

NOTICE TO THE 14TH ANNUAL GENERAL MEETING

Notice is hereby given that the 14th Annual General Meeting of the Members of Inditrade Insurance Broking Private Limited will be held on Tuesday, September 30, 2014 at 11.30 a.m. at the Corporate Office of the Company at XXXVI 203, JJ Complex, Dairy Methanam Road, Edappally, Kochi - 682 024 to transact the following business.

A. ORDINARY BUSINESS:

1. Adoption of audited financial statements

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

2. Appointment of Director

To appoint a director in place of Mr. Praveen P.A (DIN: 06523897), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

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

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

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

3. Appointment of Auditors

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

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

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

SPECIAL BUSINESS:

4. Regularizing the appointment of Mr. Gijo T Rockey (DIN: 05196558) as Director of the Company

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

RESOLVED THAT pursuant to the provisions of Sections 152 and all other applicable provisions of the Companies Act, 2013, Mr.Gijo T Rockey who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as the Director of the Company.

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

By the order of the Board of Directors

Place : Kochi
Date : 07.08.2014

Biju Xaviour
Director (DIN: 02648948)

NOTES:

1. The Explanatory Statement pursuant to section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.
2. A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote in the meeting instead of him/her and the proxy need not be a member of the company.

3. The instrument appointing the proxy, duly completed, must be deposited at the Company's Registered Office, not less than 48 hours before the meeting. A proxy form for the AGM is enclosed.
4. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
5. Members/proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
6. All documents referred to in the accompanying Notice and Explanatory statement shall be opened for inspection at the Registered office of the Company during the normal business hours (9:30 am to 5:30 pm) on all working days upto the date of AGM

Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013

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

Item No.4

Board appointed Mr.Gijo T Rockey as an additional director of the Company on 26th November 2014 to hold the office upto the ensuing Annual General Meeting of the Company.

Now his tenure is getting completed, due to his good performance board recommend for his appointment as a regular director in the board.

Except Mr. Gijo T Rockey, none of the Directors are interested in this item.

By the order of the Board of Directors

Place : Kochi
Date : 07.08.2014

Biju Xaviour
Director (DIN: 02648948)

INDITRADE INSURANCE BROKING PRIVATE LIMITED
(Formerly Known as JRG INSURANCE BROKING PRIVATE LIMITED)

CIN: U67190KL2000PTC013701

Regd. Office: 36/1563, First floor, M.E.S Buildings, Kaloor, Cochin - 682 017

Corporate Office: XXXVI/202, JJ Complex, Dairy Methanam Road, Edappally, Kochi - 682 024

Tel: 0484 2409900, email: jrg@jrg.co.in

DIRECTORS' REPORT

Your Directors have great pleasure in presenting the 14th annual report together with the audited statement of accounts of your Company for the year ended 31st March, 2014.

1. Operations & Financial Results

Particulars	Amount in Rs.	
	2013-14	2012-13
Total Revenue	2,915,402	3,900,955
Total Expenditure	3,922,905	4,874,087
Profit/(Loss)Before Tax & prior period expenses	(1,007,503)	(9,73,132)

During the year under review the Company had recorded revenue of Rs. 29.15 lakhs as against Rs. 39 lakhs in the previous year. The expenditure during the period was Rs. 39.22 lakhs which had resulted in a loss of Rs.10.07 lakhs as against the loss of Rs.9.73 lakhs during the previous year. The Company has been constantly intensifying the insurance broking business and there are relentless efforts to be a leader in south India for distributing life and general insurance products, which is expected to be materialized in the forthcoming years.

2. Directors

During the year under review Mr. Biju Xaviour and Mr. Praveen P.A are the Directors of your Company, and Mr. Gijo T Rockey was appointed by the board as additional director with effect from 26th November, 2013, his appointment is recommended in the Annual General Meeting.

3. Compliance to IRDA Regulations

During the year under review the Company has complied with all the provisions of IRDA Regulations.

