

NOTICE

NOTICE is hereby given that the Fourth Annual General Meeting of the Members of the IFIN COMMODITIES LIMITED (ICOM) will be held on Friday, August 3, 2012 at 11.00 A.M. at 3rd Floor, Continental Chambers, 142, Mahatma Gandhi Road, Nungambakkam, Chennai – 600 034 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2012 and Profit and Loss Account for the year ended on March 31, 2012, together with the Directors' Report, Secretarial Compliance Certificate and Auditors' Report thereon.
2. To appoint a director in place of Shri M P Rege, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint auditors and fix their remuneration and for the purpose, to consider and if thought fit, to pass, with or without modification(s), the following resolution as a "Ordinary Resolution":

"RESOLVED THAT M/s Vinay Kumar & Co, Chartered Accountants be and are hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration decided by the Board of Directors of the Company, in addition to reimbursement of all out-of-pocket expenses in connection with the audit of the Company."

AS SPECIAL BUSINESS

4. To consider and if thought fit, to pass, with or without modification(s) if any, the following resolution as a "Ordinary Resolution"

APPOINTMENT OF SHRI BISWAJIT BANERJEE AS DIRECTOR OF THE COMPANY

"RESOLVED THAT Shri Biswajit Banerjee, who was appointed as an additional director of the Company by the Board of Directors and who ceases to hold office under section 260 of the Companies Act 1956 on the date of this meeting, be and is hereby appointed as a director of the Company and liable to retirement by rotation."

5. To consider and if thought fit, to pass, with or without modification(s) if any, the following resolution as a **"Ordinary Resolution"**

APPOINTMENT OF SHRI SUJIT KUMAR MANDAL AS DIRECTOR OF THE COMPANY

"RESOLVED THAT Shri Sujit Kumar Mandal, who was appointed as an additional director of the Company by the Board of Directors and who ceases to hold office under section 260 of the Companies Act 1956 on the date of this meeting, be and is hereby appointed as a director of the Company and liable to retirement by rotation."

6. To consider and if thought fit, to pass, with or without modification(s) if any, the following resolution as a **"Ordinary Resolution"**

APPOINTMENT OF SHRI SATPAL KUMAR ARORA AS DIRECTOR OF THE COMPANY

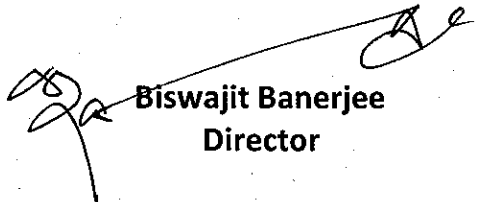
"RESOLVED THAT Shri Satpal Kumar Arora, who was appointed as an additional director of the Company by the Board of Directors and who ceases to hold office under section 260 of the Companies Act 1956 on the date of this meeting be and is hereby appointed as a director of the Company and liable to retirement by rotation."

7. To consider and if thought fit, to pass, with or without modification(s) if any, the following resolution as a **"Ordinary Resolution"**

APPOINTMENT OF SHRI P N SWAMINATHAN AS DIRECTOR OF THE COMPANY

"RESOLVED THAT Shri P N Swaminathan, who was appointed as an additional director of the Company by the Board of Directors and who ceases to hold office under section 260 of the Companies Act 1956 on the date of this meeting, be and is hereby appointed as a director of the Company and liable to retirement by rotation."

By Order of the Board
IFIN Commodities Limited


Biswajit Banerjee
Director

Dated: June 29, 2012

Place: Chennai

Notes:

1. An Explanatory Statement pursuant to Section 173(2) of the Company Act, 1956 in respect of Special business is annexed hereto.
2. A Member entitled to vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a Member of the Company. Corporate Members are requested to send certified copy of Board Resolution, pursuant to Section 187 of the Companies Act, 1956, authorizing their representative to attend and vote at the meeting.
3. Members should bring the attendance slip duly filled in for attending the meeting.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 4

Shri Biswajit Banerjee was appointed as an Additional Director by the Board of Director w.e.f. October 12, 2011 in accordance with the provisions of Section 260 of the Companies Act.

Pursuant to Section 260 of the Companies Act, 1956 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company proposing his candidature for appointment as Director of the Company in accordance with the provisions of Section 257 and all other applicable provisions of the Companies Act, 1956.

The Board feels that presence of Shri Biswajit Banerjee on the Board is desirable and would be beneficial to the company.

None of the Directors, except Shri Biswajit Banerjee is concerned or interested in this resolution.

The Board recommends resolutions under Item No. 4 to be passed as ordinary resolution.

Item No. 5

Shri Sujit Kumar Mandal was appointed as an Additional Director by the Board of Director w.e.f. December 08, 2011 in accordance with the provisions of Section 260 of the Companies Act.

