



JM FINANCIAL COMMTRADE LTD.

Audited Financial Statements

FY 2014-15

Corporate Identity Number - U51100MH2005PLC153110

Regd. Office : 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025.

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INDEPENDENT AUDITOR'S REPORT

To the Members of JM FINANCIAL COMMTRADE LIMITED

Report on the Financial Statements

- 1 We have audited the accompanying financial statements of **JM FINANCIAL COMMTRADE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and 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

- 2 The management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, 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 Companies (Accounts) Rules, 2014. This responsibility includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are 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

Auditor's Responsibility

- 3 Our responsibility is to express an opinion on these 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 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 financial statements are free from material misstatement
- 4 An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements
- 5 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Opinion

- 6 In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 31st March 2015, its profit/loss and its cash flows for the year ended on that date

Report on Other Legal and Regulatory Requirements

- 7 As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters Specified in paragraphs 3 and 4 of the Order.

- 8 As required by section 143(3) of the Act, we further report that:
- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, 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 aforesaid financial statements comply with the applicable 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 March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act
 - f. In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
 - (i) The Company does not have any pending litigations which would impact its financial position
 - (ii) The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise
 - (iii) There has not been any occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund; hence, the question of delay in transferring such sums does not arise

For Khimji Kunverji & Co
Chartered Accountants
Firm Registration No 105146W

Hasmukh B Dedhia
Partner (F - 33494)
Place: Mumbai
Date: May 18, 2015

Annexure referred to in paragraph 7 Our Report of even date to the members of JM FINANCIAL COMMTRADE LIMITED on the Financial Statements for the year ended 31st March, 2015

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets ;
- (b) As explained to us, fixed assets have been physically verified by the management at periodic intervals; as informed to us no material discrepancies were noticed on such verification;
- (ii) The Company does not hold inventory during the financial year and hence clause (ii) (a), (b) and (c) of the Order, are not applicable to the Company;
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act. Hence clause (iii)(a) & (iii)(b) of Paragraph 3 of the Order are not applicable
- (iv) On the basis of examination of the books and records of the Company and according to the information and explanations given, and as per checking carried out in accordance with the auditing standards generally accepted in India, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas;
- (v) The Company has not accepted any deposits from the public. Hence clause (v) of paragraph 3 of the Order is not applicable
- (vi) As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act
- (vii) (a) According to the information and explanations given to us and based on the records of the Company examined by us, the Company is regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess and other material statutory dues, as applicable, with the appropriate authorities in India; We have been informed that Employees' state insurance, Wealth tax, Sales tax, Custom duty and Excise duty are currently not applicable to the Company.
- (b) According to the information and explanations given to us and based on the records of the Company examined by us, there are no dues of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty which have not been deposited on account of any disputes
- (c) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund; hence, the question of reporting delay in transferring such sums does not arise
- (viii) The accumulated losses of the Company at the end of the financial year are more than fifty percent of its net worth. The Company has not incurred any cash losses in the current financial year and in immediately preceding financial year.

- (ix) In our opinion, and according to the information and explanations given to us, the Company has not raised any term loans during the year
- (x) According to information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions
- (xi) According to the information and explanations given to us, the Company has not raised any term loans during the year
- (xii) During the course of our examination of the books and records of the Company, carried in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the Company noticed or reported during the course of our audit nor have we been informed of any such instance by the Management of the Company

For Khimji Kunverji & Co

Chartered Accountants

Firm Registration No 105146W

Hasmukh B Dedhia

Partner (F - 33494)