4. Directors' Responsibility Statement

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

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

5. Auditors

M/s. Haribhakti & Co. LLP, Chartered Accountants, Chennai - 600017 (Regn No.103523W) were appointed as the Statutory Auditors of your Company for the year 2013-14. M/s. Haribhakti & Co. LLP had expressed their intention to seek reappointment at the ensuing Annual General Meeting pursuant to Sec 139 of the Companies Act, 2013. The Board of Directors recommends the appointment of M/s. Haribhakti & Co, Chennai - 600017 as the Statutory Auditors of the Company for the coming 4 financial years subject to the ratification of members on every year.

6. Information under Sec 217(1) (e) of the Companies Act 1956

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

- A. **Conservation of Energy** - All possible steps are being taken at the design and implementation for reducing the consumption of energy to the maximum possible extent.
- B. **Technology Absorption** - NIL The Company has adopted the latest state-of-the-art software and hardware tools available in the market for rendering the commodity trading and other services more efficiently and effectively.

C. Foreign Exchange Earnings and outgo - NIL.

7. Particulars of Employees

No employee of the Company was in receipt of remuneration exceeding the amount prescribed under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, during the financial year 2013-14.

8. Acknowledgement

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

For and on behalf of the Board

Place: Cochin
Date: 07.08.2014

Biju Xaviour
Director
(DIN: 02648948)

Gijo T Rockey
Director
(DIN: 05196558)

INDEPENDENT AUDITORS' REPORT

To the Members of Inditrade Insurance Broking Private Limited (formerly known as JRG Insurance Broking Private Limited)

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

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

Other Matters

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

For Haribhakti & Co.

Chartered Accountants

Firm Registration No.103523W

S Sundararaman

Partner

Membership No.028423

Chennai: May 27, 2014

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

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

- (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) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the company during the year.
- (ii) (a) The Company is a service company, primarily rendering services relating to direct insurance broker. Accordingly paragraph 4 (ii) of the order is not applicable.
- (iii) As informed, the Company has neither granted nor taken any loans, secured or unsecured to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly paragraph 4 (iii) of the order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and with regard to the sale of services. During the course of our audit, we have not observed any continuing failure to correct weakness in internal control system of the company.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of ` five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

- (viii) The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the company.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, service tax, and other material statutory dues applicable to it, though there exist delay in remittance of service tax in few cases.

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

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

Name of the statute	Nature of dues	Amount	Financial Year for which the amount relates	Forum where dispute is pending
Income tax act, 1956	Disallowed expenditure and shortage in grant of credit with respect to Tax deducted at source	11,65,290	2007-08	Commissioner (Appeals)

- (x) In our opinion, the accumulated losses of the company are more than fifty percent of its net worth. Further, the company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company does not have dues payable to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the company has not granted loans & advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Accordingly, paragraph 4(xiii) of the Order is not applicable.
- (xiv) In our opinion *and according to the information and explanations given to us*, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, paragraph 4(xiv) of the Order is not applicable.

- (xv) In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xvi) The Company has not obtained any term loans.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) According to the information and explanation given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised money by way of public issue during the year.
- (xxi) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

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

S Sundararaman
Partner
Membership No. 028423

Chennai: May 27th, 2014

Inditrade Insurance Broking Private Limited

(formerly JRG Insurance Broking Private Limited)

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

Balance Sheet as at 31st March 2014

	Note	As at 31 March 2014	As at 31 March 2013
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share Capital	3	6 50 00 000	6 50 00 000
(b) Reserves and surplus	4	(5 28 44 194)	(5 18 36 691)
		1 21 55 806	1 31 63 309
(2) Non-current liabilities			
(a) Long-term provisions	5	-	36 177
		-	36 177
(3) Current liabilities			
(a) Other current liabilities	6	8 88 459	9 17 559
(b) Short Term Provision	5	-	8 939
		8 88 459	9 26 498
Total		1 30 44 265	1 41 25 984
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
Tangible assets	7	59 524	15 45 647
Intangible assets	8	4 009	25 041
		63 533	15 70 688
(b) Long-term loans and advances	9	48 50 302	38 31 724
(c) Other non-current assets	10	10 00 000	10 00 000
		59 13 835	64 02 412
(2) Current assets			
(a) Trade receivables	11	34 176	3 24 194
(b) Cash and bank balances	12	67 83 154	69 01 481
(c) Short-term loans and advances	9	1 17 787	2 34 413
(d) Other current assets	10	1 95 313	2 63 485
		71 30 430	77 23 573
Total		1 30 44 265	1 41 25 984