Pursuant to Section 260 of the Companies Act, 1956 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company proposing his candidature for appointment as Director of the Company in accordance with the provisions of Section 257 and all other applicable provisions of the Companies Act, 1956.

The Board feels that presence of Shri Sujit Kumar Mandal on the Board is desirable and would be beneficial to the company.

None of the Directors, except Shri Sujit Kumar Mandal is concerned or interested in this resolution.

The Board recommends resolutions under Item No. 5 to be passed as ordinary resolution.

Item No. 6

Shri Satpal Kumar Arora was appointed as an Additional Director by the Board of Director w.e.f. December 08, 2011 in accordance with the provisions of Section 260 of the Companies Act.

Pursuant to Section 260 of the Companies Act, 1956 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company proposing his candidature for appointment as Director of the Company in accordance with the provisions of Section 257 and all other applicable provisions of the Companies Act, 1956.

The Board feels that presence of Shri Satpal Kumar Arora on the Board is desirable and would be beneficial to the company.

None of the Directors, except Shri Satpal Kumar Arora is concerned or interested in this resolution.

The Board recommends resolutions under Item No. 6 to be passed as ordinary resolution.

Item No. 7

Shri P N Swaminathan was appointed as an Additional Director by the Board of Director w.e.f. December 08, 2011 in accordance with the provisions of Section 260 of the Companies Act.

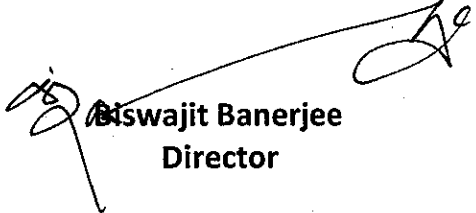
Pursuant to Section 260 of the Companies Act, 1956 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company proposing his candidature for appointment as Director of the Company in accordance with the provisions of Section 257 and all other applicable provisions of the Companies Act, 1956.

The Board feels that presence of Shri P N Swaminathan on the Board is desirable and would be beneficial to the company.

None of the Directors, except Shri P N Swaminathan is concerned or interested in this resolution.

The Board recommends resolutions under Item No. 7 to be passed as ordinary resolution.

By Order of the Board
IFIN Commodities Limited


Biswajit Banerjee
Director

Dated: June 29, 2012

Place: Chennai

DIRECTORS' REPORT

To

The Shareholders of **IFIN Commodities Limited**

The Directors have the pleasure of presenting the Fourth Annual Report of your Company for the year ended March 31, 2012.

FINANCIAL PERFORMANCE

Key aspects of your Company's financial performance for the year 2011-12 are tabulated below

PERFORMANCE HIGHLIGHTS	Year ended 31st March 2012 (Rs. In lacs)	Year ended 31st March 2011 (Rs. In lacs)
Operating Results:		
Income from Operations	946.41	504.01
Other Income	41.24	26.62
Total Income	987.65	530.63
Total Expenditure	1032.88	478.35
Profit/(Loss) Before Interest, Depreciation and Tax	(45.23)	52.27
Depreciation	16.56	14.85
Interest	-	7.57
Profit/(Loss) before Extra-ordinary item and tax	(61.79)	29.85
Extra-ordinary item		-
Provision for Doubtful Debts and advances	11.33	
Profit/(Loss) before tax	(73.12)	29.85
Current year tax	-	10.97
Profit/(Loss) after tax	(73.12)	18.88

OPERATIONS

- Total Income from operations (including other income) of Rs. 987.65 lakhs for the current year has shown a very significant increase of 86.13% over income of Rs. 530.63 lakhs in the previous year. This is mainly due to increased Broking income and Profits on trade in commodities.
- The loss from operations for the current year is Rs. (45.23) Lakhs compared to a profit from operations of Rs. 52.28 Lakhs during the previous year. This fall is mainly due to increase in employee cost, administration expenses and commission and brokerage paid to sub-brokers.
- The loss after tax for the current year is Rs. 73.12 Lakhs compared to a profit of Rs. 18.88 Lakhs during the previous year. The reason for the same has already been explained above.

BUSINESS ENVIRONMENT

According to World Bank report titled 'Global Economics prospects' India will see growth (measured at factor cost) increasing to 6.9, 7.2 and 7.4 per cent in fiscal years 2012-13, 2013-14 and 2014-15, respectively.

Referring to developments in 2011, the multi-lateral lending agency said that growth in India was particularly weak due to monetary policy, stalled reforms and electricity shortages. These factors, along with fiscal and inflation concerns, cut into investment

activity.

India's economic growth rate in 2011-12 slipped to a nine-year low of 6.5 per cent. The economy had expanded by 8.4 per cent in the preceding two years.

For the current fiscal, the government has pegged growth at 7.6 per cent. Considering global uncertainties and domestic woes, this growth rate could be tall order for the country.