Place: Mumbai

Date: May 18, 2015

**JM FINANCIAL COMMTRADE LIMITED
BALANCE SHEET AS AT 31ST MARCH 2015**

	Note No	As at 31st March, 2015 (Rupees)	As at 31st March, 2014 (Rupees)
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	B.1	235,000,000	235,000,000
(b) Reserves and Surplus	B.2	(166,569,541)	(179,907,955)
		68,430,459	55,092,045
(2) Non-Current Liabilities			
Long term provisions	B.3	245,359	266,445
(3) Current Liabilities			
(a) Trade payables	B.4	77,437,371	53,539,466
(b) Other current liabilities	B.5	2,521,355	1,365,681
(c) Short-term provisions	B.6	190,813	279,618
		80,149,539	55,184,765
Total		148,825,357	110,543,255
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	B.7	-	42,965
(ii) Intangible assets	B.7	401,729	722,797
		401,729	765,762
(b) Non-current investments			
(i) Long term investments	B.8	4,000,000	-
(c) Long term loans and advances			
	B.9	6,294,583	5,877,131
		10,696,312	6,642,893
(2) Current assets			
(a) Current investments	B.10	5,579,078	-
(b) Trade receivables	B.11	938,052	2,684,826
(c) Cash and Bank Balance	B.12	115,724,496	79,053,272
(d) Short-term loans and advances	B.13	15,237,258	21,553,623
(e) Other current assets	B.14	650,161	608,641
		138,129,045	103,900,362
Total		148,825,357	110,543,255
Significant Accounting Policies and Notes to Financial Statements	A & B		

The accompanying notes form an integral part of the financial statements

As per our attached Report of even date

For Khimji Kunverji & Co.
Chartered Accountants
Firm Registration No. 105146W

Hasmukh B Dedhia
Partner
Membership No. 33494

Place : Mumbai
Dated : May 18, 2015

**For and on behalf of the Board of Directors of
JM Financial Commtrade Ltd.**

Rajeev Chitrabhanu
Director
DIN : 02174031

Hemant Pandya
Company Secretary

Place : Mumbai
Dated : May 18, 2015

Surendra Nayak
Director
DIN : 00039894

Piyush Solanki
Chief Financial Officer

JM FINANCIAL COMMTRADE LIMITED
Statement of Profit and Loss for the year ended March 31, 2015

	Note No	Current year Rupees	Previous year Rupees
I. Revenue from operations	B.15	20,221,972	41,876,214
II. Other Income	B.16	10,691,291	118,689
III. Total Revenue (I +II)		30,913,263	41,994,903
IV. Expenses:			
Sub Brokerage, Transaction Costs and Other Direct Expenses		3,463,258	4,874,045
Employee benefit expense	B.17	7,760,892	7,767,767
Financial costs	B.18	1,399,799	17,355,916
Depreciation and amortisation expense	B.7	335,316	578,132
Receivable from National Spot Exchange Limited ('NSE') written off		-	154,264,259
Other expenses	B.19	3,670,631	7,738,263
Total Expenses		16,629,896	192,578,382
V. Profit before tax (III - IV)		14,283,367	(150,583,479)
VI. Tax expense:			
(1) Current tax		924,376	-
(2) Tax adjustment of Earlier Year		-	660,171
Total		924,376	660,171
VII. Profit for the period (V -VI)		13,358,991	(151,243,650)
VIII. Earning per equity share:			
(1) Basic		2.67	(30.25)
(2) Diluted		0.57	(11.73)
Significant Accounting Policies and Notes to Financial Statements	A & B		

The accompanying notes form an integral part of the financial statements

As per our attached Report of even date

For Khimji Kunverji & Co.
Chartered Accountants
Firm Registration No. 105146W

For and on behalf of the Board of Directors of
JM Financial Commtrade Ltd.

Hasmukh B Dedhia
Partner
Membership No. 33494

Rajeev Chitrabhanu
Director
DIN : 02174031

Surendra Nayak
Director
DIN : 00039894

Hemant Pandya
Company Secretary

Piyush Solanki
Chief Financial Officer

Place : Mumbai
Dated : May 18, 2015

Place : Mumbai
Dated : May 18, 2015

JM FINANCIAL COMMTRADE LIMITED
Statement Of Cash Flow For The Year Ended 31st March 2015