Significant accounting policies 2

The accompanying notes are the integral part of the financial statements

As per our report attached

For **Haribhakti & Co.,**

Chartered Accountants

Firm registration No : 103523W

For and on behalf of the Board

S Sundararaman

Partner

Membership No: 028423

Praveen P A

Director

Biju Xaviour

Director

Place: Chennai

Date: 27-May-2014

Place : Gurgaon

Date: 27-May-2014

Inditrade Insurance Broking Private Limited

(formerly JRG Insurance Broking Private Limited)

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

Statement of Profit And Loss for the Year Ended 31 March 2014

	Note	Year Ended 31 March 2014	Year Ended 31 March 2013
Income			
Revenue from operations (Income from Insurance Broking)		18 08 060	32 09 856
Other income	13	11 07 342	6 91 099
Total revenue		29 15 402	39 00 955
Expenses			
Employee benefit expenses	14	12 75 737	25 52 682
Depreciation and amortization expenses	15	14 67 755	16 38 972
Other expenses	16	11 79 413	6 82 433
Total expenses		39 22 905	48 74 087
Loss before tax		(10 07 503)	(9 73 132)
Tax expenses		-	-
Loss after tax		(10 07 503)	(9 73 132)
Earnings per equity share			
Basic and diluted		(0.16)	(0.15)
Weighted average number of equity shares		65 00 000	65 00 000
Nominal value of equity shares (Rs)		10	10

Significant accounting policies 2

The accompanying notes are the integral part of the financial statements

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

For and on behalf of the Board

S Sundararaman
Partner
Membership No: 028423

Praveen P A
Director

Biju Xaviour
Director

Place: Chennai
Date: 27-May-2014

Place : Gurgaon
Date: 27-May-2014

Inditrade Insurance Broking Private Limited

(formerly JRG Insurance Broking Private Limited)

CASH FLOW STATEMENT for the year ended 31st March 2014

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

	Note	Year ended 31 March 2014	Year ended 31 March 2013
Cash flow from operating activities			
Net (loss) before tax		(10 07 503)	(9 73 132)
<i>Adjustments for:</i>			
Depreciation / Amortization		14 67 755	16 38 972
Profit on sale of assets (net)		(39 672)	(4 833)
Interest income		(5 80 906)	(5 81 057)
Amount no longer recoverable written off		17 68 287	-
Provision for Bad & Doubtful Advances		70 875	-
Liabilities/ Provisions no longer required written back		(19 23 024)	(1 05 209)
Operating profit / (loss) before working capital changes		(2 44 188)	(25 259)
<i>Adjustments for:</i>			
(Increase) / decrease in loans and advances		(13 90 051)	(2 90 201)
(Decrease) in current liabilities and, long term and short term provisions		4 12 548	(41 590)
(Increase) / decrease in trade receivables		(42 008)	10 33 532
Cash generated / (used) from operations		(10 19 511)	7 01 741
Income tax paid (net of refund)		4 17 223	(4 44 159)
Net cash generated / (used) from operating activities	(A)	(8 46 476)	2 32 323
Cash flow from investing activities			
Proceed from sale of fixed assets		79 072	35 541
Investment in bank deposits (having original maturity of more than three months)		(5 10 983)	(19 46 168)
Interest received		6 49 078	5 81 057
Net cash generated / (used) from investing activities	(B)	2 17 167	(13 29 570)
Cash flow from financing activities			
Net cash generated / (used) from financing activities	(C)	-	-
Net increase / (decrease) in cash and cash equivalents (A+B+C)		(6 29 310)	(10 97 247)
Cash and cash equivalents at the beginning of the year		9 55 313	20 52 560
Cash and cash equivalents at the end of the year	12	3 26 003	9 55 313