In commodities market following more than two years of strong growth, commodity prices peaked in early 2011 and then declined on concerns about the global macroeconomic and financial outlook and slowing demand in emerging markets. The biggest decreases were for metals but some of the largest individual declines were among agriculture raw materials (cotton and rubber), edible oils and cocoa. Most indices ended the year much lower compared to their early-2011 peaks—agriculture down 19 percent, energy down 10 percent, and metals down 25 percent.

Commodity prices are generally expected to decline from their high levels in 2012 due to a slowdown in demand and improved supply prospects—in part because high prices have led to greater investment.

DIVIDEND

No dividend is being recommended by the Directors for the year ended March 31, 2012.

MANPOWER AND ORGANISATION STRUCTURE

The focus given to drive this vertical with dedicated manpower and investments at various branches has paid off handsomely. There are a total of 99 employees in the Company as at the year end. The headcount would be increased in the coming years in line with the geographical spread and increase in business volumes.

DIRECTORS

During the year Shri Sujit Kumar Mandal, Shri Biswajit Banerjee, Shri Satpal Kumar Arora and Shri P N Swaminathan were appointed as Additional Directors of the Company. The Resolution for regularising the appointment of Shri Sujit Kumar Mandal, Shri Biswajit Banerjee, Shri Satpal Kumar Arora and Shri P N Swaminathan as Directors has been included in the ensuing Annual General Meeting.

During the year Smt. Chandra Ramesh and Shri D. V. Ramesh Directors of the Company resigned from the Directorship of the Company on December 8, 2011

Shri M P Rege, Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

AUDITORS

M/s Brahmayya & Co., Chartered Accountants are the retiring auditors of the Company and they hold office till the conclusion of this Annual General Meeting. The Company has received a letter from M/s Brahmayya & Co, in which they requested not to be considered for reappointment for the financial year 2012-13.

In view of resignation of M/s Brahmayya & Co, it is proposed to appoint M/s. Vinay Kumar & Co, Chartered Accountants as statutory auditors of the Company for the financial year 2012-13. The Company has received a letter from M/s. Vinay Kumar & Co. to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956, and that they are not disqualified for such appointment within the meaning of Section 226 of the Companies Act, 1956. The Board recommends their appointment and seeks your approval to the same.

DIRECTORS RESPONSIBILITY STATEMENT

On behalf of the Directors I confirm that as required under Section 217 (2AA) of the Companies Act, 1956.

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departure is made from the same;
- (b) We have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for the period;
- (c) We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (d) We have prepared the annual accounts on a going concern basis

FIXED DEPOSITS

We have not accepted any fixed deposits. Hence, there is no outstanding amount as on the Balance Sheet date.

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

Your Company has no business activity in relation to conservation of Energy, Technology Absorption, Foreign Exchange Earning & Outgo.

COMPLIANCE CERTIFICATE

Your Company has appointed Mr. K. Suresh, Company Secretary in whole-time practice, as Company Secretaries to issue compliance certificate for the financial year ended March 31, 2012. Compliance Certificate issued by them is enclosed herewith and forms part of this report.

PARTICULARS OF EMPLOYEES

The company has no employee in respect of whom the information as per Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended, is required to be given.

The Board further places on record its appreciation of the services of all the employees of the Company.

ACKNOWLEDGMENT

The Board of Directors takes the opportunity to place on record their appreciation to the bankers, FMC, RBI, Multi Commodity Exchange, National Commodity Derivatives Exchange of India Limited and the National Spot Exchange of India Limited for their continued support to the company.

By Order of the Board

IFIN Commodities Limited

Sd/-

Sd/-

P.N. Swaminathan

Biswajit Banerjee

Director

Director

Dated: June 29, 2012

Place: Chennai

Independent Auditor's Report

To the Members of IFIN Commodities Limited

Report on the Financial Statements

We have audited the accompanying financial statements of IFIN Commodities Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2012, the Statement of Profit and Loss of the Company for the year, the Cash Flow Statement of the Company for the year ended March 31, 2012, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



Opinion

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

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
- (ii) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by section 227(3) of the Act, we report that:

- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account; and
- d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956.
- e. On the basis of written representation received from the director as on 31st march 2012, and taken on record by the board of directors, we report of that non of the directors is disqualified as on 31st march 2012, from being appointed as a director in terms of clause (g) of subsection (1) of Section 274 of the companies Act, 1956.

For Brahmayya & Co.

Chartered Accountants

Firm's Registration Number: 000511S



P.S. Kumar

Partner

Membership Number: 15590

Place : New Delhi

Date : 11th April, 2012

**Annexure Referred To In Paragraph 3 of Our Report of Even Date to The Members of
IFIN Commodities Limited On The Financial Statement For The Year Ended March
31, 2012**

1. The Company has maintained records showing full particulars including quantitative details and situation of fixed assets.

All the fixed assets were physically verified by the management during the year in accordance with a planned programme of verifying them once in a year which, in our opinion, is reasonable having regard to the size of the company and nature of its assets. As informed to us, no material discrepancies were noticed on such verification.

