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

During the financial year 2005-06 the Company had implemented an "Employee Stock Option Plan, 2005" which was subsequently superseded by the "Employees Stock Option Plan, 2008" in the financial year 2007-08. The options granted as per the above schemes were forfeited in earlier years and there were no exercisable options as at the beginning of the current financial year. However, pursuant to the aforesaid schemes, 67,125 equity shares of ₹10 each were allotted to JRG ESOP Trust which remain with the Trust.

During the financial year 2016-17 the said Employees Stock Option Plan, 2008 has been amended to align with the new regulations, viz., the Companies Act, 2013 and SEBI (Share Based Employee Benefits) Regulations, 2014 and to rationalise the provisions within the ESOP framework as originally approved. The scheme post amendment has been renamed as "Inditrade Employees Stock Plan 2016 ("ESOP 2016")

The ESOP 2016 plan was approved on 30 August 2016 at the Annual General Meeting of Shareholders and subsequently considered and actioned upon by the Board of Directors at their meeting held on 06 February 2017 and was effective from the said date.

The objective of this plan is to encourage ownership of the Company's equity by its employees on an ongoing basis. The ESOP 2016 is intended to reward the employees for their contribution to the successful operation of Inditrade Capital Limited and to provide an incentive to continue contributing to the success of the Company. The basic terms of the options granted under ESOP 2016 Plan are as under:

Grant Date	06.02.2017
Options Granted	7,94,500
Exercise Price (₹ per option)	37.75
Share Price at Grant Date	36.40
Vesting Period	4 Years (25% for each year)
Exercise Period	3 years from the date of vesting
Method of Accounting	Intrinsic Value
Options Vested during the year	Nil
Options exercised during the year	Nil
Options outstanding at the end of the year	7,94,500
Employee Compensation cost as per Intrinsic Value for the financial year 2016-17	Nil

Additional Disclosures as required under the "Guidance Note on Accounting for Employee Share-based Payments":

1	A description of the method used during the year to estimate the fair values of Options, the weighted average exercise prices and weighted average fair values of Options granted	The fair value of each Option is estimated using the Black Scholes Option Pricing model. Weighted average exercise price per Option : ₹ 37.75 Weighted average fair value per Option : ₹ 16.56
2	The significant assumptions used to ascertain the above	The fair value of each Option is estimated using the Black Scholes Option Pricing model after applying the following key assumptions on a weighted average basis: (i) Risk-free interest rate 6.45% (ii) Time to Maturity 4 years (iii) Expected volatility 61.97% (iv) Expected dividends 2.06% (v) The price of the underlying shares in market at the time of Option grant ₹ 36.40

# Notes to Consolidated Financial Statements

for the year ended 31 March 2017

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

3	Difference between the employee compensation cost so computed at Intrinsic Value and the employee compensation cost that shall have been recognised if it had used the fair value of the Options	₹ 9,23,547																	
4	The impact of this difference on profits and on Earnings Per Share of the Company.	<div>The effect on the profits and earnings per share, had the fair value method been adopted, is presented below:</div> <div>₹</div> <table><tr><td>Profit After Tax As reported</td><td>5,51,22,928</td></tr><tr><td>Add: Intrinsic Value Compensation Cost</td><td>Nil</td></tr><tr><td>Less: Fair Value Compensation Cost (Black Scholes model)</td><td>9,23,547</td></tr><tr><td>Adjusted Profit</td><td>5,24,43,928</td></tr></table> <table><tr><td>Earnings Per Share</td><td>Basic</td><td>Diluted</td></tr><tr><td>As reported</td><td>2.37</td><td>2.36</td></tr><tr><td>As adjusted</td><td>2.33</td><td>2.32</td></tr></table>	Profit After Tax As reported	5,51,22,928	Add: Intrinsic Value Compensation Cost	Nil	Less: Fair Value Compensation Cost (Black Scholes model)	9,23,547	Adjusted Profit	5,24,43,928	Earnings Per Share	Basic	Diluted	As reported	2.37	2.36	As adjusted	2.33	2.32
Profit After Tax As reported	5,51,22,928																		
Add: Intrinsic Value Compensation Cost	Nil																		
Less: Fair Value Compensation Cost (Black Scholes model)	9,23,547																		
Adjusted Profit	5,24,43,928																		
Earnings Per Share	Basic	Diluted																	
As reported	2.37	2.36																	
As adjusted	2.33	2.32																	
5	Methodology for determination of expected volatility	Annualised standard deviation of the continuously compounded rates of return over a period prior to the date of grant, corresponding with the expected life of the option																	

## 4 Reserves and surplus

Particulars	As at 31 March 2017	As at 31 March 2016
<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	-	32,05,125
Less: Transfer to general reserve on account of forfeiture	-	(32,05,125)
Balance at the end of the year	-	-
<b>IV. General reserve</b>		
Balance at the beginning of the year	1,47,05,902	1,15,00,777
Add: Transfer from employee stock option reserve	-	32,05,125
Balance at the end of the year	1,47,05,902	1,47,05,902
<b>V. Hedge reserve</b>		
Hedge reserve (Refer note no. 33)	85,11,056	-
	85,11,056	-
<b>VI. Statutory reserve</b>		
Balance at the beginning of the year	4,90,49,339	3,16,31,520
Add: Transfer from Statement of Profit and Loss*	65,59,962	1,74,17,819
Balance at the end of the year	5,56,09,301	4,90,49,339
<b>VII. Surplus / (deficit) in the statement of profit and loss</b>		
Balance at the beginning of the year	77,06,548	(8,21,35,465)
Net Profit after tax transferred from statement of profit and loss	5,51,22,928	10,72,59,832
	6,28,29,476	2,51,24,367



# Notes to Consolidated Financial Statements

for the year ended 31 March 2017

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

Particulars	As at 31 March 2017	As at 31 March 2016
Transfer to statutory reserve*	( 65,59,962)	(1,74,17,819)
Balance at the end of the year	<b>5,62,69,514</b>	<b>77,06,548</b>
<b>Total Reserves and Surplus</b>	<b>75,24,28,377</b>	<b>68,87,94,393</b>

\* 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)

## 5 Trade payable and other liabilities

Particulars	Non-current		Current	
	As at 31 March 2017	As at 31 March 2016	As at 31 March 2017	As at 31 March 2016
<b>Trade payable (Refer Note 38)</b>				
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises :-				
Payable to clients	-	-	32,06,75,592	24,01,72,906
Business incentive payable	-	-	95,48,134	57,43,185
	-	-	<b>33,02,23,726</b>	<b>24,59,16,091</b>
<b>Other liabilities</b>				
Security Deposit	1,89,85,064	1,86,17,944	-	-
Professional charges payable	-	-	3,33,500	1,50,000
Provision for expenses	-	-	1,72,13,218	1,57,97,510
Client accounts	-	-	3,49,664	2,91,459
Payable to employees	-	-	46,55,083	27,04,174
Creditors for capital goods	-	-	13,41,250	19,42,000
Payable to Exchanges	-	-	34,10,985	7,41,766
Book overdraft	-	-	1,52,11,170	-
Advance from customers	-	-	2,19,89,752	-
Others (Statutory liabilities and other sundry creditors)	-	-	1,41,67,349	1,14,11,023
<b>Total</b>	<b>1,89,85,064</b>	<b>1,86,17,944</b>	<b>7,86,71,971</b>	<b>3,30,37,932</b>

## 6 Provisions

Particulars	Non-current		Current	
	As at 31 March 2017	As at 31 March 2016	As at 31 March 2017	As at 31 March 2016
Provisions for Employee Benefits				
Provision for gratuity (net) (Refer note no. 31)	67,11,759	22,80,925	7,40,520	10,04,965
Other Provisions				
Provision for tax (net of advance tax)	-	-	37,329	68,70,743
Provision for non performing assets	-	-	9,99,294	22,65,912
<b>Total Provisions</b>	<b>67,11,759</b>	<b>22,80,925</b>	<b>17,77,143</b>	<b>1,01,41,620</b>

# Notes to Consolidated Financial Statements

for the year ended 31 March 2017

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

## 7 Short term borrowings

Particulars	As at 31 March 2017	As at 31 March 2016
From Banks*	9,58,62,963	-
From others**	38,97,17,122	-
	<b>48,55,80,085</b>	<b>-</b>

\* The company has taken working capital trade facility at an interest rate of 13.35 % p.a. The same is secured by guarantee of Holding Company Inditrade Capital Ltd and by Pledging its warehouse receipts and comtrack deposits.

\*\* The company has taken working capital facility at an interest rate of 10.5% p.a to 12.5% p.a. The same is secured against the commodities and securities pledged by the company.

