



JM FINANCIAL COMMTRADE LIMITED

Audited Financial Statements

FY 2015-16

Corporate Identity Number - U51100MH2005PLC153110

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

T: +91 22 6630 3030 F: +91 22 6630 3223 Website : www.jmfl.com

BOARD OF DIRECTORS

Mr. Rajeev Chirabhanu
Mr. Subodh Shinkar
Mr. P K Choksi
Mr. S R Nayak

CHIEF FINANCIAL OFFICER

Mr. Vishwanath S

COMPANY SECRETARY & MANAGER

Ms. Palav Jain

STATUTORY AUDITORS

Khimji Kunverji & Co.
Sunshine Tower, Level 19
Senapati Bapat Marg
Elphinstone Road
Mumbai - 400 013

BANKERS

HDFC Bank Limited
Tulsiani Chambers
Nariman Point
Mumbai – 400 021

REGISTERED OFFICE

7th Floor, Cnergy,
Appasaheb Marathe Marg,
Prabhadevi,
Mumbai – 400 025

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, 2016, 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 also 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 were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error

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 statement, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's 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 2016, 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", 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, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"
 - g. 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 at Balance sheet date; as such the question of commenting on any material foreseeable losses thereon does not arise
 - (iii) 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. 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: April 27, 2016

Annexure A referred to in paragraph 7 Our Report of even date to the members of JM FINANCIAL COMMTRADE LIMITED on the Financial Statements of the company for the year ended 31st March, 2016

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 regular intervals; and no material discrepancies were noticed on such verification;
- (c) According to the information and explanations given to us and based on the records of the company examined by us, the company does not have any immovable properties. Hence, clause 3(i,c) of the Order is not applicable to it.
- (ii) The nature of business of the Company does not require it to have any inventory. Hence, the requirement of clause 3 (ii) of the Order is not applicable to it.
- (iii) The company has not granted any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 189 of the Act. Hence the requirement of clause 3 (iii) of the order is not applicable.
- (iv) According to the records of the company examined by us and as per the information and explanations given to us, The Company has not granted any loans covered under Section 185 and 186.
- (v) The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013.
- (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, value added tax, Custom Duty, Excise Duty and other material statutory dues, as applicable, with the appropriate authorities in India ;
- (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, value added tax, Sales Tax, Customs Duty and Excise Duty which have not been deposited on account of any disputes
- (viii) According to the information and explanations given to us and based on the records of the company examined by us, the Company has not defaulted in repayment of loans or borrowings to any financial institution, bank, Government or dues to debenture holders.
- (ix) The company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Hence the provision of clause 3(ix) of the Order is not applicable to it.
- (x) 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 by the Company or on the Company by its officers or employees noticed or reported during the course of our audit nor have we been informed of any such instance by the Management.
- (xi) According to the records of the company examined by us and as per the information and explanations given to us, the Company has complied with the provision of section 197 read with schedule V of the Act.

- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Hence, clause 3(xii) of the Order is not applicable.
- (xiii) As explained to us, the Company has complied with the provisions of Section 177 read with Rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014. The transactions with related parties entered into by the Company, disclosures whereof are made as per applicable Accounting Standards, do not attract the provisions of Section 188 of the Act.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence, clause 3(xiv) of the Order is not applicable.
- (xv) According to the records of the Company examined in course of our audit and as per the information and explanations given to us, the Company has not entered in any non-cash transactions with directors or persons connected with them. Hence, provisions of Section 192 are not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

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

Hasmukh B Dedhia
Partner (F - 33494)

Place: Mumbai
Date: April 27, 2016

Annexure B referred to in paragraph 8(f) of Our Report of even date to the members of JM FINANCIAL COMMTRADE LIMITED on the Financial Statements of the company for the year ended 31st March, 2016

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

We have audited the internal financial controls over financial reporting of JM FINANCIAL COMMTRADE LIMITED ("the Company") as of 31 March 2016 in conjunction with our audit of financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting are established and maintained and whether such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate owing to changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate or for other reasons

Opinion

In our opinion, the Company has, in all material respects, an internal financial controls system over financial reporting commensurate with size of Company and nature of its business and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