The accompanying notes are the integral part of the financial statements

As per our report attached

For Haribhakti & Co.,

Chartered Accountants

Firm registration No : 103523W

For and on behalf of the Board

S Sundararaman

Partner

Membership No: 028423

Praveen P A

Director

Biju Xaviour

Director

Place : Chennai

Date: 27-May-2014

Place : Gurgaon

Date: 27-May-2014

Inditrade Insurance Broking Private Limited

(formerly known as JRG Insurance Broking Private Limited)

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

Notes to financial statements for the year ended 31 March 2014

1 Company overview

Inditrade Insurance Broking Private Limited (formerly known as JRG Insurance Broking Private Limited) (“JRG Insurance” or “the Company”) was incorporated on 22 February 2000. The Company is a subsidiary of Inditrade Derivatives And Commodities Limited (formerly known as JRG Wealth Management Limited) (“parent company”) and is primarily engaged in the business of direct insurance broking.

2 Significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared and presented in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises accounting standards notified by the Central Government of India under Section 211 (3C) of the Companies Act, 1956, other relevant pronouncements of Institute of Chartered Accountants of India and the provisions of Companies Act.

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

The Company has accumulated losses amounting to Rs. 5,28,44,194/- as at 31 March 2014, resulting in significant erosion of its net worth. The Company has received a commitment for financial and operational support from its principal shareholders as may be required to enable it to establish profitable operations in the future. Accordingly, the Board of Directors considers that it is appropriate to prepare these financial statements on the going concern basis.

2.2 Use of estimates

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

2.3 Fixed assets and depreciation

Tangible assets

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

Inditrade Insurance Broking Private Limited

(formerly known as JRG Insurance Broking Private Limited)

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

Notes to financial statements for the year ended 31 March 2014 (Contd.,)

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

Category	Rates per annum (%)
Computers	16.21%
Electrical fittings	20.00%
Office equipments	20.00%
Furniture and fittings	20.00%

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.

Individual assets costing Rs 5,000/- or less are depreciated as per the provisions of the Companies Act, 1956

2.4 Impairment

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

2.5 Revenue

Brokerage income is recognised on accrual basis at the inception of the insurance policy based on the terms agreed with the insurance companies. Broking income on renewed policy is recognized on the date on which insurance premium is received from the Insurance company.

Interest income is recognised on time proportion basis.

2.6 Operating lease

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

2.7 Employee benefits

Short term employee benefit plans

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

Inditrade Insurance Broking Private Limited

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Notes to financial statements for the year ended 31 March 2014 (Contd.,)

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.

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

2.9 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.

2.10 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.

2.11 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.

2.12 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. In computing dilutive earnings per share, only potential equity shares that are dilutive and that decrease profit per share are included.

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Notes to financial statements for the year ended 31 March 2014 (Contd.,)**3 Share Capital**

Particulars	As at	
	31 March 2014	31 March 2013
Authorised shares:		
1 00 00 000 (Previous year: 1 00 00 000) equity shares of Rs 10 each	10 00 00 000	10 00 00 000
Issued subscribed and fully paid-up shares		
65 00 000 (Previous year: 65 00 000) equity shares of Rs 10 each	6 50 00 000	6 50 00 000

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

Particulars	As at			
	31 March 2014		31 March 2013	
	No. of shares	Value	No. of shares	Value
At the beginning and at the end of the year	65 00 000	6 50 00 000	65 00 000	6 50 00 000

b) Terms / rights attached to equity shares

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

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

c) Shares held by Holding company are given below

Particulars	As at			
	31 March 2014		31 March 2013	
	No: of shares	Value	No: of shares	Value
Inditrade Derivatives And Commodities Ltd (formerly known as JRG Wealth Management Ltd) (including shares held by nominee share holders)	65 00 000	6 50 00 000	65 00 000	6 50 00 000

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

Name of the shareholder	As at			
	31 March 2014		31 March 2013	
	No. of shares	% holding	No. of shares	% holding
Inditrade Derivatives And Commodities Ltd (formerly known as JRG Wealth Management Ltd) (including shares held by nominee share holders)	65 00 000	100%	65 00 000	100%

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

The company has not made any issue of bonus shares or shares in consideration other than cash in pursuance of any contract during the period of 5 years preceeding the reporting period