## 8 Property, Plant & Equipment

Particulars	Furniture and Fittings	Motor Vehicles	V-Sat Equipments	Office Equipments	Electrical Fittings	Computers	Total
<b>Gross Block</b>							
Balance as at 31 March 2015	5,67,85,821	1,02,679	2,44,79,185	3,61,76,356	1,17,63,047	6,64,78,713	19,57,85,801
Additions	2,63,361	-	-	13,88,575	95,100	4,92,278	22,39,314
Deletions / write off	2,25,293	-	-	22,48,676	1,76,664	4,71,046	31,21,679
Balance as at 31 March 2016	5,68,23,889	1,02,679	2,44,79,185	3,53,16,255	1,16,81,483	6,64,99,945	19,49,03,436
Additions	31,55,204	-	-	20,49,356	2,18,850	37,22,731	91,46,141
Deletions / write off	2,14,88,976	62,563	49,17,865	1,56,66,117	23,42,531	1,25,30,336	5,70,08,388
Balance as at 31 March 2017	3,84,90,117	40,116	1,95,61,320	2,16,99,494	95,57,802	5,76,92,340	14,70,41,189
<b>Accumulated depreciation</b>							
Balance as at 31 March 2015	5,37,45,701	1,00,235	2,25,82,937	3,44,06,049	91,25,241	5,70,22,953	17,69,83,116
Depreciation for the year	5,14,636	310	9,34,816	10,16,589	3,62,625	33,07,866	61,36,842
Accumulated depreciation on disposals	2,25,292	-	-	22,48,407	1,76,663	4,46,521	30,96,883
Balance as at 31 March 2016	5,40,35,045	1,00,545	2,35,17,753	3,31,74,231	93,11,203	5,98,84,298	18,00,23,075
Depreciation for the year	4,09,516	417	5,37,650	10,26,107	4,21,031	32,10,869	56,05,590
Accumulated depreciation on disposals	2,09,11,793	62,563	49,10,101	1,56,34,156	23,11,022	1,25,30,336	5,63,59,971
Balance as at 31 March 2017	3,35,32,768	38,399	1,91,45,302	1,85,66,182	74,21,212	5,05,64,831	12,92,68,694
<b>Net Block</b>							
As at 31 March 2016	27,88,844	2,134	9,61,432	21,42,024	23,70,280	66,15,647	1,48,80,361
As at 31 March 2017	49,57,349	1,717	4,16,018	31,33,312	21,36,590	71,27,509	1,77,72,495

# Notes to Consolidated Financial Statements

for the year ended 31 March 2017

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

## 9 Intangible Fixed Assets

Particulars	Computer software	Total
<b>Gross Block</b>		
Balance as at 31 March 2015	10,62,99,017	10,62,99,017
Additions	5,21,934	5,21,934
Deletions / write off	-	-
Balance as at 31 March 2016	10,68,20,951	10,68,20,951
Additions	-	-
Deletions / write off	-	-
Balance as at 31 March 2017	10,68,20,951	10,68,20,951
<b>Accumulated Amortization</b>		
Balance as at 31 March 2015		
Amortization	9,86,81,569	9,86,81,569
Accumulated amortization on disposals	41,03,121	41,03,121
Balance as at 31 March 2016	10,27,84,690	10,27,84,690
Amortization	30,58,109	30,58,109
Accumulated amortization on disposals	-	-
Balance as at 31 March 2017	10,58,42,799	10,58,42,799
<b>Net Block</b>		
As at 31 March 2016	40,36,261	40,36,261
As at 31 March 2017	9,78,152	9,78,152

## 10 Non-current investments

Particulars	As at 31 March 2017	As at 31 March 2016
<b>Non trade investments (valued at cost)</b>		
<b>I. Investments in Equity instruments (quoted)</b>		
11,00,000 (Previous year : Nil) equity shares of ₹ 10 each fully paid up in Globus Constructors & Developers Ltd	2,00,09,399	-
	2,00,09,399	-
<b>II. 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
	1,250	1,250
400 (Previous year : 400) shares of AED 1,000 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>2,00,10,649</b>	<b>1,250</b>
Aggregate book value of quoted investments	2,00,09,399	-
Aggregate market value of quoted investments	1,51,91,000	-
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

# Notes to Consolidated Financial Statements

for the year ended 31 March 2017

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

## 11 Loans and advances

Particulars	Non-current		Current	
	As at 31 March 2017	As at 31 March 2016	As at 31 March 2017	As at 31 March 2016
<b>I. Capital Advances (Unsecured, considered good)</b>			1,20,000	
<b>II. Security deposits (Unsecured)</b>				
<b>Considered good</b>				
Rental deposits	41,90,121	39,76,921	57,50,882	56,00,882
Deposits with exchanges	4,65,47,582	5,11,72,902	8,13,16,000	12,52,60,000
Electricity deposits, telephone & Other deposits	57,51,351	38,99,308	-	-
<b>Considered doubtful</b>				
Rental deposits	-	-	60,95,546	60,95,546
Electricity deposits, telephone & Other deposits	-	-	36,96,834	36,96,834
	5,64,89,054	5,90,49,131	9,68,59,262	14,06,53,262
Less : Provision for Doubtful Deposits	-	-	97,92,380	97,92,380
<b>Total</b>	<b>5,64,89,054</b>	<b>5,90,49,131</b>	<b>8,70,66,882</b>	<b>13,08,60,882</b>
<b>III. Advances recoverable in cash or in kind</b>				
Unsecured, considered good	7,42,500	8,22,600	12,96,04,740	39,23,881
Considered doubtful	-	-	95,12,143	95,83,018
	7,42,500	8,22,600	13,91,16,883	1,35,06,899
Less : Provision for doubtful advance	-	-	95,12,143	95,83,018
	<b>7,42,500</b>	<b>8,22,600</b>	<b>12,96,04,740</b>	<b>39,23,881</b>
<b>IV. Loan against collaterals</b>				
Secured, considered good	-	-	18,82,66,555	57,28,11,078
Considered doubtful	-	-	2,36,179	11,91,055
	-	-	18,85,02,734	57,40,02,133
Less : Provision for doubtful loans	-	-	2,36,179	11,91,055
	-	-	<b>18,82,66,555</b>	<b>57,28,11,078</b>
<b>V. Other Loans and Advances</b>				
<b>Unsecured Considered good</b>				
Tax payment pending adjustments	2,40,30,356	2,28,47,209	15,90,991	-
Minimum alternate tax credit entitlement	2,08,01,510	2,92,21,510	-	-
Prepaid expenses	-	-	50,73,533	17,90,096
Balance with Government Authorities	-	-	3,97,36,038	79,43,656
Advance to suppliers	-	-	67,93,631	-
Other Advances	5,65,034	14,23,240	4,74,16,921	55,28,006
<b>Unsecured Considered doubtful</b>				
Loan to JRG International Brokerage DMCC, Dubai	-	-	1,82,51,029	1,86,71,651
Advance paid to creditors	-	-	20,85,347	20,85,347
	4,53,96,900	5,34,91,959	12,09,47,490	3,60,18,756
Less : Provision for doubtful advance	-	-	2,03,36,376	2,07,56,998
	<b>4,53,96,900</b>	<b>5,34,91,959</b>	<b>10,06,11,114</b>	<b>1,52,61,758</b>
<b>Total loans and advances</b>	<b>10,26,28,454</b>	<b>11,33,63,690</b>	<b>50,56,69,291</b>	<b>72,28,57,599</b>

# Notes to Consolidated Financial Statements

for the year ended 31 March 2017

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

## 12 Other assets

Particulars	Non-current		Current	
	As at	As at	As at	As at
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Balances with bank - Non current (Refer note 16)	16,54,004	11,92,650	-	-
Interest accrued on loans	-	-	3,88,301	25,04,120
Interest accrued on fixed deposits	43,75,735	40,707	19,16,327	15,91,296
Other current Assets	-	-	2,89,56,300	2,89,56,300
Less: Provision (Refer Note: 40)	-	-	(2,89,56,300)	(2,89,56,300)
<b>Total</b>	<b>60,29,739</b>	<b>12,33,357</b>	<b>23,04,628</b>	<b>40,95,416</b>

## 13 Current investments

Particulars	As at	As at
	31 March 2017	31 March 2016
<b>In Equity Shares (Quoted) (Refer Note No. 32)</b>	<b>23,00,736</b>	<b>11,52,958</b>
<b>In Mutual Funds (Unquoted)</b>		
Nil units (Previous year : 14,400) Reliance mutual Fund-Equity Treasury Plan	-	5,00,00,000
	-	<b>5,00,00,000</b>
<b>Total Current Investments</b>	<b>23,00,736</b>	<b>5,11,52,958</b>
Aggregate book value of quoted investments	23,00,736	11,52,958
Aggregate Market Value of Quoted Investments	26,41,120	11,66,690
Aggregate book value of unquoted investments	-	5,00,00,000
Aggregate Market Value of unquoted Investments (at NAV)	-	5,30,72,175