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

Hasmukh B Dedhia
Partner (F - 33494)

Place: Mumbai
Date: April 27, 2016

**JM FINANCIAL COMMTRADE LIMITED
BALANCE SHEET AS AT 31ST MARCH 2016**

	Note No	As at 31st March, 2016 (Rupees)	As at 31st March, 2015 (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	(129,546,092)	(166,569,541)
		105,453,908	68,430,459
(2) Non-Current Liabilities			
Long term provisions	B.3	402,651	245,359
(3) Current Liabilities			
(a) Trade payables	B.4	139,936,984	77,437,371
(b) Other current liabilities	B.5	1,380,121	2,521,355
(c) Short-term provisions	B.6	189,167	190,813
		141,506,272	80,149,539
Total		247,362,831	148,825,357
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Intangible assets	B.7	230,641	401,729
		230,641	401,729
(b) Non-current investments			
(i) Long term investments	B.8	4,000,000	4,000,000
(c) Long term loans and advances	B.9	3,550,000	6,294,583
		7,780,641	10,696,312
(2) Current assets			
(a) Current investments	B.10	44,357,251	5,579,078
(b) Trade receivables	B.11	460,375	938,052
(c) Cash and Bank Balance	B.12	99,893,216	115,724,496
(d) Short-term loans and advances	B.13	93,910,012	15,237,258
(e) Other current assets	B.14	961,336	650,161
		239,582,190	138,129,045
Total		247,362,831	148,825,357
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 : April 27, 2016

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

Rajeev Chitrabhanu
Director
DIN : 02174031

Palav Jain
Company Secretary

Place : Mumbai
Dated : April 27, 2016

Surendra Nayak
Director
DIN : 00039894

Vishwanath S
Chief Financial Officer

JM FINANCIAL COMMTRADE LIMITED
Statement of Profit and Loss for the year ended March 31, 2016

	Note No	Current year Rupees	Previous year Rupees
I. Revenue from operations	B.15	39,919,997	20,221,972
II. Other Income	B.16	17,662,964	10,691,291
III. Total Revenue (I +II)		57,582,961	30,913,263
IV. Expenses:			
Sub Brokerage, Transaction Costs and Other Direct Expenses		3,991,361	3,463,258
Employee benefit expense	B.17	4,747,650	7,760,892
Finance costs	B.18	4,314,798	1,399,799
Depreciation and amortisation expense	B.7	171,088	335,316
Other expenses	B.19	2,093,495	3,670,631
Total Expenses		15,318,392	16,629,896
V. Profit before tax (III - IV)		42,264,569	14,283,367
VI. Tax expense:			
(1) Current tax		5,199,498	924,376
(2) Tax adjustment of Earlier Year		41,622	-
Total		5,241,120	924,376
VII. Profit for the period (V -VI)		37,023,449	13,358,991
VIII. Earning per equity share:			
(1) Basic		7.40	2.67
(2) Diluted		1.58	0.57
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 : April 27, 2016

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

Rajeev Chitrabhanu
Director
DIN : 02174031

Palav Jain
Company Secretary

Place : Mumbai
Dated : April 27, 2016

Surendra Nayak
Director
DIN : 00039894

Vishwanath S
Chief Financial Officer

JM FINANCIAL COMMTRADE LIMITED
Statement Of Cash Flow For The Year Ended 31st March 2016