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
A Cash flow from operating activities		
Profit before tax	14,283,367	(150,583,479)
Adjustment for:		
Depreciation	335,316	578,132
(Profit)/loss on sale of investments	(49,809)	-
Provision for doubtful debts	520,823	196,516
Provision for doubtful receivable	277,291	-
Provision for gratuity	-	120,544
Provision for/(reversal of) compensated absences	-	41,678
Dividend income	(103,405)	(91,902)
Interest income	-	(26,559)
Interest expense	361,244	16,296,732
(Profit)/loss on sale of assets	8,141	-
Operating profit before working capital changes	15,632,968	(133,468,338)
Adjustment for:		
(Increase)/decrease in assets held for arbitrage	-	247,128,453
(Increase)/decrease in trade receivables	1,225,951	116,452,491
(Increase)/decrease in short-term loans and advances	6,039,074	42,536,417
(Increase)/decrease in long-term loans and advances	-	13,000
(Increase)/decrease in other current assets	(41,520)	669,263
(Increase)/decrease in other Bank Balances	1,600,000	29,600,000
Increase/(decrease) in long term provisions	(21,086)	43,983
Increase/(decrease) in short term provisions	(88,805)	(11,452)
Increase/(decrease) in short term borrowing	-	(219,514,201)
Increase/(decrease) in trade payables	23,897,905	(224,294,966)
Increase/(decrease) in other current liabilities	1,155,674	(3,088,692)
Cash generated from/(used in) operations	49,400,161	(143,934,042)
Direct taxes paid	(1,341,828)	(1,956,898)
Net cash from/(used in) operating activities	48,058,333	(145,890,940)
B Cash flow from investing activities		
Purchase of non-current investments	(39,408,405)	(20,691,902)
Sale of non-current investments	39,458,214	20,691,902
Contribution to capital account of partnership firm	(4,000,000)	-
Contribution to current account of partnership firm (net)	(5,579,078)	-
Purchase of fixed assets	-	(80,000)
Interest Income	-	26,559
Dividend Income	103,405	91,902
Net cash from/(used in) investment activities	(9,425,865)	38,461
C Cash flow from financing activities		
Proceeds from issue of share capital - Preference	-	160,000,000
Interest paid	(361,244)	(16,296,731)
Net cash from/(used in) financing activities	(361,244)	143,703,269
Net increase/(decrease) in Cash and cash equivalents	38,271,224	(2,149,210)
Cash & cash equivalents (opening)	20,453,272	22,602,483
Cash & cash equivalents (closing)	58,724,496	20,453,272
As per our attached Report of even date		

The accompanying notes form an integral part of the financial statements

As per our attached Report of even date

For Khimji Kunverji & Co.
Chartered Accountants
Firm Registration No. 105146W

For and on behalf of the Board of Directors of
JM Financial Commtrade Ltd.

Hasmukh B Dedhia
Partner
Membership No. 33494

Rajeev Chitrabhanu
Director
DIN : 02174031

Surendra Nayak
Director
DIN : 00039894

Hemant Pandya
Company Secretary

Piyush Solanki
Chief Financial Officer

Place : Mumbai
Dated : May 18, 2015

Place : Mumbai
Dated : May 18, 2015

JM FINANCIAL COMMTRADE LIMITED

A. Significant Accounting Policies

1 Accounting Convention

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2 Use of estimates

The preparation of financial statements is in conformity with Indian Generally Accepted Accounting Principles which require the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates and differences between actual results and estimates are recognised in the periods in which the results are known/materialised.

3 Revenue Recognition

Revenue is recognised when no significant uncertainty as to measurability or collectibility exists.

Revenue from Broking income is recognised on contract date.

Revenue from trading in securities is recognized on trade date of transaction net of securities transaction tax.

Dividend income on investments is accounted for when the right to receive the payment is established.

4 Fixed Assets and Depreciation

Fixed Assets are recorded at cost of acquisitions or construction. They are stated at historical cost less accumulated depreciation/ amortization and impairment loss, if any.

Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013

Leasehold improvements are depreciated over the period of lease or useful life of the asset whichever is lower.

Assets acquired under finance lease are depreciated over the period of lease.

Assets costing Rs. 5,000/- or less are depreciated at 100%.

Intangible Assets

Intangible assets are stated at cost less accumulated amortization and impairment loss, if any.