## 14 Inventories

Particulars	As at	As at
	31 March 2017	31 March 2016
<b>Stock in trade</b>		
Rubber	1,32,86,910	2,87,36,250
Soyabean	30,16,11,091	5,23,85,595
Cotton Seed Cake	1,11,90,374	74,82,522
Cardamom	-	15,25,520
Green Gram	-	10,36,588
Caster Seed	19,65,50,169	-
Coriander	15,88,56,061	-
Guar Seed	72,33,163	-
Guar Gum	1,35,86,810	-
Turmeric	-	70,31,139
<b>Total</b>	<b>70,23,14,578</b>	<b>9,81,97,614</b>

# Notes to Consolidated Financial Statements

for the year ended 31 March 2017

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

## 15 Trade receivables

Particulars	As at 31 March 2017	As at 31 March 2016
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>	2,52,91,508	4,29,30,032
Secured, considered good	85,21,191	95,04,124
Unsecured, considered doubtful	3,38,12,699	5,24,34,156
	85,21,191	95,04,124
Less: Provision for doubtful trade receivables	<b>2,52,91,508</b>	<b>4,29,30,032</b>
Others	13,11,155	2,91,13,588
Secured, considered good	37,29,13,379	5,29,52,645
Unsecured, considered good	37,42,24,534	8,20,66,233
<b>Total Trade Receivables</b>	<b>39,95,16,042</b>	<b>12,49,96,265</b>

## 16 Cash and bank balances

Particulars	As at 31 March 2017	As at 31 March 2016
<b>Cash &amp; Cash Equivalent</b>		
Cash on hand	70,887	52,269
<b>Balances with banks</b>		
On current accounts**	18,46,88,186	12,72,72,097
Deposits with original maturity of less than 3 months	11,77,68,388	7,27,39,086
	<b>30,25,27,461</b>	<b>20,00,63,452</b>
<b>Other Balances</b>		
Deposits with original maturity for more than 12 months*	16,54,004	11,92,650
Deposits with original maturity for more than 3 months but less than 12 months*	26,98,42,661	29,78,68,389
Less : Amount disclosed under non current asset (Refer note 12)*	(16,54,004)	(11,92,650)
	<b>26,98,42,661</b>	<b>29,78,68,389</b>
<b>Total cash and bank balances</b>	<b>57,23,70,122</b>	<b>49,79,31,841</b>
* Includes deposits pledged with banks as security for loans and guarantees issued by banks in favour of various stock / commodity exchanges/ Letter of Credit	6,73,77,799	22,64,20,808
** Balance in current account includes the amount in the name of JRG ESOP Trust	2,81,378	2,81,378

## 17 Income from operations

Particulars	Year Ended 31 March 2017	Year Ended 31 March 2016
Income from equity broking and related services	19,39,20,655	13,32,56,122
Income from depository participant services	1,01,81,341	1,32,87,140
Income from commodity broking	6,27,19,325	4,53,03,613
Income from insurance broking	1,80,92,942	55,39,215
Interest income from lending operations	6,33,24,184	4,72,43,668
Income from financial distribution, marketing support and other services (including Profit on Sale of Commodities / Commodity derivative instruments)	6,14,00,973	(3,26,297)
<b>Total of income from operations</b>	<b>40,96,39,420</b>	<b>24,43,03,461</b>

# Notes to Consolidated Financial Statements

for the year ended 31 March 2017

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

## 18 Other operating income

Particulars	Year Ended 31 March 2017	Year Ended 31 March 2016
Interest / penal charges for delayed payments	1,19,68,378	1,06,66,863
Profit / (Loss) on F&O Trading in Equity	4,26,668	(46,52,804)
Others	8,39,163	11,14,221
<b>Total other operating income</b>	<b>1,32,34,209</b>	<b>71,28,280</b>

## 19 Other income

Particulars	Year Ended 31 March 2017	Year Ended 31 March 2016
Interest income	4,12,61,776	1,46,60,802
Profit on redemption of debentures	-	89,209
Dividend income - current investments	98,004	24,56,938
Profit on sale of fixed asset	3,55,966	1,91,642
Net gain on sale of current investment	1,14,34,005	20,80,72,851
Exchange fluctuation gain (net)	-	10,53,342
Other non-operating income	21,02,836	11,51,632
Profit on sale of step down subsidiaries	1,74,69,700	-
Provisions/ Liabilities no longer required written back	61,26,902	1,34,84,818
<b>Total Other income</b>	<b>7,88,49,189</b>	<b>24,11,61,234</b>

## 20 Operating expenses

Particulars	Year Ended 31 March 2017	Year Ended 31 March 2016
Business incentive	7,42,90,991	5,08,63,194
Turnover charges	1,97,62,559	1,15,85,862
Other trading expenses	1,07,16,318	75,23,264
<b>Total operating expenses</b>	<b>10,47,69,868</b>	<b>6,99,72,320</b>

## 21 Employee benefits expense

Particulars	Year Ended 31 March 2017	Year Ended 31 March 2016
Salaries, wages and bonus	15,08,65,148	8,81,05,315
Contributions to provident and other funds	1,35,54,191	1,21,34,139
Staff welfare expenses	47,47,450	16,42,621
Employee sales incentive	52,98,274	27,98,965
<b>Total</b>	<b>17,44,65,063</b>	<b>10,46,81,040</b>

## 22 Finance Cost

Particulars	Year Ended 31 March 2017	Year Ended 31 March 2016
Interest expense	95,43,539	46,74,585
<b>Total</b>	<b>95,43,539</b>	<b>46,74,585</b>



# Notes to Consolidated Financial Statements

for the year ended 31 March 2017

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

## 23 Other expenses

Particulars	Year Ended 31 March 2017	Year Ended 31 March 2016
Power & fuel	51,48,752	44,13,263
Office Rent	1,53,84,947	1,41,26,363
Rates and Taxes	43,90,325	14,23,299
Repairs and maintenance- others	1,09,09,538	96,93,475
Traveling expenses	63,73,523	25,46,275
Communication expenses	1,03,43,061	86,45,734
Printing & Stationery	17,25,109	19,86,220
Office and branch expenses	60,85,447	50,22,619
Professional and consultancy charges	1,54,92,017	1,04,90,494
Directors sitting fees	6,00,000	2,77,500
Corporate social responsibility	6,00,000	-
Bank and other charges	40,50,527	7,18,695
Procurement Charges	68,96,432	32,99,606
Registration and Renewals	11,20,605	25,90,525
Exchange fluctuation loss (net)	8,97,257	-
Miscellaneous expenses	47,72,571	46,34,535
<b>Total</b>	<b>9,47,90,111</b>	<b>6,98,68,603</b>

## 24 Provision and Write Off

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Provision for Non Performing Assets	-	15,09,267
Provision for doubtful trade receivables	11,77,029	24,89,321
Provision for doubtful loans and advances	-	29,55,910
Bad debts written off	25,27,004	13,98,408
Provision for impairment of Goodwill on consolidation	-	1,77,20,414
Assets written off	5,41,134	-
<b>Total</b>	<b>42,45,167</b>	<b>2,60,73,320</b>

## 25 Leases

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Lease rentals recognised during the year	1,53,84,947	1,40,67,523
Non cancellable operating lease obligation	-	-

# Notes to Consolidated Financial Statements

for the year ended 31 March 2017

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

## 26 Contingent liabilities and commitments

Particulars	As at 31 March 2017	As at 31 March 2016
I. Contingent liabilities		
a) Bank guarantees outstanding	18,46,00,000	19,15,50,000
b) Other money for which the company is contingently liable		
- Income tax matters	2,69,11,153	2,24,57,892
c) Claims against the company not acknowledged as debt	2,29,65,000	2,21,78,000
d) Provident Fund dues disputed in appeal against which ₹ 31,12,570 is paid under dispute and included under advances	5,02,34,991	3,43,39,346
e) Service Tax demand disputed in appeal against which predeposit has been made ₹ 15,00,000/- included under advances	4,16,43,165	3,89,27,500
f) Letter of Credit	13,08,34,797	13,67,58,624
g) 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.		