Based on the information and explanation given by the management and on the basis of audit procedures performed by us, we are of the opinion that the Company has not disposed off substantial part of its fixed assets during the year giving rise to the question of whether the company's ability to continue as a going concern is impaired.

2. The company does not have any inventories and therefore reporting on inventory management does not arise.
3. The company has not granted any loan.
4. The company has not taken any loan.
5. In our opinion and according the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to purchase of fixed asset and sale of services. During the course of audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
6. According to the information and explanation given to us, we are of the opinion that the particulars of contract or arrangement referred to in section 301 of the Companies' Act 1956 that need to be entered into the register maintained under that section have been so entered. In our opinion and according to the information and explanation given to us, the transactions made in pursuance of such contracts or arrangement exceeding value of rupee five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market price at the relevant time.
7. The company has not accepted any deposits.
8. In our opinion, the Company has an adequate internal audit system commensurate with the size of the Company and nature of its business.



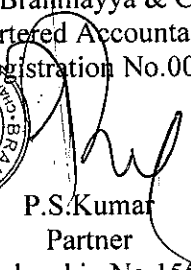
9. Maintenance of Cost records as per clause 4(viii) of the Companies (Auditor's report) order, 2003 (as amended) is not applicable to company.
10. According to the records of the Company and according to the information and explanations provided to us, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Service Tax, Cess and any other statutory dues with the appropriate authorities as applicable. There are no dues to Investor Education and Protection Fund. There are no amounts outstanding as at March 31, 2012 for a period of more than six months from the date they become payable.
11. According to the information and explanations given to us there are no disputed amounts payable in respect of Income tax, sales tax, Wealth tax, Service tax, Custom duty, Excise duty and cess as on March 31, 2012.
12. The company has not been in existence for over 5 year, hence this clause is not applicable.
13. There are no outstanding dues to financial Institutions, banks or debenture holder during the year.
14. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
15. In our opinion, the company is not a chit fund or nidhi/ mutual benefit fund, society therefore clause 4(xiii) of the Companies (Auditor's report) order, 2003 (as amended) is not applicable to company.
16. Based on our audit procedures and according to the information and explanation provided to us by the management, we are of the opinion that the Company has maintained proper records in respect of the trading transactions and contracts of shares, securities, debentures and other investment. Also, the Company has accounted such transaction on date of transactions.
17. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or Financial Institution.
18. On the basis of overall examination of the Balance Sheet of the Company and the information & explanation provided to us, prima facie no fund raised on short term basis have been used for long term investment.
19. The company has not made any preferential allotment of shares to parties and companies covered in the registers maintain under section 301 of the Companies Act, 1956.




20. The company has not issued any debentures.

21. Based upon the audit procedures performed and the information and explanations provided to us by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

Place : New Delhi
Date : 11th April, 2012

For Brahmayya & Co.,
Chartered Accountants
Firm Registration No.000511S

P.S.Kumar
Partner
Membership No.15590

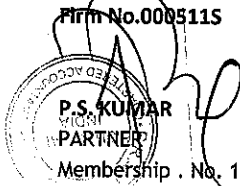


IFIN Commodities Limited
Audited Balance Sheet as at 31st March 2012

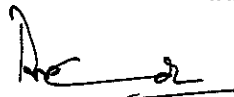
(Amount in ₹)

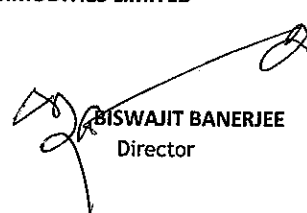
Particulars		Note No.	As at 31 Mar 2012	As at 31 Mar 2011
1	2	3	4	
I. EQUITY AND LIABILITIES				
1 Shareholders' funds				
(a) Share capital	2	20,000,000	20,000,000	
(b) Reserves and surplus	3	-4,742,423	2,570,263	
(c) Money received against share warrants		-	-	
2 Share application money pending allotment				
3 Non-current liabilities				
(a) Long-term provisions-Gratuity (refer note no 1 B VIII)		217,436	-	
4 Current liabilities				
(a) Trade payables		108,722,075	114,142,559	
(b) Other current liabilities	4	3,552,218	1,745,162	
TOTAL		127,749,306	138,457,984	
II. ASSETS				
Non-current assets				
1 (a) Fixed assets				
(i) Tangible assets	5	865,486	871,651	
(ii) Intangible assets		966,926	1,066,667	
(b) Long-term loans and advances	6	43,499,177	41,348,013	
2 Current assets				
(a) Trade receivables	7	1,381,927	10,469,220	
(b) Cash and Bank balance	8	75,834,531	80,607,153	
(c) Short-term loans and advances	9	1,877,636	2,561,707	
(d) Other current assets	10	3,323,623	1,533,573	
TOTAL		127,749,306	138,457,984	