Inditrade Insurance Broking Private Limited

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Notes to financial statements for the year ended 31 March 2014 (Contd.,)**4 Reserves and surplus**

Particulars	As at	
	31 March 2014	31 March 2013
Deficit in the statement of profit and loss		
Balance at the beginning of the year	(5 18 36 691)	(5 08 63 559)
Loss transferred from statement of profit and loss	(10 07 503)	(9 73 132)
Balance at the end of the year	(5 28 44 194)	(5 18 36 691)
Total reserves and surplus	(5 28 44 194)	(5 18 36 691)

5 Provisions

Particulars	Long-term		Short-term	
	As at		As at	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
Provision for employee benefits				
Provision for gratuity (refer note 22)	-	36 177	-	8 939
Total Provisions	-	36 177	-	8 939

6 Other current liabilities

Particulars	As at	
	31 March 2014	31 March 2013
Other Payables:		
Professional charges payable	67 500	1 70 836
Payable to employees	1 26 468	5 26 649
Outstanding expenses	10 500	84 707
Payable to Inditrade Capital Ltd	-	98 927
Payable to Inditrade Business Consultants Ltd	2 106	-
Payable to Inditrade Derivatives and Commodities Limited	6 00 000	8 400
Others	81 885	28 040
Total other current liabilities	8 88 459	9 17 559

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Notes to financial statements for the year ended 31 March 2014 (Contd.,)

7. Tangible Fixed Assets

Particulars	Computers	Electrical fittings	Office Equipments	Furniture and fittings	Total
Gross Block					
Balance as at 1 April 2012	46 78 591	3 23 942	10 95 421	41 00 097	1 01 98 051
Additions	-	-	-	-	-
Deletions / write off	-	-	1 62 500	-	1 62 500
Balance as at 1 April 2013	46 78 591	3 23 942	9 32 921	41 00 097	1 00 35 551
Additions					
Deletions / write off	3 15 411	-	21 750	53 200	3 90 361
Balance as at 31 March 2014	43 63 180	3 23 942	9 11 171	40 46 897	96 45 190
Accumulated depreciation					
Balance as at 1 April 2012	34 38 267	2 16 832	7 13 285	26 61 480	70 29 864
Depreciation for the year	6 41 849	53 554	1 89 531	7 06 899	15 91 832
Accumulated depreciation on disposals	-	-	1 31 792	-	1 31 792
Balance as at 1 April 2013	40 80 116	2 70 386	7 71 024	33 68 379	84 89 904
Depreciation for the year	5 28 679	53 556	1 60 279	7 04 208	14 46 723
Accumulated depreciation on disposals	2 82 179	-	20 359	48 423	3 50 961
Balance as at 31 March 2014	43 26 616	3 23 942	9 10 944	40 24 164	95 85 666
Net Block					
As at 31 March 2013	5 98 475	53 556	1 61 897	7 31 718	15 45 647
As at 31 March 2014	36 564	-	227	22 733	59 524

8. Intangible Fixed Assets

Particulars	Computer Softwares	Total
Gross Block		
Balance as at 1st April 2012	2 35 696	2 35 696
Additions/(Deletion)	-	-
Balance as at 1 April 2013	2 35 696	2 35 696
Additions/(Deletion)		
Balance as at 31 March 2014	2 35 696	2 35 696
Accumulated amortization		
Balance as at 1st April 2012	1 63 516	1 63 516
Amortization for the year	47 139	47 139
Balance as at 1 April 2013	2 10 655	2 10 655
Amortization for the year	21 032	21 032
Balance as at 31 March 2014	2 31 687	2 31 687
Net Block		
As at 31 March 2013	25 041	25 041
As at 31 March 2014	4 009	4 009

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Notes to financial statements for the year ended 31 March 2014 (contd.,)
9 Loans and advances