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
A Cash flow from operating activities		
Profit before tax	42,264,569	14,283,367
Adjustment for:		
Depreciation	171,088	335,316
(Profit)/loss on sale of investments	(330,285)	(49,809)
Provision for doubtful debts	80,651	520,823
Provision for doubtful receivable	-	277,291
Dividend income	(112,609)	(103,405)
Interest income	(183,702)	-
Interest expense	3,067,908	361,244
(Profit)/loss on sale of assets	-	8,141
Operating profit before working capital changes	44,957,620	15,632,968
Adjustment for:		
Decrease in trade receivables	397,026	1,225,951
(Increase)/decrease in short-term loans and advances	(78,672,754)	6,039,074
(Increase) in other current assets	(311,175)	(41,520)
(Increase)/Decrease in other bank balances	14,800,000	(20,500,000)
Increase/(Decrease) in long term provisions	157,292	(21,086)
(Decrease) in short term provisions	(1,646)	(88,805)
Increase in trade payables	62,499,613	23,897,905
Increase/(Decrease) in other current liabilities	(1,141,234)	1,155,674
Cash generated from operations	42,684,742	27,300,161
Direct taxes paid	(2,496,537)	(1,341,828)
Net cash from operating activities	40,188,205	25,958,333
B Cash flow from investing activities		
Purchase of non-current investments	(507,232,391)	(39,408,405)
Sale of non-current investments	471,900,138	39,458,214
Contribution to capital account of partnership firm	-	(4,000,000)
Contribution to current account of partnership firm (net)	(3,115,634)	(5,579,078)
Interest Income	183,702	-
Dividend Income	112,609	103,405
Net cash (used in) investment activities	(38,151,576)	(9,425,865)
C Cash flow from financing activities		
Interest paid	(3,067,908)	(361,244)
Net cash (used in) financing activities	(3,067,908)	(361,244)
Net (decrease) / increase in Cash and cash equivalents	(1,031,280)	16,171,224
Cash & cash equivalents (opening)	69,724,496	53,553,272
Cash & cash equivalents (closing)	68,693,216	69,724,496

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 : April 27, 2016

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

Rajeev Chitrabhanu

Director

DIN : 02174031

Palav Jain

Company Secretary

Place : Mumbai

Dated : April 27, 2016

Surendra Nayak

Director

DIN : 00039894

Vishwanath S

Chief Financial Officer

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-16 Rupees	As at 31-Mar-15 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 31.03.2016		As at 31.03.2015	
	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 31.03.2016		As at 31.03.2015	
	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 31.03.2016		As at 31.03.2015	
	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-16 Rupees	As at 31-Mar-15 Rupees
2 Reserves and surplus		
Surplus / (Deficit)		
Opening Balance	(166,569,541)	(179,907,955)
Less : Depreciation of earlier years adjusted	-	(20,576)
Add: Net profit after tax transferred from Statement of Profit and Loss	37,023,449	13,358,991
Total	(129,546,092)	(166,569,541)
3 Long term provisions		
Provision for Gratuity	337,796	245,359
Provision for Tax (net of provision for tax)	64,855	-
Total	402,651	245,359
4 Trade payables		
Sundry Creditors (Refer note no. 22)	776,272,218	713,772,605
Less:-On account of clients (Receivable from National Spot Exchange Limited)	(636,335,234)	(636,335,234)
Total	139,936,984	77,437,371
5 Other current liabilities		
Employees benefits payable	925,000	2,100,000
Statutory dues payable	310,374	243,271
Provision for expenses / interest payable	144,747	178,084
Total	1,380,121	2,521,355
6 Short-term provisions		
Compensated absences	165,577	176,025
Provision for Gratuity	23,590	14,788
Total	189,167	190,813

JM FINANCIAL COMMTRADE LIMITED

Notes to the financial statements for the period ended March 31, 2016

7. Fixed Assets

Particulars	GROSS BLOCK(AT COST)						DEPRECIATION				NET BLOCK		
	As At 01-Apr-15	Additions	Deductions	As At 31-Mar-16	As At 01-Apr-15	For the Year	For earlier years adjusted from reserve	Deductions	As At 31-Mar-16	As At 31-Mar-16	As At 31-Mar-15		
Tangible Assets													
Owned													
Furniture and Fixtures	-	-	-	-	-	-	-	-	-	-	-	-	
Office Equipment	131,000	-	-	131,000	131,000	-	-	-	131,000	-	-	-	
Computer Equipment	1,283,738	-	-	1,283,738	1,283,738	-	-	-	1,283,738	-	-	-	
Total (A)	1,414,738	-	-	1,414,738	1,414,738	-	-	-	1,414,738	-	-	-	
Intangible Assets													
Computer Software	3,398,836	-	-	3,398,836	2,997,107	171,088	-	-	3,168,195	230,641	401,729	401,729	
Total (B)	3,398,836	-	-	3,398,836	2,997,107	171,088	-	-	3,168,195	230,641	401,729	401,729	
TOTAL (A+B)	4,813,574	-	-	4,813,574	4,411,845	171,088	-	-	4,582,933	230,641	401,729	401,729	
Previous Year	6,039,859	-	1,226,285	4,813,574	5,274,097	335,316	20,576	1,218,144	4,411,845	401,729	-	-	