FOR BRAHMAYYA & CO.
CHARTERED ACCOUNTANTS
Firm No.0005115


P.S. KUMAR
PARTNER
Membership . No. 15590

FOR AND ON BEHALF OF THE BOARD OF
IFIN COMMODITIES LIMITED


P. N. SWAMINATHAN
Director


BISWAJIT BANERJEE
Director

PLACE : NEW DELHI
DATE : April 11, 2012

IFIN Commodities Limited
Audited Profit and loss statement for the period ended 31st March 2012

(Amount in ₹)

Particulars	Refer Note No.	For the period ended 31 March 2012	For the period ended 31 March 2011
I. Revenue from operations	10	94,641,240	50,401,012
II. Other income	11	4,123,688	2,662,018
III. Total Revenue (I + II)		98,764,928	53,063,030
IV. Expenses:			
Employee benefits expense	12	56,466,218	23,694,396
Finance costs	13	-	757,125
Depreciation and amortization expense	14	1,655,543	1,485,356
Other expenses	15	46,703,145	24,022,069
Amortisation of Preliminary expenses		119,334	119,333
Total expenses		104,944,240	50,078,279
Profit before exceptional and extraordinary items and tax (III - IV)		(6,179,312)	2,984,751
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V - VI)		(6,179,312)	2,984,751
VIII. Extraordinary Items			
Provision for Doubtful Debts and Advances		1,133,374	-
IX. Profit before tax (VII- VIII)		(7,312,686)	2,984,751
X. Tax expense:			
Provision for Taxation		-	1,096,633
- Income Tax		-	-
Profit (Loss) for the period from continuing operations (VII- VIII)		(7,312,686)	1,888,118
XII Profit/(loss) from discontinuing operations		-	-
XIII Tax expense of discontinuing operations		-	-
Profit/(loss) from Discontinuing operations (after tax) (XII- XIII)		-	-
XV Profit (Loss) for the period (XI + XIV)		(7,312,686)	1,888,118
XVI Earnings per equity share:			
(1) Basic refer Note no 1 B IV		(3.66)	0.94

FOR BRAHMAYYA & CO.
CHARTERED ACCOUNTANTS
 Firm No. 0005115

P. S. KUMAR
 PARTNER

Membership . No. 15590

FOR AND ON BEHALF OF THE BOARD OF
IFIN COMMODITIES LIMITED

P. N. SWAMINATHAN
 Director

BISWAJIT BANERJEE
 Director

PLACE : NEW DELHI
 DATE : April 11, 2012

IFIN COMMODITIES LIMITED
CASH FLOW STATEMENT AS ON 31ST MARCH 2012


Particulars	(Amount in ₹)	
	YEAR ENDED 31.03.2012	YEAR ENDED 31.03.2011
A CASH FLOW FROM OPERATING ACTIVITES		
Net Profit before tax and exceptional items as per P&L a/c	(73,12,686)	29,84,751
Adjustments for:		
Depreciation / Amortisation on Fixed Assets	16,55,543	14,85,356
Provision for Doubtful Debts	11,33,374	-
Preliminary Expenses w/off	1,19,334	1,19,334
Interest income	(41,03,740)	(25,12,601)
Interest Expenses	-	7,57,125
A Operation Profit before Working Capital Changes	(85,08,175)	28,33,965
Adjustments for:		
(Increase) / Decrease in Trade Receivables	79,53,919	(1,61,28,104)
(Increase) / Decrease in Loans & Advances	(14,25,762)	(1,46,07,098)
Increase / (Decrease) in Current Liabilities	(36,13,428)	9,66,89,226
Increase / (Decrease) in Provisions	2,17,436	-
	31,32,165	9,66,89,226
Cash Generated from Operation before tax	(53,76,010)	6,87,87,989
Direct taxes paid	(1,60,665)	(15,80,500)
Net cash from Operating Activities	(55,36,675)	6,72,07,489
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(15,49,637)	(9,10,505)
(Increase) / Decrease in Fixed Deposits	(11,83,640)	(2,75,60,134)
Interest Received	23,13,690	11,46,067
Net Cash used in / raised from Investing Activities	(4,19,587)	(2,73,24,572)
C CASH FLOW FROM FINANCING ACTIVITIES		
Interest Paid	-	(7,57,125)
Repayment of Loans	-	(80,00,000)
	-	(87,57,125)
Net Changes in Cash & Cash Equivalent (a+b+c)	(59,56,262)	3,11,25,792
Opening Cash and Cash Equivalent	4,15,47,019	1,04,21,227
Closing Cash and Cash Equivalent	3,55,90,757	4,15,47,019
Increase / Decrease in Cash & Cash Equivalent	(59,56,262)	3,11,25,792


FOR BRAHMAYYA & CO.
CHARTERED ACCOUNTANTS
Firm No. 000511S

FOR AND ON BEHALF OF THE BOARD OF
IFIN COMMODITIES LIMITED



P. S. KUMAR
PARTNER
Membership No. 15590


P. N. SWAMINATHAN
Director


BISWAJIT BANERJEE
Director

PLACE : NEW DELHI
DATE : April 11, 2012

IFIN COMMODITIES LIMITED.

