

CHAIRMAN'S STATEMENT

It gives me a great pleasure to address you through the Annual Report of our Company. We at Inditrade celebrated our 25th business anniversary last year through the expansion of Agri Commodity Financing business and foraying into Micro Finance business. By the time you would be reading this, our subsidiary Inditrade Micro Finance would have made a difference and added value to close to 40,000 customers with a loan disbursement of more than 150 Crs across three states of Kerala, Tamil Nadu and Maharashtra. We would continue to grow this business during the current fiscal and would target a cumulative disbursement of around 500 Crs spread across 6 states and servicing around 1,25,000 customers.

Our Agri Commodity Finance business has similarly touched hundreds of customers across all major commodity centres in the country. Our ability to provide finance during the harvest season created a virtuous ecosystem for the agri commodity markets benefiting both the borrowers and the overall trade. Inditrade Capital through its subsidiary JRG Fincorp has become a force to reckon with in this space and has earned trust of the borrowers and the market participants. While we achieved steady growth last year, our ambition for the current year is for significant enhancement of the loan book in a calculated and calibrated manner.

Our journey which started in 1992, has seen us emerging over the years as one of the leading and trustworthy brand in personal finance domain in southern India. We have undergone several transformations – adding new services, expanding into new geographies, adopting state-of-the-art technology, strengthening credit and risk management systems, creating new products and strengthening client relationships through a service focus.

Over the years, the market dynamics have changed and the financial attractiveness of the original business of the Company i.e. equity broking business got significantly affected, due to competitive pressures and change in the nature of markets. Considering the need for effective value creation for the shareholders, the company has decided to exit equity broking business through a slump sale transaction for the same and deploy the proceeds in our various lending businesses.

To rapidly grow and expand the businesses, we will actively continue to look for both organic and inorganic growth. We will seek partnership and investors, wherever appropriate from leading institutions, both strategic and financial. Our long term vision remains to be an active participant in Nation building by contributing and strengthening government initiatives at grass root level, be it strengthening the agri commodity market or finance empowerment through the inclusive financing. In spite of all the efforts by the government and various banks and institutions, a significant part of the financial market still continues to be serviced by unorganized players with inappropriate practices. It is in this area, we seek to expand and introduce organized financing to benefit both our company and the borrowers.

As we continue to expand our existing businesses, we also plan to foray into Housing Finance with special focus on the affordable segment. The initiatives of the government like “Housing for

all by 2022”, Pradhan Mantri Awas Yojana (PMAY) etc. has created an appropriate environment for this segment. Focusing on the key building blocks like Technology, Transparency and Trust, we plan to build a robust Housing Finance business. The launch of the business will happen after receipt of necessary approvals from the National Housing Bank, which has already been sought.

To further cater to small businesses which even today are neglected by Banks and Institutions, we plan to venture into the business of ‘Merchant Cash Advance’ (MCA) to help small businesses prosper and grow.

While the entrepreneurial spirit of the Indians has led to a flourishing ecosystem of small businesses, lack of adequate financing has to a great extent hurt their growth prospects. Structurally, Banks and Financial Institutions have not been able to cater to their requirements adequately and the only resort for these small businesses, have been local money lenders, rendering the future of the business mostly unviable.

As we embark on our journey of “formalizing finance” which was informal till now, we believe that Technology and Human Resources will be our key areas. We strongly believe that all the above businesses are only furthering our commitment to align with a long-term vision of being active participant in Nation building. Our quest continues to be on the lookout for emerging opportunities in our areas of operation and strive to provide service excellence to our customers by adopting new technology and upgrading our delivery channels. The Company continues to focus on optimizing the cost and upgrading the skills of our employees. We plan to expand the existing business of the Company through multiple partnerships, thereby reaching out to a wider range of potential customers and building multiple synergistic verticals. Driven by passionate individuals, we try to make a difference in the lives of the customers and our communities. We continue to build by putting our customers first, treating people with respect, collaborating with our partners in progress, creating constructive solutions, leveraging our diversity and maintaining a fully inclusive work force.

The Company promoted Inditrade Community Foundation, a foundation dedicated to furthering education among students coming from economically backward segments in the society. Over the years, we plan to continue strengthening this Foundation through regular contributions and cater to this need for furthering education in the communities we work with.

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