Intangible assets are amortised on a straight line basis as under:

Asset	Useful Life
Computer Software	5 years

A. Significant Accounting Policies

5 Investments

Investments are classified as non-current (long term) or current. Non-current (long term) investments are carried at cost, however, provision for diminution in the value of non-current (long term) investments is made to recognise a decline, other than temporary, in the value of investments. The provision for diminution in the value of the quoted non-current (long term) investments is made to recognise the decline at lower of cost or market value, determined on the basis of the quoted prices of individual investment. Provision for diminution in the value of unquoted non-current (long term) investments is made as per the Management's estimate. Current investments are carried at lower of cost or market value.

6 Arbitrage business

The Company enters into transactions in the commodity arbitrage.

The Company has adopted the recognition and measurement principles enunciated in 'Accounting Standard 30' (AS-30), 'Financial Instruments; Recognition & Measurement' to the extent it is not inconsistent with the 'Accounting Standards' specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, for the arbitrage transactions of the Company in MCX and NCDEX, encompassing purchase of commodities in the cash market and selling the same in the futures market. These are considered to be part of a portfolio of identified financial instruments that are managed as part of that group and are acquired principally for the purpose of selling/repurchasing in the near term, and hence these are treated as financial assets 'held for arbitrage business'. Accordingly, if the net difference is a loss (being an unrealised loss), provision is made for the same in the Profit and Loss account and if the net difference is a gain (being an unrealised gain), credit is not taken for the same on the principle of prudence.

7 Retirement and other employee benefits

Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.

Gratuity liability is defined benefit obligations and are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

Short term compensated absences are provided for based on estimates.

Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

8 Taxation

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. They are measured using the substantively enacted tax rates and tax regulations. The carrying amount of deferred tax assets at each balance sheet date is reduced to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which the deferred tax asset can be realised. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

9 Provisions, Contingent Liabilities & Contingent Assets

Contingent Liabilities are possible but not probable obligations as on the balance sheet date, based on the available evidence. Provisions are recognised when there is a present obligation as a result of past event; and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on best estimate required to settle the obligation at the balance sheet date. Contingent assets are not recognised in the financial statements.

B. Notes to the financial statements

	As at 31-Mar-15 Rupees	As at 31-Mar-14 Rupees
1 Share capital		
Authorised:		
6,000,000 (Previous year 6,000,000) Equity Shares of Rs.10/- each	60,000,000	60,000,000
19,000,000 (Previous year 19,000,000) Redeemable Preference Shares of Rs.10/- each	190,000,000	190,000,000
	250,000,000	250,000,000
Issued, Subscribed and Paidup:		
5,000,000 (Previous year 5,000,000) Equity Shares of Rs.10/- each fully paid-up	50,000,000	50,000,000
2,500,000 (Previous year 2,500,000) 9% Optionally convertible Cumulative Redeemable Preference Shares of Rs.10/- each fully paid-up	25,000,000	25,000,000
16,000,000 (Previous year 16,000,000) 6% Optionally convertible Non Cumulative Redeemable Preference Shares of Rs.10/- each fully paid-up	160,000,000	160,000,000
Total	235,000,000	235,000,000

Notes :

- 1 a) 5,000,000 Equity Shares, 2,500,000 9% Non Cumulative Redeemable Preference Shares are held by JM Financial Services Limited & its nominees.
- b) 16,000,000 6% Optionally convertible Non Cumulative Redeemable Preference Shares are held by JM Financial Services Limited
- 2 The Company has an option to convert all or a part of the 9% Optionally convertible Cumulative Redeemable Preference Shares outstanding into fully paid up Equity Shares of the Company at any time after three months from the date of allotment of the Preference Shares by giving to the Preference Shareholders a three days notice in writing.
- 3 The holder(s) of the 6 % Optionally convertible Non Cumulative Redeemable Preference Shares shall have an option to convert all or a part of the Preference Shares outstanding, into fully paid Equity Shares of the Company at any time after the completion of three months from the date of allotment of the Preference Shares by giving to the Company a five days' notice in writing.
- 4 The Preference Shareholders have an option to redeem the 9% Optionally convertible Cumulative Redeemable Preference Shares at any time after three months from the date of allotment of the Preference Shares by giving to the Company three days notice in writing.
- 5 The Company shall have a right to redeem 6 % Optionally convertible Non Cumulative Redeemable Preference Shares either fully or partly, in tranches, any time within a period of 10 years by giving at least 15 days written notice to the Preference shares holder(s).
- 6 "Each holder of equity shares is entitled to one vote per share.