SCHEDULE: 11

Significant Accounting Policies:

I. Method of Accounting:

The financial accounts are prepared under the historical cost convention in accordance with Generally Accepted Accounting Principles and as prescribed under the Companies Accounting Standards Rules, 2006 issued by the Ministry of Corporate of Affairs.

II. Use of Estimates:

The preparation of the financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent assets and liabilities. The estimates and assumptions used in the financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the financial statements. Any differences of actual results to such estimates are recognized in the period in which the results are known/materialized.

III. Revenue Recognition:

Broking Income

- Broking income is recognized on the basis of settlement date of transactions.


Interest Income

- Interest earned on fixed income bearing securities is accounted on an accrual basis.

Commodity Futures – derivatives

- (a) Commodity Futures are marked to market on daily basis. Debit or Credit Balances disclosed under Current Assets or Current liabilities respectively represent the net amount paid or received on the basis of movement of prices in the Commodity Index Futures till the Balance sheet date.
- (b) As at the Balance sheet date, the profit or loss on open positions are accounted for as follows:







The unrealized profit is ignored and no credit is taken in the profit and loss account.

The unrealized loss determined being anticipated loss, is recognized in the profit and loss account.

- (c) On final settlement or squaring-up of contracts for Commodity Futures, the profit or loss is calculated as difference between settlement/squaring-up price and contract price. Accordingly, debit or credit balance pertaining to the settled/squared-up contract is recognized in the profit and loss account upon expiry/squaring-up of the contracts.

IV. Fixed Assets and Depreciation:

- Fixed assets are stated at historical cost less accumulated depreciation.

- Intangible Assets:

Intangible assets are recognized if they are separately identifiable and the Company controls the future economic benefits arising out of them. All other expenses on intangible items are charged to the profit and loss account.

The computer software is identified as Intangible assets and has been amortised at the rate 40% following WDV method.

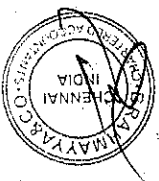
- Depreciation on the fixed assets is provided on the written down value method at the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956.

V. Impairment of Assets:

- An asset is impaired when the carrying amount of the asset exceeds its recoverable amount. An impairment loss is charged to the Profit and Loss Account in the period/year in which the said asset is identified as impaired. An impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of the recoverable amount.

VI. Taxation:

Income Tax expense comprises current tax as determined in accordance with the income tax laws and deferred tax charge or credit reflecting the tax effect of the timing differences between accounting income and taxable income for the year. The deferred tax charge or credit and the corresponding deferred tax liability / assets are recognized applying the tax rates that have been enacted or substantively



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enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is a reasonable certainty that such assets can be realised in future.

B. Notes forming part of the Accounts

I. Nature of Business:

The Company, a registered member of the Multi Commodity Exchange Ltd (MCX), National Commodity and Derivatives Exchange (NCDEX) and National Spot Exchange Limited (NSEL), is primarily engaged in the business of providing Commodity market related transaction services.

II. Contingent Liabilities not provided for:

- a) The Company has provided bank guarantees aggregating to Rs.5,00,00,000/- (Previous Year - Rs.5,00,00,000 /-) to the Multi Commodity Exchange Limited as on 31 March 2012 for meeting margin requirements.

The Company has pledged fixed deposits with banks aggregating of Rs.2,50,00,000/- (Previous Year - Rs.2,50,00,000/-) for obtaining the above bank guarantee.

- b) Other Contingent liabilities - The Clients has lodged eleven cases against the company which is pending as follows.

Forum before which the cases is pending	Number of cases	Amount (Rs.)
Arbitrator- Multi commodity Exchange of India Limited	9	4,63,54,802
Consumer court	2	10,50,000

III. Estimated amount of Contracts remaining to be executed

Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advances) is Rs.Nil (Previous Year - NIL)

IV. Earnings Per Share:

The Earning Per Share [EPS] has been computed in accordance with the Accounting Standard 20 issued by the Institute of Chartered Accountants of India. The numerators and denominators used to calculate the EPS are:



(Amounts in Rupees)

Particulars	As on	As on
	31-03-2012	31-03-2011
Net Profit for the year available for the equity share holders (Before extra-ordinary Item)	(73,12,686)	18,88,118
Nominal value per equity share	Rs.10	Rs.10
Weighted Average No. of outstanding equity shares during the year - Basic & Diluted.	20,00,000	20,00,000
Basic & Diluted Earnings Per Share (After extra-ordinary Item)	(3.66)	Rs.0.94

V. Current and Deferred Taxation:

- (a) Provision for current tax has been made as per provisions of Income Tax Act, 1961.
- (b) During the year the tax effect on timing difference has resulted in Deferred Tax Asset and as a matter of prudence the company has not recognized the same in the books.