## 27 Deferred Taxes

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

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Deferred tax assets		
Provision for doubtful trade receivables	78,088	2,96,648
Provision for gratuity and Bonus	12,65,091	4,90,614
Depreciation / Amortisation	95,350	-
Others	5,32,314	-
<b>A</b>	<b>19,70,843</b>	<b>7,87,262</b>
Deferred tax liabilities		
Depreciation / Amortisation	24,814	7,74,260
<b>B</b>	<b>24,814</b>	<b>7,74,260</b>
<b>Net deferred tax asset</b>	<b>A-B</b>	<b>19,46,029</b>

# Notes to Consolidated Financial Statements

for the year ended 31 March 2017

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

## 28 Related party disclosures

Names of related parties and nature of relationship:

<b>Holding Company</b>	Juno Moneta Technologies Pvt Ltd
<b>Entities/Person having significant influence</b>	Sudip Bandyopadhyay (From 15/02/2016) Athena India Opportunities, Mauritius (From 15/02/2016) AT Infovin Private Limited (From 15/02/2016) Duckworth Limited, Mauritius (Till 15/02/2016) Barings India Private Equity Fund II Limited (Holding Company of Duckworth Limited) (Till 15/02/2016)
<b>Key managerial personnel</b>	Samson K J (Managing Director of Inditrade Derivatives and Commodities Limited) Harish Galipelli (Whole Time Director of JRG Fincorp Limited) (From May 2016 onwards) Vijayakumar V K (Principle Officer cum CEO of Inditrade Insurance Broking Private Limited,) Deanne Lewis (Company Secretary of JRG Fincorp Limited) (From February 2017 onwards) Naveen Kumar Jain (CFO) ( From August 2016 onwards) Vinod Mohan (Manager cum Company Secretary) Geniya Banerjee (CFO) (Till July 2016) Deepak Jijo, (Manager cum Company Secretary) (Till October 2015) Geetha Thomas (CFO of Inditrade Derivatives and Commodities Limited) (From February 2017 onwards) Nishant Ramakrishnan (Company Secretary of Inditrade Derivatives and Commodities Limited) (From February 2017 onwards)

### Transactions and balance with related parties

Particulars	As at 31 March 2017		As at 31 March 2016	
	Transactions during the year	Amount (payable) / receivable	Transactions during the year	Amount (payable) / receivable
<b>Balance in trading account</b>				
Barings India Private Equity Fund II Limited	-	-	(7,34,564)	14,309
<b>Remuneration paid</b>				
<b>Salaries and other allowances</b>				
Naveen Kumar Jain	10,46,400	-	-	-
Vinod Mohan	8,93,924	-	8,99,584	-

Note: Salaries and other allowances paid to Managing director and manager of subsidiary companies aggregates to ₹ 37 64 422/- (PY ₹ 32 53 540/-)

# Notes to Consolidated Financial Statements

for the year ended 31 March 2017

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

## 29 Payment to auditor (included in professional and consultancy charges, excluding service tax)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
As Auditor :*		
Statutory audit	16,67,500	13,35,000
Consolidation and Limited Review	4,50,000	3,00,000
Other services	30,000	2,10,000
For reimbursement of expenses	1,16,750	1,32,000

\* Includes fees to statutory auditors of subsidiary companies.

## 30 Earnings per share

Particulars		Year ended 31 March 2017	Year ended 31 March 2016
<b>Earnings</b>			
Net Profit for the year	A	5,51,22,928	10,32,03,068
<b>Shares</b>			
Number of shares at the beginning and at the end of the year (Basic)	B	2,32,85,501	2,32,85,501
<b>Add:</b> weighted average number of shares arising out of shares issued to trust under ESOP 2008 plan but not exercised by employees		67,125	67,125
Weighted average number of equity shares outstanding at the end during the year (diluted)	C	2,33,52,626	2,33,52,626
Basic earnings per share	A / B	2.37	4.59
Diluted earnings per share	A / C	2.36	4.58

## 31 Employee benefit

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

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
<b>Projected benefit obligation at the beginning of the year</b>	<b>97,39,617</b>	<b>71,70,311</b>
Acquisition adjustment	-	-
Service cost	29,76,889	18,35,813
Interest cost	7,01,338	5,52,114
Actuarial gain	10,62,309	32,84,301
Benefits paid	(3,76,787)	(31,02,922)
<b>Projected benefit obligation at the end of the year</b>	<b>1,41,03,366</b>	<b>97,39,617</b>
<b>Change in plan assets</b>		
Fair value of plan assets at beginning of the year	64,53,727	69,87,960
Expected return on plan assets	5,22,695	5,38,753
Actuarial (gain)/ loss	(61,069)	(15,750)
Contributions	28,051	20,45,686
Benefits paid	(2,49,787)	(31,02,922)
<b>Fair value of plan assets at the end of the year</b>	<b>66,93,617</b>	<b>64,53,727</b>

# Notes to Consolidated Financial Statements

for the year ended 31 March 2017

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

The components of net gratuity costs are mentioned below:

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Present value of projected benefit obligation at the end of the year	1,41,03,366	97,39,617
Funded status of the plans	66,93,617	64,53,727
<b>Funded status amount of liability recognized in the balance sheet</b>	<b>74,09,749</b>	<b>32,85,890</b>
<b>Recognised under :</b>		
Provisions (Long term) (refer note 6)	67,11,759	22,80,925
Provisions (Short term) (refer note 6)	7,40,520	10,04,965
Loans & Advances (Long term) (refer note 11)	(42,530)	-
	<b>74,09,749</b>	<b>32,85,890</b>

The components of net gratuity costs are reflected below:

Change in projected benefit obligation	Year ended 31 March 2017	Year ended 31 March 2016
Service cost	29,76,889	18,35,813
Interest cost	7,01,338	5,52,114
Expected return on plan assets	(5,22,695)	(5,38,753)
Recognized net actuarial (gain)/ loss	11,23,378	33,00,051
<b>Net gratuity costs</b>	<b>42,78,910</b>	<b>51,49,225</b>

Financial Assumptions as at the Balance Sheet date:

Change in projected benefit obligation	Year ended 31 March 2017	Year ended 31 March 2016
Discount rate	7.80%	7.80%
Long-term rate of compensation increase	7.00%	7.00%
Rate of return on plan assets	9.00%	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.

**Experience Adjustments for the current and previous period:**

Gratuity (Funded)	31 March 2017	31 March 2016	31 March 2015
Defined Benefit obligations	1,41,03,366	97,39,617	71,70,311
Plan Assets	66,93,617	64,53,727	69,25,121
Surplus / (Deficit)	(74,09,749)	(32,85,890)	(2,45,190)
Experience Adjustments on Plan Liabilities	1,91,828	23,98,277	18,21,241
Experience Adjustments on Plan assets	(55,740)	7,04,047	5,835

# Notes to Consolidated Financial Statements

for the year ended 31 March 2017

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

## 32 Investment in equity instruments (Quoted)

Particulars	Face Value		Quantity		As at	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Aditya Birla Nuvo Ltd		10		100		82,260
Asian paints Ltd	1	1	100	100	96,901	85,176
AIA Engineering	2		100		1,29,756	
Amara Raja Batteries	1		100		89,005	
Apar Industries	10		200		1,18,612	
Astral Poly Technik	1		100		40,597	
Avanti Fees Limited	2		100		52,531	
Capital First Limited	10		200		1,24,979	
Colgate Palmolive (India) Limited	1		100		89,565	
Garware Wall Ropes	10		100		56,667	
Greenply Industries	1		300		80,170	
Godrej Properties Limited	5		200		67,121	
HCL Tech	2	2	100	100	79,616	81,410
ITC	1	1	450	300	1,15,027	97,429
Kotak Mahindra Bank Ltd	5	5	100	100	76,020	66,224
La Opala RG Limited	2		100		50,707	
LIC Housing Finance	2		100		56,035	
Marico		1		300		72,821
Motherson Sumi Systems Ltd		1		300		76,313
Mold-Tek Packaging Limited	5		200		42,172	
PI Industries Ltd		1		100		56,845
Praj Industries Ltd	2	2	700	700	56,052	61,272
Reliance Industries Ltd	10	10	100	100	1,04,996	1,03,373
Repco Home Finance Ltd (Repcohome)		10		100		57,915
Sadbhav Engineering Limited	1		300		82,995	
Sagar Cements Limited	10		200		1,36,694	
Sarla Performance Fibers Ltd	1	1	700	700	41,020	44,275
Shilpa Medicare	1		200		1,27,490	
State Bank of India	1		100		26,910	
Srikalahasthi Pipes Limited	10		100		28,840	
Suprajit Engineering Limited	1		200		38,502	
Syngene International Ltd	10	10	200	200	79,654	76,689
Tata Motors Ltd	2	2	200	300	88,432	1,13,566
Triveni Turbine	1		200		24,466	
Zee Entertainment Enterprises Ltd(Zeel)	1	1	200	200	99,204	77,390
					<b>23,00,736</b>	<b>11,52,958</b>

# Notes to Consolidated Financial Statements

for the year ended 31 March 2017

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

- 33** The company, in order to protect the future cash flows from fluctuations in commodity prices based on market condition, has entered into hedging contracts for commodities purchases. The same has been designated as cash flow hedge since, in the opinion of the Board it meets the risk management objectives and also qualify for hedge accounting. Consequently the entity has adopted the principles of hedge accounting in respect of derivatives in accordance with the "Guidance Note on Accounting for Derivative Contracts", with effect from 1 April 2016, as detailed in Note No. 2.11 - "Significant Accounting Policies".