B. Notes to the financial statements

7 Reconciliation for share outstanding

Particulars	Equity Shares			
	As at 31.03.2015		As at 31.03.2014	
	Number	Rupees	Number	Rupees
Shares outstanding at the beginning of the year	5,000,000	50,000,000	5,000,000	50,000,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	5,000,000	50,000,000	5,000,000	50,000,000

Particulars	9% Optionally convertible Cumulative Redeemable Preference Shares			
	As at 31.03.2015		As at 31.03.2014	
	Number	Rupees	Number	Rupees
Shares outstanding at the beginning of the year	2,500,000	25,000,000	2,500,000	25,000,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	2,500,000	25,000,000	2,500,000	25,000,000

Particulars	6% Optionally Convertible Non Cumulative Redeemable Preference Shares			
	As at 31.03.2015		As at 31.03.2014	
	Number	Rupees	Number	Rupees
Shares outstanding at the beginning of the year	16,000,000	160,000,000	-	-
Shares Issued during the year	-	-	16,000,000	160,000,000
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	16,000,000	160,000,000	16,000,000	160,000,000

B. Notes to the financial statements

	As at 31-Mar-15 Rupees	As at 31-Mar-14 Rupees
2 Reserves and surplus		
Surplus / (Deficit)		
Opening Balance	(179,907,955)	(28,664,305)
Less : Depreciation of earlier years adjusted	(20,576)	-
Add : Net profit / (loss) after tax transferred from Statement of Profit and Loss	13,358,991	(151,243,650)
Total	(166,569,541)	(179,907,955)
3 Long term provisions		
Provision for Gratuity	245,359	266,445
Total	245,359	266,445
4 Trade payables		
Sundry Creditors (Refer note no. 22)	713,772,605	692,087,627
Less:-On account of clients (Receivable from National Spot Exchange Limited)	(636,335,234)	(638,861,416)
	77,437,371	53,226,211
Subbrokerage Payable	-	313,255
Total	77,437,371	53,539,466
5 Other current liabilities		
Employees benefits payable	2,100,000	725,500
Statutory dues payable	243,271	111,016
Provision for expenses / interest payable	178,084	529,165
Total	2,521,355	1,365,681
6 Short-term provisions		
Compensated absences	176,025	272,108
Provision for Gratuity	14,788	7,510
Total	190,813	279,618

JM FINANCIAL COMMTRADE LIMITED

Notes to the financial statements for the year ended March 31, 2015

Fixed Assets

Particulars	GROSS BLOCK(AT COST)					DEPRECIATION				NET BLOCK		
	As At 01-Apr-14	Additions	Deductions	As At 31-Mar-15	As At 01-Apr-14	For the Year	For earlier years adjusted from reserve	Deductions	As At 31-Mar-15	As At 31-Mar-15	As At 31-Mar-15	As At 31-Mar-14
Tangible Assets												
Owned												
Furniture and Fixtures	165,285	-	165,285	-	142,896	14,248	-	157,144	-	-	-	22,389
Office Equipment	213,200	-	82,200	131,000	213,200	-	-	82,200	131,000	-	-	-
Computer Equipment	2,262,538	-	978,800	1,283,738	2,241,962	-	20,576	978,800	1,283,738	-	-	20,576
Total (A)	2,641,023	-	1,226,285	1,414,738	2,598,058	14,248	20,576	1,218,144	1,414,738	-	-	42,965
Intangible Assets												
Computer Software	3,398,836	-	-	3,398,836	2,676,039	321,068	-	-	2,997,107	401,729	722,797	-
Total (B)	3,398,836	-	-	3,398,836	2,676,039	321,068	-	-	2,997,107	401,729	722,797	-
TOTAL (A+B)	6,039,859	-	1,226,285	4,813,574	5,274,097	335,316	20,576	1,218,144	4,411,845	401,729	765,762	-
Previous Year	5,959,859	80,000	-	6,039,859	4,695,965	578,132	-	-	5,274,097	765,762	-	-