VI. Managerial Remuneration: NIL

VII. Related Party Disclosure as per AS 18:

a) Holding Company : IFCI Financial Services Limited

b) Transaction with Related Parties:

(Amount in Rupees.)

Sr.No	Particulars	Holding /Associate Company		Key Managerial Personnel	
		2011-12	2010-11	2011-12	2010-11
1.	Advance Received	-	23,74,00,000	-	-
2	Advance repaid	-	24,54,00,000	-	-



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Sr.No	Particulars	Holding /Associate Company		Key Managerial Personnel	
3.	Expense reimbursed to Holding Company	4,39,02,066	2,67,74,000	-	-
4.	Consultancy Fee paid to Holding Company	34,45,445	31,90,000	-	-
5.	Interest to Holding Company	-	7,57,125		
6.	Rent to Holding Company	33,51,552	32,61,435		
7.	Corporate Guarantee Issued by Holding Company	5,00,00,000	300,00,000		
8.	Outstanding Payable	28,93,860	0		

VIII. Employee Benefits

Provisions for employee benefits under revised AS 15:

- (a) Defined Contribution plan: The amount recognized as an expense during the year is Rs.12, 21,165/- (Previous Year – Rs. 4, 24,903/-) towards Provident and other statutory funds. An amount of Rs.2, 60,914/- (Previous Year – Rs. 1, 23,307/-) was recognized towards contribution of gratuity.
- (b) Liability on account of encashment of leave to employees is paid within one year from the end of the financial year. The expenses on account thus arising are recognized in the profit and loss account.
- (c) The Company has constituted The Employees Group Gratuity Fund under the Group Gratuity Assurance Scheme administered by the Life Insurance Corporation of India.

The scheme provides for Lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each year of completed service or part thereof in excess of 6 months. Vesting occurs on completion of 5 years of service.



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The following table sets out the Gratuity plan as required under AS-15 (revised).

(Amounts in ₹)

Particulars	Year 2011-12	Year 2010-11
Change in Defined Benefit Obligation:		
Opening obligation as at 1 April	124,704	NIL
Service cost	34,608	98,485
Interest cost	9,976	0
Actuarial (gains)/ losses	228,712	24,822
Benefits paid	NIL	NIL
Present value of the defined benefit obligation at end of the period	398,000	1,23,307
Change in Plan Asset:		
Opening plan assets, at fair value as at 1 April	111,052	NIL
Expected return on plan assets	12,355	NIL
Actuarial gain/ (losses)		NIL
Contributions	43,505	NIL
Benefits paid	NIL	NIL
Fair value of plan assets at the end of the Period	166,912	NIL
Reconciliation of Present value of obligation and fair value of Planned Assets		
Fair Value of Plan Assets at the end of the Year	166,912	111,052
Present value of the Defined benefit obligations at the end of the Year	398,000	124,704
Liability Recognized in the Balance Sheet	231,088	13,652
Cost for the year ended of the Period		
Service cost	34,608	124,704
Interest cost	9,976	0
Expected return on plan assets	(12,355)	(488)
Actuarial (gains)/ losses	228,712	0
Total net cost recognised as employee remuneration	260,941	1,24,216
Reconciliation of Benefit Obligation & Planned Assets for the period		
Opening Net Liability	13,652	NIL
Expenses as above	260,941	1,23,307
Closing Net Liability	274,593	1,23,307
Assumptions:		
Discount rate	8.00%	8.00%
Salary escalation rate	6.00%	5.00%
Attrition rate	1-3%	1-3%



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IX. Details of Auditors Remuneration (Excluding Service Tax):

(Amounts in ₹)

Nature of Service	2011 - 12	2010 - 11
Audit Fee	50,000	50,000
Other Services	-	-
Total	50,000	50,000

- X. Balances of Sundry Debtors, Advances recoverable are subject to confirmation from the respective parties. In the opinion of the management the same are good and recoverable.
- XI. Company had initiated the process of identifying the vendor under Micro, Small & Medium Enterprises Development Act, 2006. The Company is yet to receive intimation from the vendors stating their status under Micro, Small & Medium Enterprises Development Act, 2006. In view of this, the company has not made any provision and disclosure required by this Act.
- XII. Figures of the previous year have been regrouped / rearranged wherever necessary to make them comparable with the current year figures.
- XIII. Figures have been rounded off to the nearest Rupee. Figures in bracket represent previous year's figures.