B. Notes to the financial statements

	As at 31-Mar-16 Rupees	As at 31-Mar-15 Rupees
8 Long term Investments		
Capital Contribution in Astute Investments, a Partnership Firm (see note below)	4,000,000	4,000,000
Total	4,000,000	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	4,000,000
Current account contribution (refer note 10)	8,694,712	5,579,078
Percentage share of Profit/Loss	40%	40%
JM Financial Services Ltd (Partner) :		
Capital contribution	6,000,000	6,000,000
Current account contribution	13,042,068	8,368,618
Percentage share of Profit/Loss	60%	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
Total	3,550,000	6,294,583
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		
Unquoted Units		
- JM Financial Mutual Fund (JM High Liquidity Fund (Direct) - Growth Option) (Current Year 712,833.05 units @ Rs.39.9428 each and 176,955.28 units @ Rs.40.6317 each) (Previous Year Nil units)	35,662,539	-
Contributions to Partnership Firm where a company is a Partner on Current Account	8,694,712	5,579,078
Total	44,357,251	5,579,078
11 Trade receivables		
Outstanding for a period exceeding six months		
Secured, considered good	222,972	356,792
Unsecured, considered doubtful		
-On account of clients	890,828	810,177
	1,113,800	1,166,969
Less: Provision for doubtful debts	890,828	810,177
	222,972	356,792
Others		
Secured, considered good	237,403	492,586
Unsecured, considered good	-	88,674
	237,403	581,260
Total	460,375	938,052

B. Notes to the financial statements

	As at 31-Mar-16 Rupees	As at 31-Mar-15 Rupees
12 Cash & Bank balances		
Cash and cash equivalents		
Cash on hand	-	-
Bank Balances		
In Current Account	43,693,216	58,724,496
Other Bank Balances		
In Deposit Accounts (less than 3 months)	25,000,000	11,000,000
	68,693,216	69,724,496
Other Bank Balances		
In Deposit Accounts (more than 3 months) (refer Note below)	31,200,000	46,000,000
Total	99,893,216	115,724,496
Note		
(Fixed Deposits aggregating Rs. 48,400,000/- (Previous year Rs 48,000,000/-) are lodged with banks towards guarantees/overdrafts given by the banks.)		
(Fixed Deposits aggregating Rs. 7,800,000/- (Previous year Rs 6,000,000/-) 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	1,833,590	1,660,836
Less: Provision for doubtful advances	277,291	277,291
	1,556,299	1,383,545
Deposits with Commodity Exchanges - Additional Base Capital (see note below)	92,353,713	13,853,713
Total	93,910,012	15,237,258
Note :		
Deposits with Exchanges - Additional base capital (Refundable)		
- Additional Base Capital NCDEX	17,553,713	53,713
- Additional Base Capital MCX	74,750,000	13,750,000
- Additional Base Capital NSEL	50,000	50,000
	92,353,713	13,853,713
14 Other current assets		
Accrued Interest on Fixed Deposits	961,336	650,161
Total	961,336	650,161

	Year ended 31-Mar-16 Rupees	Year ended 31-Mar-15 Rupees
15 Revenue from operations		
Rendering of financial services		
Brokerage Income	21,476,955	14,746,766
Other operating revenue		
Interest on Fixed Deposits with Bank (placed as margin)	5,229,336	4,505,843
Recoveries from clients/franchisees etc	365,979	322,972
Penal interest recovered from clients	126,974	646,391
Income from trading	12,720,753	-
Total	39,919,997	20,221,972
16 Other income		
Interest income		
Interest on Income Tax Refund	183,702	-
Dividend income		
Dividend on Mutual Fund	112,609	103,405
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	299,615	313,379
Profit on sale of investments	330,285	49,809
Share of profit from partnership firm where the Company is a Partner	16,736,753	9,554,020
Total	17,662,964	10,691,291