Consequent to the above, the company has accounted the gain on open position of hedged instrument amounting to ₹ 139.99 Lakhs after adjustment of the loss on hedged item viz., inventory being the difference between Cost and Net Realisable value amounting to ₹ 54.88 Lakhs, in the hedge reserve. Accordingly, the net surplus/ deficit (whichever is applicable) of ₹ 85.11 Lakhs has been transferred to Hedge reserve and included under "Reserves and Surplus". Had the earlier method been followed the profit after tax and reserves would have been lower by ₹ 352.24 Lakhs and other Current Liabilities would have been higher by ₹ 437.35 Lakhs.

## **34 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:-

- i. Equity broking- Equity broking, demat and related services
- ii. Commodity broking- Commodity broking and related services
- iii. Financial distribution, marketing support and other services
- iv. Insurance broking- Insurance product distribution services
- v. Client financing- Margin financing to broking clients loan against shares, commodities, etc.

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.



# Notes to Consolidated Financial Statements

for the year ended 31 March 2017

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

## 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	Commodity/broking services				Financial distribution, marketing support and other services				Consolidated total		
	Equity broking services	2016-17	2015-16	2016-17	Insurance broking services	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Segment revenue	21,77,24,329	15,26,77,874	6,28,61,087	4,56,33,331	1,80,92,942	55,39,215	11,71,40,146	5,30,43,978	5,76,32,314	(18,04,075)	42,28,90,061
Unallocated corporate income	3,15,82,590	6,86,75,783	57,61,351	75,11,371	8,43,417	6,98,735	2,02,76,033	16,56,65,172	1,96,11,764	7,62,775	7,88,32,757
Total income	24,93,06,919	22,13,53,657	6,86,22,438	5,31,44,702	1,89,36,359	62,37,950	13,74,16,179	21,87,09,150	7,72,44,078	(1,041,300)	49,25,92,975
Segment result	(1,98,83,372)	(99,54,068)	66,07,995	(89,32,866)	14,10,461	3,14,830	6,98,40,225	1,87,79,324	4,18,94,726	(82,31,729)	(2,57,44,924)
Unallocated corporate (expenses) / income											6,73,00,745
Operating profit / (loss)											15,70,25,562
Interest expense											70,39,122
Dividend income on investments											(6,33,12,200)
Profit / (loss) on redemption of mutual funds (net)											98,004
MTM gain on mutual fund investment											24,56,938
Profit / (loss) before taxes and minority interest											1,14,34,005
Income taxes charge / (credit)											20,80,72,851
Profit / (loss) after taxes but before minority interest											10,52,45,371
Minority interest in share of profit and losses (net)											20,70,83,144
Net profit / (loss) after minority interest											(2,61,08,569)
Other information											7,91,36,802
Segment assets	99,31,55,727	89,66,64,128	16,46,54,531	16,39,77,876	1,33,10,018	1,27,16,623	136,63,60,616	94,82,53,606	131,75,22,828	20,88,22,231	17,29,58,623
Unallocated corporate assets											(2,40,13,874)
Total assets	20,54,64,529	17,12,64,326	12,51,19,336	15,59,67,520	7,51,227	16,17,933	40,26,44,678	97,89,060	125,58,09,299	21,48,88,955	5,51,22,928
Segment liabilities											10,72,59,832
Unallocated corporate liabilities											6,93,78,766
Total liabilities											23,40,32,907
Capital expenditure	79,29,349	22,61,088	1,13,400	2,24,810	68,670	2,75,350	-	-	-	-	1,61,21,09,613
Depreciation	64,04,487	65,59,707	1,82,694	3,02,645	1,09,539	37,459	15,36,959	16,13,129	2,04,680	3,02,600	92,19,12,419
Non-cash expenses other than depreciation	16,15,823	2,50,70,571	7,38,033	9,92,572	1,34,934	50,168	12,15,243	2,889,595	-	-	(25,04,04,024)
											37,332
											68,70,742
											30,99,94,512
											91,46,141
											-
											14,24,423
											86,63,699
											1,02,39,963
											-
											37,04,033
											2,90,02,906

# Notes to Consolidated Financial Statements

for the year ended 31 March 2017

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

## 35 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	As at
	31 March 2017	31 March 2016
Amount receivable in foreign currency USD	2,81,484	2,81,484
Amount equivalent in INR	1,82,51,029	1,86,71,651

## 36 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	No of units involved
				Unit	
1	Castor	April, May	2	MT	4 230
2	Rubber	April	1	MT	91
3	Cocudakl	April	1	MT	560
4	Dhaniya	April, May	2	MT	1 700
5	Guargums	April, May	2	MT	180
6	Guarseed	April	1	MT	230
7	Soya refined Oil	May	1	MT	10
8	Soyabean	April, May, June	3	MT	10 120
9	Turmeric	April, May	2	MT	40

## 37 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.

## 38 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 March 31, 2017.

## 39 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 plans of 2005 and 2008 schemes were 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 2017 have been presented as a deduction from the share capital. The bank balance of the JRG ESOP Trust as on 31 March 2017 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.

# Notes to Consolidated Financial Statements

for the year ended 31 March 2017

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

- 40** The group has exposure to National Spot Exchange Limited (NSEL) of ₹ 289.56 Lakhs with respect to the proprietary contracts. NSEL 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 the same in earlier years.

<b>41 Value of imports on C.I.F basis</b>	<b>Year ended</b>	
	31 March 2017	31 March 2016
Inventory	40,47,57,602	-

<b>42 Earnings in foreign exchange</b>	<b>Year ended</b>	
	31 March 2017	31 March 2016
Export on FOB basis	40,73,84,848	-

**43 Additional information pursuant to Schedule III to the Companies Act, 2013**

Name of the entity	Net assets		Share in profit/loss	
	As % of consolidated net assets	Amount	As % of consolidated profit & Loss	Amount
<b>Parent Company</b>				
Inditrade Capital Limited	30.98%	30,52,72,180	24.98%	1,37,67,156
<b>Subsidiary Company</b>				
Inditrade Derivatives and Commodities Limited	6.88%	6,77,65,593	22.31%	1,22,99,233
Inditrade Insurance Broking Private Limited	1.43%	1,40,55,607	4.22%	23,27,623
JRG Fincorp Limited	(1.63%)	(1,60,61,362)	200.29%	11,04,03,023
Inditrade Business Consultants Limited	102.01%	100,50,91,801	(102.22%)	(5,63,49,345)
Inditrade Commodity Trading Ltd	(0.07%)	(7,14,745)	(3.57%)	(19,66,135)
Inditrade Microfinance Ltd	5.64%	5,55,56,201	(2.44%)	(13,44,753)
Consolidated Net assets/profit after tax before minority interest	<b>145.23%</b>	<b>143,09,65,275</b>	<b>143.56%</b>	<b>7,91,36,802</b>
Minority Interest	(45.23%)	(44,56,81,888)	(43.56%)	(2,40,13,874)
<b>Consolidated Net assets/profit after tax</b>	<b>100.00%</b>	<b>98,52,83,387</b>	<b>100.00%</b>	<b>5,51,22,928</b>

# Notes to Consolidated Financial Statements

for the year ended 31 March 2017

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

## 44 Disclosure on Specified Bank Notes

The Details of Specified Bank Notes & Other Denomination Notes for the period from 8 November 2016 to 30 December 2016, as required by the MCA Notification No : GSR 308(E) dt 30 March 2017, are given below:

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	-	94,175	94,175
Add : Permitted receipts	-	1,48,500	1,48,500
Less : Permitted payments	-	1,78,004	1,78,004
Less : Other payments	-	-	-
Less : Amount deposited in Banks	-	-	-
<b>Closing cash in hand as on 30.12.2016</b>	<b>-</b>	<b>64,671</b>	<b>64,671</b>

For the purpose of this disclosure, the term Specified Bank Notes shall have the same meaning provided in the notification of the Government of India in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E) dated 08 November 2016.

**45** 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.LLP**

Chartered Accountants

ICAI Firm registration No : 103523W/W100048

**G N Ramaswami**

Partner

Membership No: 202363

For and on behalf of the Board

**Brij Gopal Daga**

Director

DIN:00004858

**Vinod Mohan**

Manager cum Company Secretary

**Jhuma Guha**

Director

DIN:00007454

**Naveen Kumar Jain**

Chief Financial Officer

Place: Chennai

Date: 25 May 2017

Place: Kochi

Date: 25 May 2017

# Notice to the 23<sup>rd</sup> Annual General Meeting

Notice is hereby given that the 23<sup>rd</sup> Annual General Meeting of the Members of Inditrade Capital Limited will be held on Thursday, 10 August 2017 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 Audited Financial Statements of the Company, both Standalone and Consolidated, for the financial year ended 31 March 2017, together with the Reports of the Board of Directors and the Auditors thereon.