Particulars	Long - term		Short - term	
	As at		As at	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
I. Security deposits (Unsecured)				
Considered good	-	-	92 800	92 800
Doubtful	-	-	-	3 73 678
	-	-	92 800	4 66 478
Less: Provision for doubtful advances	-	-	-	(3 73 678)
	-	-	92 800	92 800
II. Advances recoverable in cash or kind (Unsecured)				
Considered good	-	-	-	70 875
Considered doubtful	-	-	70 875	-
	-	-	70 875	70 875
Less: Provision for doubtful advances	-	-	(70 875)	-
	-	-	-	70 875
III. Other advances				
Prepaid Insurance	-	-	24 987	38 488
Prepaid taxes/ Refund dues	34 14 500	38 31 724	-	-
Other advances	14 35 802	-	-	32 250
	48 50 302	38 31 724	24 987	70 738
Total loans and advances	48 50 302	38 31 724	1 17 787	2 34 413

10 Other assets

Particulars	Non-current		Current	
	As at		As at	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
Non current bank balances (Refer note 12)	10 00 000	10 00 000	-	-
Interest accrued on fixed deposits	-	-	1 95 313	2 63 485
Total other assets	10 00 000	10 00 000	1 95 313	2 63 485

11 Trade receivables

Particulars	As at	
	31 March 2014	31 March 2013
I. Outstanding for a period exceeding six months from the date they are due for payment (Unsecured)		
Considered Doubtful	1 03 525	11 66 107
	1 03 525	11 66 107
Provision for doubtful debts	(1 03 525)	(11 66 107)
	-	-
II. Outstanding for a period less than six months from the date they are due for payment (Unsecured)		
Considered good	34 176	3 24 194
Total trade receivables (net)	34 176	3 24 194

12 Cash and bank balances

Particulars	As at	
	31 March 2014	31 March 2013
I. Cash and cash equivalents		
Balances with banks		
On current accounts	3 26 003	9 55 313
	3 26 003	9 55 313
II. Other balances		
Fixed Deposits		
Deposits with original maturity for more than 3 months but less than 12 months	64 57 151	59 46 168
Deposits with original maturity for more than 12 months *	10 00 000	10 00 000
Less : Amount disclosed under non current asset (Refer note 10)	(10 00 000)	(10 00 000)
	64 57 151	59 46 168
Total cash and bank balances	67 83 154	69 01 481

* Deposits pledged with bankers, represents 20% of initial Share Capital

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Notes to financial statements for the Year Ended 31 March 2014 (contd.,)

13 Other income

Particulars	Year Ended	
	31 March 2014	31 March 2013
Interest income		
Interest on fixed deposits	5 80 906	5 81 057
Profit on sale of fixed assets (net)	39 672	4 833
Sundry balances no longer payable written back	4 86 764	1 05 209
Total	11 07 342	6 91 099

14 Employee benefits expenses

Particulars	Year Ended	
	31 March 2014	31 March 2013
Salaries, wages and bonus	12 43 324	24 81 321
Contributions to provident and other funds	32 413	71 361
Total	12 75 737	25 52 682

15 Depreciation and amortization expenses

Particulars	Year Ended	
	31 March 2014	31 March 2013
Depreciation of tangible fixed assets	14 46 723	15 91 833
Amortization of intangible fixed assets	21 032	47 139
Total	14 67 755	16 38 972

16 Other expenses

Particulars	Year Ended	
	31 March 2014	31 March 2013
Rent	2 83 052	2 37 600
Rates and taxes	8 598	-
Printing and stationery	49	8 124
Insurance	44 734	52 109
Communication costs	898	-
Traveling and conveyance	3 200	58 513
Legal and professional expenses	1 19 573	2 80 108
Service tax liability of earlier years	68 730	-
Training Expenses	1 87 921	-
Amount no longer recoverable written off	14 36 260	-
Less: Provision	(14 36 260)	-
Provision for doubtful Loans and Advances	70 875	-
Irrecoverable debts written off	3 32 026	-
Miscellaneous expenses	59 757	45 979
Total	11 79 413	6 82 433

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Notes to financial statements for the year ended 31 March 2014 (contd.,)

17 Contingent liabilities and commitments

Particulars	As at	
	31 March 2014	31 March 2013
Contingent liabilities		
Income tax demand disputed in appeal	11 65 290	11 65 290
PF demand disputed in appeal, against where Rs.14,18,681/- paid under dispute and grouped under advances	28 78 235	-