B. Notes to the financial statements

	Year ended 31-Mar-16 Rupees	Year ended 31-Mar-15 Rupees
17 Employee benefit expense		
Salaries, Bonus, Allowances & Other benefits	4,505,355	7,432,252
Contribution to Provident and other Funds	216,755	328,540
Gratuity	25,540	-
Staff Welfare	-	100
Total	4,747,650	7,760,892
18 Financial costs		
Interest on Inter Corporate Deposit	2,460,103	-
Interest on Bank OD	50,174	53,435
Interest - Others	-	8,000
Interest on Margins from Clients	1,246,890	1,030,555
Bank Guarantee Charges	557,631	307,809
Total	4,314,798	1,399,799
19 Other expenses		
Rates and Taxes	70,731	104,914
Repairs and Maintenance		
- Others	95,556	99,088
Information technology cost	86,139	-
Insurance	319,170	397,706
Legal, Professional and Consultancy charges	303,826	275,485
Auditors Remuneration		
- as auditor	35,000	35,000
Communication Expenses	739,622	824,217
Membership and Subscription	363,849	967,623
Printing & Stationery Expenses	194,032	225,119
Provision for doubtful advances	-	277,291
Provision for doubtful debts	80,651	520,823
Loss on sale of assets	-	8,141
Miscellaneous Expenses	161,119	178,071
	2,449,695	3,913,478
Less : Recovery of expenses	(356,200)	(242,847)
Total	2,093,495	3,670,631

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. 7.10 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, 2016 (previous year Rs. Nil).
- 24 The Company is mainly engaged in commodity broking activity which has been considered as the only business segment. The Company operates only in one geographical segment.
- 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 Products Ltd.
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
Ultimate Holding Companyz		
JM Financial Ltd.		
Inter Corporate Deposit Taken	250,000,000	-
Inter Corporate Deposit Repaid	(250,000,000)	-
Interest Expenses	1,791,583	-
Holding Company		
JM Financial Services Ltd.		
Brokerage paid	149,147	-
Staff Loan received on transfer of employee	-	15,000
Staff Loan paid on transfer of employee	15,000	-
Gratuity received on transfer of employees	189,670	24,627
Expenses Incurred by (Payable)	4,673	2,452
Fellow Subsidiary		
JM Financial Products Ltd.		
Inter Corporate Deposit Taken	100,000,000	-
Inter Corporate Deposit Repaid	(100,000,000)	-
Interest Expenses	668,520	-
Associates or Joint Ventures		

M/s. Astute Investments		
Capital Contribution	-	4,000,000
Share of Profit for the period	16,736,753	9,554,020
Receipt on partner's current account	13,621,119	3,974,942
Expenses incurred for (Received)	356,200	242,847

Particulars	As at 31-Mar-16 Rupees	As at 31-Mar-15 Rupees
M/s. Astute Investments (Receivable)	8,694,712	5,579,078
JM Financial Services Ltd. (Payable)	4,721	-

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. 2,16,755/- (previous year Rs. 328,540/-)

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	2015-16	2014-15
Defined Benefit Obligations (DBO) at the beginning of the period	260,147	273,955
Interest Cost	24,906	33,473
Service Cost	58,571	97,632
Benefits paid	(113,971)	-
Actuarial (gain) loss on obligations	(57,937)	(169,540)
Liability extinguished on transfer	189,670	24,627
Closing PBO at the end of the period	361,386	260,147
Fair Value of Plan Assets	Nil	Nil
Liability recognised in Balance Sheet	361,386	260,147

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 : 7.95% per annum (previous year 8.00% 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. 1,65,577/- (previous year Rs. 176,025/-) 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	37,023,449	13,358,991
Weighted average number of equity shares outstanding during the year	5,000,000	5,000,000
Basic Earnings per share	7.40	2.67
Weighted average number of dilutive potential equity shares outstanding during the year	23,500,000	23,500,000
Diluted Earnings per share	1.58	0.57
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

Palav Jain
Company Secretary

Vishwanath S
Chief Financial Officer

Place : Mumbai
Dated : April 27, 2016