B. Notes to the financial statements

	As at 31-Mar-15 Rupees	As at 31-Mar-14 Rupees
8 Long term Investments		
Capital Contribution in Astute Investments, a Partnership Firm (see note below)	4,000,000	-
Total	4,000,000	-
Note :		
Investment in Partnership Firm, Astute Investments (formed on 19th May, 2014)		
JM Financial Commtrade Ltd (Partner) :		
Capital contribution	4,000,000	-
Current account contribution (refer note 10)	5,579,078	-
Percentage share of Profit/Loss	40%	-
JM Financial Services Ltd (Partner) :		
Capital contribution	6,000,000	-
Current account contribution	8,368,618	-
Percentage share of Profit/Loss	60%	-
9 Long term loans and advances		
Unsecured, considered good		
Deposits with Exchanges (see note below)	2,750,000	2,750,000
Deposits	800,000	800,000
Advance Taxes and Tax Deducted at Source (net of provision for tax)	2,744,583	2,327,131
Total	6,294,583	5,877,131
Note :		
Deposits with Exchanges (Refundable)		
- National Commodity & Derivatives Exchange Limited ('NCDEX')	1,500,000	1,500,000
- Multi Commodity Exchange of India Limited ('MCX')	250,000	250,000
- National Spot Exchange Limited ('NSEL')	1,000,000	1,000,000
	2,750,000	2,750,000
10 Current investments		
Contributions to Partnership Firm where a company is a Partner on Current Account (refer note 8)	5,579,078	-
Total	5,579,078	-
11 Trade receivables		
Outstanding for a period exceeding six months		
Secured, considered good	356,792	138,314
Unsecured, considered doubtful		
-On account of clients	810,177	289,354
	1,166,969	427,668
Less: Provision for doubtful debts	810,177	289,354
	356,792	138,314
Others		
Secured, considered good	492,586	889,151
Unsecured, considered good	88,674	1,657,361
	581,260	2,546,512
Total	938,052	2,684,826

B. Notes to the financial statements

	As at 31-Mar-15 Rupees	As at 31-Mar-14 Rupees
12 Cash & Bank balances		
Cash and cash equivalents		
Cash on hand	-	-
Bank Balances		
In Current Account	58,724,496	20,453,272
Other Bank Balances	57,000,000	58,600,000
In Deposit Accounts (refer Note below)		
Total	115,724,496	79,053,272
Note :		
(Fixed Deposits aggregating Rs. 48,000,000/- (Previous year Rs 42,500,000/-) are lodged with banks towards guarantees/overdrafts given by the banks.)		
(Fixed Deposits aggregating Rs. 6,000,000/- (Previous year Rs 14,500,000/-) are lodged with Stock Exchanges towards base/additional base capital.)		
13 Short-term loans and advances		
Unsecured, considered good		
Advances recoverable in cash or in kind or for value to be received	1,660,836	2,199,910
Less: Provision for doubtful advances	277,291	-
	1,383,545	2,199,910
Deposits with Commodity Exchanges - Additional Base Capital (see note below)	13,853,713	19,353,713
Total	15,237,258	21,553,623
Note :		
Deposits with Exchanges - Additional base capital (Refundable)		
- Additional Base Capital NCDEX	53,713	553,713
- Additional Base Capital MCX	13,750,000	18,750,000
- Additional Base Capital NSEL	50,000	50,000
	13,853,713	19,353,713
14 Other current assets		
Accrued Interest on Fixed Deposits	650,161	608,641
Total	650,161	608,641

B. Notes to the financial statements

	Year ended 31-Mar-15 Rupees	Year ended 31-Mar-14 Rupees
15 Revenue from operations		
Rendering of financial services		
Brokerage Income	14,746,766	18,050,437
Income from arbitrage business	-	16,382,672
Other operating revenue		
Interest on Fixed Deposits with Bank (placed as margin)	4,505,843	5,929,191
Recoveries from clients/franchisees etc	322,972	652,410
Penal interest recovered from clients	646,391	861,504
Total	20,221,972	41,876,214
16 Other income		
Interest income		
Interest on Income Tax Refund	-	26,559
Dividend income		
Dividend on Mutual Fund	103,405	91,902
Other non operating income		
Excess leave encashment provision written back	13,603	-
Excess gratuity provision written back	38,435	-
Recovery from NSEL written back	618,640	-
Miscellaneous Income	313,379	228
Profit on sale of investments	49,809	-
Share of profit from partnership firm where the Company is a Partner	9,554,020	-
Total	10,691,291	118,689