18 Payment to auditor (excluding service tax)

Particulars	Year ended	
	31 March 2014	31 March 2013
As Auditor :		
Statutory audit	75 000	1 50 000
For reimbursement of expenses	1 285	13 357
Total	76 285	1 63 357

19 Deferred taxes

The Company has not recognized the net deferred tax asset in respect 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

20 Related party disclosures

Names of related parties and nature of relationship:

Ultimate Holding Company	Inditrade Capital Ltd (Formerly known as JRG Securities Ltd)
Holding Company	Inditrade Derivatives and Commodities Limited (formerly known JRG Wealth Management Limited)
Fellow subsidiary	JRG Fincorp Limited Inditrade Business Consultants Limited (formerly known as JRG Business Investment Consultants Limited)
Key management personnel	Vijayakumar V K

Particulars	31 March 2014		31 March 2013	
	Transactions during the year	Amount (payable) / receivable	Transactions during the year	Amount (payable) / receivable
Equity contribution from parent company	-	6 50 00 000	-	6 50 00 000
Advance given/ (taken) (net)				
Inditrade Derivatives and Commodities Limited	(6 00 000)	(6 00 000)		
Reimbursement of expenses / deposit				
Inditrade Capital Ltd	98 927	-	98 927	(98 927)
Inditrade Derivatives and Commodities Limited	8 400	-	8 400	(8 400)
Inditrade Business Consultants Ltd	(2 106)	(2 106)		
Remuneration to key management personnel				
Salaries and other allowances				
Vijayakumar V K	4 74 488	-	4 57 907	-

Inditrade Insurance Broking Private Limited

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Notes to financial statements for the year ended 31 March 2014 (contd.,)**21 Segment reporting****a) Primary segment information (by business segments)**

The Company is engaged in the business of direct insurance broking. Thus, it operates in a single primary segment.

b) Secondary segment reporting (by geographical segments)

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

22 Employee benefit

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

Change in projected benefit obligation	Year ended	
	31 March 2014	31 March 2013
Projected benefit obligation at the beginning of the year	33 196	92 376
Service cost		20 378
Interest cost		7 621
Actuarial gain	13 678	(42 063)
Benefits paid	-	-
Projected benefit obligation at the end of the year	46 874	78 312
Change in plan assets		
Fair value of plan assets at beginning of the year	33 196	30 737
Expected return on plan assets	2 960	2 459
Actuarial (gain)/ loss	21 494	-
Contributions	-	-
Benefits paid	-	-
Fair value of plan assets at the end of the year	57 650	33 196

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

Change in projected benefit obligation	Year ended	
	31 March 2014	31 March 2013
Present value of projected benefit obligation at the end of the year	46 874	78 312
Funded status of the plans	57 650	33 196
Funded status amount of liability recognized in the balance sheet	-	45 116
Recognised under :		
Short term provisions (Refer note no : 5)	-	8 939
Long term provisions (Refer note no : 5)	-	36 177
	-	45 116

The components of net gratuity costs are reflected below:

Change in projected benefit obligation	Year ended	
	31 March 2014	31 March 2013
Service cost	-	20 378
Interest cost	-	7 621
Recognized net actuarial (gain)/ loss	-	(44 612)
Net gratuity costs	-	(16 613)

Assumptions

Assumptions	Year ended	
	31 March 2014	31 March 2013
Discount Rate	8.25%	8.25%
Rate of growth in salary levels	7.50%	7.50%
Attrition rate	5% at younger ages and reducing to 1% at older ages according to	

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Notes to financial statements for the year ended 31 March 2014 (contd.,)

23 Micro, Small and Medium Enterprises Development Act, 2006

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

24 Foreign currency forward contracts

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

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

As per our report attached

For Haribhakti & Co.,

Chartered Accountants

Firm registration No : 103523W

For and on behalf of the Board

S Sundararaman

Partner

Membership No: 028423

Praveen P A

Director

Biju Xaviour

Director

Place: Chennai

Date: 27-May-2014

Place: Gurgaon

Date: 27-May-2014