### 2. Re-appointment of Director retiring by rotation

To appoint Ms. Jhuma Guha (DIN: 00007454), who retires by rotation as the Director of the Company at this Annual General Meeting and being eligible, offers herself for re-appointment.

### 3. Ratification of Statutory Auditors' Appointment

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 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder and pursuant to the resolution passed by the Members in respect of the appointment of Statutory Auditors at the Annual General Meeting (AGM) held on 26 September, 2014, and in accordance with the recommendations of the Audit Committee and the Board of Directors, the Company hereby ratifies and confirms the appointment of M/s. Hariabhakti & Co. LLP, Chartered Accountants, (ICAI Firm Registration No: 103523W) as the Statutory Auditors of the Company from the conclusion of this AGM till the conclusion of the AGM to be held in the calendar year 2018 on such remuneration as may be determined by the Audit Committee/Board of Directors of the Company including applicable taxes and out of pocket expenses incurred."

## B. Special Business:

### 4. Appointment of Mr. Gurmeet Singh (DIN: 03294406) as a Non-Executive Director

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

**"RESOLVED THAT** Mr. Gurmeet Singh (DIN: 03294406), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 01 September, 2016 in terms of Section 161(1) of the Companies Act, 2013 ("Act") and Article 116 of the Articles of Association of the Company, and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing along with the deposit of requisite amount from a Member pursuant to Section 160 of the Act proposing his candidature to the Office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

### 5. Re-appointment of Mr. Vinod Mohan as the Manager 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 196, 197, 203 read with Schedule V 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), the approval of the Members of the Company be and is hereby accorded for the re-appointment of Mr. Vinod Mohan, Company Secretary as the Manager of the Company for a period of 3 years with effect from 10 November 2016 on such terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with the authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and / or agreement in such manner as may be agreed to between the Board of Directors and Mr. Vinod Mohan."

**"RESOLVED FURTHER THAT** the Board of Directors 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 modifications as may be deemed to be in the best interest of the Company."

#### **6. Approval for amendments in the Employee Stock Option Plan**

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

**"RESOLVED THAT** pursuant to the Regulation 7 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations"), applicable provisions, if any, of the Companies Act, 2013, and subject further to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the approval of the Company be and is hereby accorded to the amended Employee Stock Option Plan 2008 ("ESOP 2008") originally approved in the Fourteenth Annual General Meeting of the Company vide Members' Special Resolution dated July 15 2008 (in supersession of earlier Special Resolutions in this regard dated October 28, 2005), being amended with a view to align with the current provisions of applicable laws and regulations, rearrangement of provisions and miscellaneous changes for effective administration, and the ESOP 2008 after such amendment be referred to as 'Inditrade Employee Stock Option Plan 2016' ("ESOP 2016" / "Plan") for all purposes of legal compliance and implementation, replacing the nomenclature ESOP 2008 in its entirety, however subject to the condition that the contemplated amendments shall apply to outstanding employee stock options, if any, under ESOP 2008 to the extent not detrimental to the interest of holders of such options except as required under the SEBI SBEB Regulations and other applicable laws and regulations."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee including the Nomination and Remuneration Committee, by whatever name called, which the Board has constituted to exercise its powers, including the powers conferred by this resolution) be and is hereby authorised on behalf of the Company to make any further modifications, changes, variations, alterations or revisions in the Plan from time to time as required and

permitted under and in due compliance with the provisions of the Companies Act, 2013 and the SEBI SBEB Regulations and to do all such acts, deeds, matters and things and to sign deeds, documents, letters and such other papers as may be necessary, desirable and expedient, as it may in its absolute discretion deem fit or necessary or desirable for such purpose including giving effect to the aforesaid amendments in Plan and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to obtain any further consent or approval of the Members of the Company."

**"RESOLVED FURTHER THAT** the Board of Directors 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 modifications as may be deemed to be in the best interest of the Company."

#### **7. Approval for granting Employee Stock Options to the employees of Holding Company of the Company under ESOP 2016**

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

**"RESOLVED THAT** pursuant to the provisions of Section 62(1) (b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under and in accordance with the Memorandum and Articles of Association of the Company, the Listing Agreements entered into by the Company with the Stock Exchanges, Regulation 6 of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations"), and subject further to such other approvals, permissions and sanctions as may be necessary and such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the approval of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee including the Nomination and Remuneration Committee, by whatever name called, which the Board has constituted to exercise its powers, including the powers conferred by this resolution) to create and grant from time to time, in one of more tranches such number of employee stock options under 'Inditrade Employee Stock Option Plan 2016' ("ESOP 2016" / "Plan") within the overall and individual limit prescribed therein, to or for the benefit of such person(s) who are in permanent employment of the Holding Company of the Company, including any Director thereof, whether whole time or otherwise (other

than promoters, persons belonging to promoters group independent Directors and Directors holding directly or indirectly more than 10% of the outstanding equity shares of the Company), as may be decided under the Plan, exercisable into corresponding number of equity Shares of face value of ₹ 10 /- (Rupees Ten only) each fully paid-up, on such terms and in such manner as the Board /Committee may decide in accordance with the provisions of the applicable laws and the provisions of the Plan."

**"RESOLVED FURTHER THAT** the Board of Directors 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 modifications as may be deemed to be in the best interest of the Company."

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

**Date : 25 May 2017**  
**Place : Kochi**

**Sd/-**  
**Vinod Mohan**  
**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. Members as on the cut-off date (record date) of 02 August 2017 shall only be entitled for availing the Remote e-voting facility or vote in the Annual General Meeting (AGM) of the Company. A person who is not a Member on the cut-off date should accordingly treat this Notice for information purposes only.
3. **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.**
4. 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.
5. 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 carrying voting rights. 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. The instrument appointing proxy shall be signed by the appointer or his attorney duly authorized in writing, or if the appointer is a Body Corporate, it shall be under its seal or be signed by an officer or an attorney duly authorized by it.
6. Corporate Members intending to send their authorized representative(s) to attend the meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a Certified True Copy of the relevant Board resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the meeting.
7. Members/proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
8. The Register of Members and Share Transfer Books of the Company will be closed from Friday, 02 August 2017 to 10 August 2017, both days inclusive.
9. Members may also note that the Notice of the 23<sup>rd</sup> AGM and the Annual Report 2017 will be available on the Company's website, [www.inditrade.com](http://www.inditrade.com). Physical copies of these documents will also be available at the Company's Registered Office for inspection during normal business hours on working days.
10. In case of joint holder attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
11. Relevant documents referred to in the Notice and the accompanying statements are open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, during business hours upto the date of the Meeting.
12. 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 regard. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their Demat accounts.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
14. Members desiring any information pertaining to the Accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready at the Meeting.
15. Non-Resident Indian Members are requested to inform the Company's Registrars and Transfer Agents, immediately of:
  - a) Change in their residential status on account of returning to India for permanent settlement.
  - b) Particulars of their bank account(s) maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

16. Members holding shares in dematerialised mode are requested to intimate all changes pertaining to their bank details, NECS, mandates, nominations, power of attorney, change of address/name, PAN details, etc. to their Depository Participant only and not to the Company's Registrars and Transfer Agents. Changes intimated to the Depository Participant will then be automatically reflected in the records of the Registrars and Transfer Agents/ Company which will help the Company and its Registrars and Transfer Agents to provide efficient and better service to the Members.
17. Additional Information required to be furnished under Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Secretarial Standards-2 in respect of the Director's seeking appointment/reappointment at the AGM has been furnished and forms a part of the notice. The directors have furnished the requisite consents/ declarations for their appointment/reappointment.
18. The facility for voting through polling paper will be made available at the meeting and all the members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.
19. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with Company's Registrars and Transfer Agent/ Depositories for receiving all communications including copies of the Annual Report, Notices, Circulars, etc. from the Company electronically.
20. **E-Voting:**

Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, 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 the 23<sup>rd</sup> Annual General Meeting of the Company. The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 06 August 2017 at 9 a.m and ends on 09 August, 2017 at 5 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 02 August, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (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>
Dividend Bank Details or Date of Birth (DOB)	<p>Enter the Dividend Bank details or Date of Birth (in dd/mm/yyyy format) as recorded in your Demat account or in the Company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or Company, please enter the Member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach 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, if a 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 the EVSN- Inditrade Capital Ltd 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 a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting from your mobile.

(xix) Note for Non - Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on activation of the accounts they would be able to cast their votes.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) 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.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

(xxi) The following person shall be responsible to address grievances concerned with the facility of remote e-voting: Contact Name - Mr. Rakesh Dalvi, Designation - Deputy Manager, Address - 16<sup>th</sup> Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400001. Contact No.18002005533.