B. Notes to the financial statements

	Year ended 31-Mar-15 Rupees	Year ended 31-Mar-14 Rupees
17 Employee benefit expense		
Salaries, Bonus, Allowances & Other benefits	7,432,252	7,239,054
Contribution to Provident and other Funds	328,540	405,727
Gratuity	-	120,544
Staff Welfare	100	2,442
Total	7,760,892	7,767,767
18 Financial costs		
Interest on Inter Corporate Deposit	-	15,806,673
Interest on Bank OD	53,435	127,414
Interest - Others	8,000	163,956
Interest on Margins from Clients	1,030,555	895,228
Bank Guarantee Charges	307,809	362,645
Total	1,399,799	17,355,916
19 Other expenses		
Rates and Taxes	104,914	550,785
Repairs and Maintenance		
- Others	99,088	465,294
Insurance	397,706	431,254
Legal, Professional and Consultancy charges	275,485	1,133,579
Auditors Remuneration		
- as auditor	35,000	35,000
Communication Expenses	824,217	1,488,339
Membership and Subscription	967,623	2,123,697
Printing & Stationery Expenses	225,119	219,545
Provision for doubtful advances	277,291	-
Provision for doubtful debts	520,823	196,516
Loss on sale of assets	8,141	-
Filing Fees	-	882,363
Miscellaneous Expenses	178,071	211,891
	3,913,478	7,738,263
Less : Recovery of expenses	(242,847)	-
Total	3,670,631	7,738,263

B. Notes on Accounts:

- 20 Some of the credit balances are subject to confirmation and consequential adjustment, if any.
- 21 The Company has issued counter guarantee to the bank in respect of guarantees issued by bank to MCX & NCDEX for Rs. 7.10 Crore (Previous year Rs. 4.50 Crore)
- 22 Under the head "Trade Payables"(Note. B. 4) no separate disclosure is made for outstanding amount(s) due to Micro, Small and Medium Enterprises (SME) as defined under Micro, Small and Medium Enterprises Development Act 2006, as the Company has not received any communication from its vendors.
- 23 There are no Contingent Liabilities & commitments outstanding as at March 31, 2015 (previous year Rs. Nil).

24 Segment Information

The Company has identified two business segments: -

- Commodity Broking : This includes broking income from commodity business.
- Arbitrage business : This includes income from commodity arbitrage business

Particulars	Broking Commodity	Arbitrage Business	Total
Segment Revenue	20,221,972	-	20,221,972
	(19,564,351)	(16,382,672)	(35,947,023)
Segment Results before taxes.	4,398,331	-	4,398,331
	(-2,096,982)	(-152,943,792)	(-155,040,774)
Unallocable Corporate Income/(Expenses) (Net)			10,691,291
			(4,457,295)
Profit before Tax			14,283,367
			(-150,583,479)
Tax Expense			924,376
			(660,171)
Net Profit after Tax			13,358,991
			(-151,243,650)
Other Information:			
Segment Assets	20,127,039	-	20,127,039
	(28,554,211)	-	(28,554,211)
Unallocable Corporate Assets			128,698,318
			(81,989,044)
Total Assets			148,825,357
			(110,543,255)
Segment Liabilities	80,394,898	-	80,394,898
	(252,651,259)	(249,503,057)	(55,451,210)
Unallocable Corporate Liabilities			-
			(-)
Total Liabilities			80,394,898
			(55,451,210)
Capital Expenditure (including CWIP)			-
			-
Depreciation	335,316		335,316
	(578,132)		(578,132)

The figures in bracket pertain to previous year.