### 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 Communications.
- M/s SVJS & Associates, Company Secretaries, 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 two(2) 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, to 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 will be filed with BSE Limited.
- A Member can opt for only one mode i.e. either through e-voting or physically voting at the AGM. If a Member casts votes by both modes, then voting done through e-voting shall prevail and the physical voting at the AGM shall be treated as invalid.
- Members who have cast their vote by remote-voting prior to the meeting can attend the meeting but shall not be entitled to cast their vote again.
- 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 to [vinod.mohan@inditrade.com](mailto:vinod.mohan@inditrade.com) to enable the Company to keep the information ready.

By the order of the Board of Directors

Date : 25 May 2017  
Place : Kochi

Sd/-  
Vinod Mohan  
Company Secretary

## EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act"), given hereunder sets out all material facts relating to the Special Business mentioned at Item Nos. 4 to 7 of the accompanying Notice:

### Resolution No.4:

The Board of Directors of the Company at its meeting held on 01 September 2016 had approved the recommendations of the Nomination and Remuneration Committee and had appointed Mr. Gurmeet Singh (DIN: 03294406) as the Additional Director of the Company in accordance with the provisions of Section 161 of the Companies Act, 2013. As per Section 161(1) of the Companies Act, 2013, the tenure of appointment of Mr. Gurmeet Singh as an Additional Director is due to expire at the ensuing Annual General Meeting and the approval of the Shareholders is being sought to confirm his directorship and to appoint him as Director of the Company.

The Company has received a notice in writing from a Member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Gurmeet Singh for the office of Director of the Company. Further the Company has also received the consent in writing from Mr. Gurmeet Singh to act as the Director and a declaration that he is not disqualified from being appointed as a Director in terms of Section 164 of the Act.

### The brief profile of Mr. Gurmeet Singh is given below:

Mr. Gurmeet Singh holds a Post Graduate Diploma in Management (PGDM) and has over 16 years of experience in Capital and Commodities sector. He has worked with various reputed organizations like Baazee.com (ebay.in), ICICI Group, Reliance ADAG Group and Destimoney Securities. He also has rich experience in marketing, sales and business development.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Mr. Gurmeet Singh be appointed as Non-Executive Director of the Company.

Save and except Mr. Gurmeet Singh and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item No. 4 of the Notice.

### Resolution No. 5:

The Members of the Company at its meeting held on 23 September, 2015 appointed Mr. Vinod Mohan as the Manager of the Company, for a period of 2 years commencing 11 November 2014. His term of office expired on 10 November 2016, and the Board of Directors on the recommendations of the Nomination and Remuneration Committee re-appointed Mr. Vinod Mohan as the Manager of the Company for a further period of 3 years effective from 11 November 2016 subject to the approval of Members of the Company.

Mr. Vinod Mohan is a Graduate in Law and a Fellow Member of the Institute of Company Secretaries of India (ICSI). He has more than 10 years of work experience, in the field of Corporate Secretarial, legal and managerial functions. Mr. Vinod Mohan is at present the Company Secretary of the Company and in addition to that he is also holding the post of Manager. The details of remuneration paid to Mr. Vinod Mohan as Manager of the Company during the financial year is provided in MGT 9 (Extract of Annual Return) annexed to the Board's Report. However at present, no remuneration is being paid to Mr. Vinod Mohan in his capacity as the Manager of the Company.

Keeping in view Mr. Vinod Mohan's rich and varied experience in Corporate Secretarial, legal and managerial functions over a long period of time, it would be in the interest of the Company to continue the employment of Mr. Vinod Mohan as the Manager of the Company. The Board of Directors therefore seeks the approval of the shareholders of the Company for the re-appointment of Mr. Vinod Mohan as the Manager of the Company.

Save and except Mr. Vinod Mohan and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item No. 5 of the Notice.

### Resolution No. 6:

The Company had implemented an employee stock option plan vide Members' Special Resolution dated 28 October 2005 which was superseded by Members' Special Resolution dated 15 July 2008 and was named ESOP 2008. It was implemented with a view to bring about

employee participation in the growth and prospects of the Company, in due compliance of then prevailing SEBI (Employee Stock Option Scheme and Employee Share Purchase Scheme) Guidelines, 1999 and the Companies Act, 1956. The Companies Act, 1956 got repealed with the enactment of the new Companies Act, 2013 and the SEBI Guidelines were also repealed with the introduction of SEBI (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations"), the Company sought to amend few provisions of ESOP 2008 vide Members' Special Resolution dated August 30, 2016 mainly in the nature of cosmetic changes. Although ESOP 2008 has been compliant with the provisions of SEBI SBEB Regulations and the Companies Act, 2013 in spirit; but, it is thought expedient to rationalise/ rearrange / update/ amend the provisions of ESOP 2008 to make it more effective and aligned with the prevailing laws and regulations i.e. changes in definitions, rearrangement of paragraphs, removal of lock-in, introducing a clause on severability, reference to SEBI updated regulations, etc. To mark the year of amendment, it is considered to present the amended ESOP 2008 as 'Inditrade Employee Stock Option Plan 2016' ("ESOP 2016").

As per SEBI SBEB Regulations, a Company may vary terms of any employee stock option or plan/ scheme provided such variation is not prejudicial to the interests of the employees and that the same is approved by the Members by way of a Special Resolution. The variation/ amendments are not detrimental to the interests of the employees. The beneficiaries of the variation/ amendment are eligible employees of the Company.

Subject to your approval, the Nomination and Remuneration Committee of the Board of Directors and the Board of Directors of the Company have approved the ESOP 2016 vide their respective resolutions dated 24 May 2016 and 25 May 2017.

Given the details of variation/ amendment, rationale thereof and beneficiaries of such variation, as per SEBI SBEB Regulations, your approval is being sought for the variation/ amendment to the Plan in the lines stated above.

A copy each of the original i.e. ESOP 2008 and amended version i.e. ESOP 2016 are available for inspection at the

Company's Registered Office during official hours on all working days (excluding Saturdays, Sundays and Holidays) till 10 August 2017.

None of the Directors, Key Managerial Personnel of the Company including their relatives are interested or concerned in the resolution, except to the extent of their entitlements, if any, under the Plan.

In light of above, you are requested to accord your approval to the Special Resolution as set out in item no. 06 of the Notice.

#### **Resolution No. 7:**

Equity based compensation is considered to be an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organizational objectives. Your Company believes that equity based compensation plans are an effective tool to reward not only the employees/ Directors of the Company but also employees/ Directors of its holding Company seeking their active contribution to the growth of the Company, to create an employee ownership in the group, to attract new talents, to retain the key resources and knowledge in the group leading to higher shareholders' value.

With this objective in mind, your Company seeks your approval in terms of Regulation 6 of the SEBI (Share Based Employee Benefits) Regulations, 2014 enabling to grant employee stock options to the Employees/ Directors of Company's holding company subject to terms, conditions and limitations as per provisions of the Inditrade Employee Stock Option Plan 2016 ("ESOP 2016").

None of the Directors, Key Managerial Personnel of the Company including their relatives are interested or concerned in the resolution, except to the extent of their entitlements, if any, under the Plan.

In light of above, you are requested to accord your approval to the Special Resolution as set out in item no. 07 of the Notice.

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

**Date : 25 May 2017**  
**Place : Kochi**

**Sd/-**  
**Vinod Mohan**  
**Company Secretary**

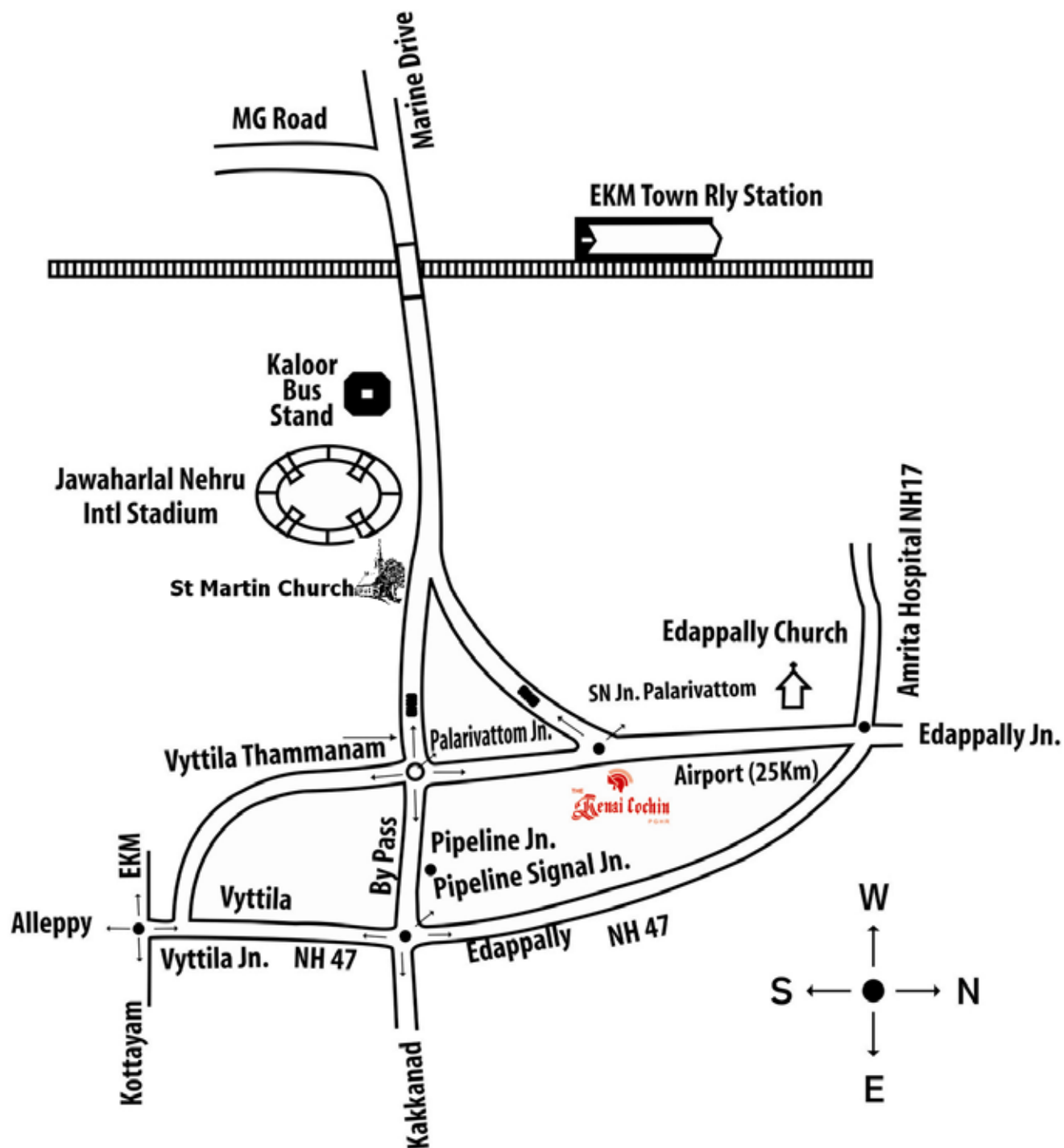
## Details of Directors seeking appointment / re-appointment pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2 .

<b>Name of the Director</b>	<b>Ms. Jhuma Guha</b>	
DIN	00007454	
Date of Birth	17.01.1965	
Age	52 years	
Nationality	Indian	
Date of Appointment (Initial Appointment)	15.02.2016	
Details of remuneration	NIL	
Qualification	ACA, ACS	
Experience in specific functional area	Over 25 years of experience in the legal, compliance, finance risk, mergers and acquisitions.	
Directorship in other Companies	1. Juno Moneta Technologies Private Limited 2. Derby Communications (India) Private Limited 3. Ladder Holdings Private Limited	
Membership in Board Committee of other Companies	Nil	
Chairmanship of Board Committees of other Companies	Nil	
Number of Board meetings attended during the F.Y 2016-17	Held	6
	Attended	6
Number of Shares held in the Company	Nil	
Inter se relationship with any other director/Manager/Key Managerial Personnel	Nil	



<b>Name of the Director</b>	<b>Mr. Gurmeet Singh</b>	
DIN	03294406	
Date of Birth	10.10.1975	
Age	41 Years	
Nationality	Indian	
Date of Appointment (Initial Appointment)	01.09.2016	
Qualification	Post Graduate Diploma in Management (PGDM)	
Details of remuneration	NIL	
Experience in specific functional area	Over 16 years of experience in Capital and Commodities sector. Also has rich experience in marketing, sales and business development.	
Directorship in other Companies	<ol style="list-style-type: none"> <li>1. Juno Moneta Technologies Private Limited</li> <li>2. Inditrade Commodities Trading Limited</li> <li>3. Jewel Hub Private Limited</li> <li>4. Cloud Can Technologies Private Limited</li> <li>5. Arcade Impex Business Facilitator Private Limited</li> </ol>	
Membership in Board Committee of other Companies	Nil	
Chairmanship of Board Committees of other Companies	Nil	
Number of Board meetings attended during the FY 2016-17	Held (after appointment)	2
	Attended	2
Number of Shares held in the Company	Nil	
Inter se relationship with any other director/Manager/Key Managerial Personnel	Nil	

## Route Map To AGM Venue





# INDITRADE CAPITAL LIMITED

CIN: L67120KL1994PLC008265

Reg. Office: XXXVI / 202, JJ Complex,

Dairy Methanam Road, Edappally, Kochi, Kerala - 682 024.

Tele: 0484 3006000, Fax: 0484 3006288, Email: inditrade@inditrade.com, Web Site: www.inditrade.com

## ATTENDANCE SLIP

I hereby record my presence at the 23<sup>rd</sup> Annual General Meeting of the shareholders of the Company at 10.30 a.m. IST on Thursday, the 10 August 2017, 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.
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, 1<sup>st</sup> floor, Bharat Tin Works Building, Opp Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai- 400059. 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

CIN: L67120KL1994PLC008265

Reg. Office: XXXVI / 202, JJ Complex,

Dairy Methanam Road, Edappally, Kochi, Kerala - 682 024.

Tele: 0484 3006000, Fax: 0484 3006288, Email: inditrade@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 23<sup>rd</sup> Annual General Meeting of the Company, to be held at **10.30 a.m. IST on Thursday, the 10 August 2017 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.	Resolutions	Vote (Optional)		
		For	Against	Abstain
Ordinary Business				
1.	Adoption of Audited Financial Statements of the Company for the year ended 31 March 2017 together with the Reports of the Board of Directors and Auditors thereon.			
2.	Re-appointment of Ms. Jhuma Guha as a Director liable to retire by rotation.			
3.	Ratification of the appointment of M/s Haribhakti & Co. LLP, Chartered Accountants, as Statutory Auditors of the Company for the financial year 2017-2018.			
Special Business				
4.	Appointment of Mr. Gurmeet Singh (DIN: 03294406) as Non-Executive Director			
5.	Re-appointment of Mr. Vinod Mohan as the Manager of the Company			
6.	Approval of amendments in the Employee Stock Option Plan			
7.	Approval for granting Employee Stock Options to the employees of Holding Company of the Company under ESOP 2016			

Signed this ..... day of ....., 2017

Signature of Shareholder (s).....

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

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

Affix a  
Revenue  
stamp of  
₹1/-

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 23<sup>rd</sup> Annual General Meeting which is also available at Company Website at www.inditrade.com.
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.



# Corporate Information

## BOARD OF DIRECTORS

**Mr. Brij Gopal Daga**  
Independent Director

**Mr. K A Somasekharan**  
Independent Director

**Ms. Jhuma Guha**  
Non-Executive Director

**Mr. Gurmeet Singh**  
Non- Executive Director

## CHIEF FINANCIAL OFFICER

**Mr. Naveen Kumar Jain**

## COMPANY SECRETARY & MANAGER

**Mr. Vinod Mohan**

## STATUTORY AUDITORS

**Haribhakti & Co. LLP**  
5B, A Block, 5<sup>th</sup> Floor, Mena Kampala Arcade,  
New No 18 & 20, Old No 113/114, Thiagaraya Road,  
T. Nagar, Chennai - 600 017, Tamil Nadu.

## SECRETARIAL AUDITORS

**SVJS & Associates**  
Company Secretaries  
39/3519 B, First Floor  
Padmam Apartments  
Manikkath Road, Ravipuram  
Kochi - 682 016, Kerala.

## INTERNAL AUDITORS

**Panicker Warriar & Co.**  
Chartered Accountants  
First Floor, Nenmanassery Illom, Illom Road,  
Off Paliam Road, Ernakulam - 682 016, Kerala.

## BANKERS

HDFC Bank Limited  
The Federal Bank Limited  
ICICI Bank Limited  
Axis Bank Limited  
State Bank of India  
South Indian Bank Limited

## REGISTRAR AND SHARE TRANSFER AGENT

**Bigshare Services Pvt. Ltd.**  
1<sup>st</sup> floor, Bharat Tin Works Building,  
Opp Vasant Oasis, Makwana Road, Marol,  
Andheri (East), Mumbai- 400059.

## REGISTERED OFFICE

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





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## Inditrade Capital Limited

(Formerly known as JRG Securities Limited)

CIN: L67120KL1994PL C008265

Registered Office: XXXVI-202, JJ Complex, Dairy Methanam Road,  
Edappally, Kochi - 682 024

Tel: 0484 - 300 6300 | Fax: 0484 - 300 6288

E-mail: [inditrade@inditrade.com](mailto:inditrade@inditrade.com) | Website : [www.inditrade.com](http://www.inditrade.com)