The Company operates only in one geographical segment

B. Notes on Accounts:

25 Related Parties Disclosures

Names of related parties and description of relationship:

Ultimate Holding Company	JM Financial Limited
Holding Company	JM Financial Services Limited
Fellow Subsidiaries	JM Financial Investment Managers Limited JM Financial Properties and Holdings Limited
Associates or Joint Ventures	M/s. Astute Investments

Note: Related party relationship on the basis of the requirements of Accounting Standard 18 is ascertained by the management and relied upon by the auditors.

During the year following transactions were carried out with the related parties in the ordinary course of business.

Particulars	Current year Rupees	Previous year Rupees
Holding Company		
JM Financial Services Ltd.		
Increase in Capital	-	50,000,000
Inter Corporate Deposit Taken	-	460,347,000
Inter Corporate Deposit Repaid	-	664,429,000
Interest Expenses	-	14,281,735
Staff Loan received on transfer of employee	15,000	-
Gratuity received on transfer of employees	24,627	-
Expenses Incurred by (Payable)	2,452	517,096
Fellow Subsidiary		
JM Financial Properties & Holdings Pvt. Ltd.		
Inter Corporate Deposit Taken	-	110,000,000
Inter Corporate Deposit Repaid	-	110,000,000
Interest Expenses	-	1,524,932
JM Financial Investment Managers Ltd.		
Increase in Capital	-	110,000,000
Associates or Joint Ventures		
M/s. Astute Investments		
Capital Contribution	4,000,000	-
Share of Profit for the period	9,554,020	-
Receipt on partner's current account	3,974,942	-
Expenses incurred for (Received)	242,847	-

Particulars	As at 31-Mar-15 Rupees	As at 31-Mar-14 Rupees
Balance Receivable		
M/s. Astute Investments	5,579,078	-

26 Disclosure under AS-15(Revised) "Retirement Benefits"

a) Defined Contribution Plans

Amount recognised as an expense and included in the Note B. 17 - 'Contribution to Provident Fund' Rs. 328,540/- (previous year Rs. 405,727/-)

b) Defined Benefit Plans

The Company provides for gratuity based on actuarial valuation under PUC method. The details whereof are as under: -

Table showing Change in Benefit Obligations :

Particulars	2014-15	2013-14
Defined Benefit Obligations (DBO) at the beginning of the period	273,955	230,780
Interest Cost	33,473	26,028
Service Cost	97,632	94,717
Benefits paid	-	(77,369)
Actuarial (gain) loss on obligations	(169,540)	(201)
Liability extinguished on transfer	24,627	-
Closing PBO at the end of the period	260,147	273,955
Fair Value of Plan Assets	Nil	Nil
Liability recognised in Balance Sheet	260,147	273,955

The following assumptions have been made for the purpose of arriving at the liability on going concern basis-

Retirement age : 60 Years

Rate of Discounting : 8.00% per annum (previous year 9.10% per annum)

Salary Escalation : 7.00% per annum over a long term (previous year 7.00% per annum)

Mortality Table : Indian Assured Lives Mortality (2006-08)

c) "Compensated

absences

As per Company's policy, provision of Rs. 176,025/- (previous year Rs. 272,108/-) has been made towards compensated absences, calculated on the basis of unutilised leave as on the last day of the financial year. "

27 Earning Per Share:

	Current year Rupees	Previous year Rupees
Profit / (Loss) attributable to equity shareholders	13,358,991	(151,243,650)
Weighted average number of equity shares outstanding during the year	5,000,000	5,000,000
Basic Earnings per share	2.67	(30.25)
Weighted average number of dilutive potential equity shares outstanding during the year	23,500,000	12,891,781
Diluted Earnings per share	0.57	(11.73)
Nominal Value per Share	10	10

- 28 Deferred Tax assets arising due to timing differences on account of brought forward loss/unabsorbed depreciation has not been recognised as a measure of prudence.
- 29 "The financial statements of the Company have been prepared based on going concern assumption having regard to business plans of the Company and financial support from the holding Company.
- 30 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

Rajeev Chitrabhanu

Director

DIN : 02174031

Surendra Nayak

Director

DIN : 00039894

Hemant Pandya

Company Secretary

Piyush Solanki

Chief Financial Officer

Place : Mumbai

Dated : May 18, 2015