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IFIN Commodities Limited
Note no. 2 Share Capital

Share Capital	As at 31 March 2012		As at 31 March 2011	
	Number	Rs.	Number	Rs.
Authorised				
Equity Shares of Rs.10/- each	5,000,000	50,000,000	5,000,000	50,00,00,000
Issued				
Equity Shares of Rs.10/- each	2,000,000	20,000,000	2,000,000	20,000,000
Subscribed & Paid up				
Equity Shares of Rs.10/- each	2,000,000	20,000,000	2,000,000	20,000,000
Total	2,000,000	20,000,000	2,000,000	20,000,000

Particulars	Equity Shares		Preference Shares	
	Number	Rs	Number	Rs
Shares outstanding at the beginning of the year	2,000,000	2,000,000	0	0
Shares Issued during the year	0	0	0	0
Shares bought back during the year	0	0	0	0
Shares outstanding at the end of the year	2,000,000	2,000,000	0	0

2000000 Equity Shares (Previous year - 2000000 equity shares) are held by IFCI Financial Services Limited, the holding company and its nominees.

Name of Shareholder	As at 31 March 2012		As at 31 March 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
IFCI Financial Services Limited and nominees	2,000,000	100	2,000,000	100



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IFIN Commodities Limited
Note no. 3 Reserves and Surplus

Reserves & Surplus	As at 31 March 2012	As at 31 March 2011
	₹	₹
a. Surplus:		
Opening balance	2,570,263	682,145
(+) Net Profit/(Net Loss) For the current year	(7,312,686)	1,888,118
Closing Balance	(4,742,423)	2,570,263
Total	(4,742,423)	2,570,263

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IFIN Commodities Limited

Note Disclosure pursuant to Note no. 6(E) of Part I of Schedule VI to the Companies Act, 1956

<u>Long Term Provisions</u>	As at 31 March 2012	As at 31 March 2011
	₹	₹
(a) Provision for employee benefits		
Gratuity	217,436	-
Total	217,436	-

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IFIN Commodities Limited
Note 4 Other Current Liabilities

<u>Other Current Liabilities</u>	As at 31 March 2012	As at 31 March 2011
	₹	₹
Sundry Deposits	590,000	375,000
Creditors for expenses	289,502	75,000
Others	2,672,716	1,295,162
Total	3,552,218	1,745,162

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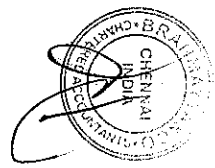


IFIN Commodities Limited
Note 5 Fixed Assets

	Gross Block			Accumulated Depreciation			Net Block	
	Balance as at 1 April 2011	Additions/ (Disposals)	Balance as at 31 Mar 2012	Balance as at 1 April 2011	Depreciation charge for the year	On disposals	Balance as at 31 Mar 2012	Balance as at 31 March 2011
Fixed Assets	₹	₹	₹	₹	₹	₹	₹	₹
a								
Tangible Assets								
Office equipment	2,300	136,100	138,400	2,300	10,650	-	12,950	-
Computer hardware	221,508	992,765	1,214,273	54,890	419,347	-	474,237	166,618
Total	223,808	1,128,865	1,352,673	57,190	429,997	-	487,187	166,618
b								
Intangible Assets								
Computer software	1,132,956	420,772	1,553,728	427,922	158,880	-	586,802	705,034
Membership Card	3,200,000	-	3,200,000	2,133,334	1,066,666	-	3,200,000	1,066,666
Total	4,332,956	420,772	4,753,728	2,561,256	1,225,546	-	3,786,802	1,771,700
GrandTotal	4,556,764	1,549,637	6,106,401	2,618,446	1,655,543	-	4,273,989	1,938,318
Pervious year	3,646,259	910,505	4,556,764	1,133,090	1,485,357	-	2,618,447	1,938,318

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IFIN Commodities Limited
Note 6

Long Term Loans and Advances	As at 31 March 2012		As at 31 March 2011	
	₹	₹	₹	₹
a. Capital Advances				
Unsecured, considered good	-	115,500	-	-
b. Security Deposits				
Secured, considered good		0		0
Unsecured, considered good		41,905,889		40,030,890
		41,905,889		40,030,890
c. Other loans and advances				
Advance tax and Tax deducted at Source	2,672,718		2,512,053	
Less Provision for Tax	1,194,930	1,477,788	1,194,930	1,317,123
		1,477,788		1,317,123
		43,499,177		41,348,013

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IFIN Commodities Limited

Note 7 Trade receivable

Trade Receivables	As at 31 March 2012	As at 31 March 2011
	₹	₹
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good		
Unsecured, considered good	1,381,927	10,469,220
Unsecured, considered doubtful	391,571	
	1,773,499	10,469,220
Less: Provision for doubtful debts	391,571	-
	1,381,927	10,469,220
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	-	-
Unsecured, considered doubtful	741,803	
	741,803	-
Less: Provision for doubtful debts	741,803	-
	-	-
Total	1,381,927	10,469,220

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IFIN Commodities Limited
Note 8 Cash and Bank balances

Cash and cash equivalents	As at 31 March 2012		As at 31 March 2011	
	₹	₹	₹	₹
a. Balances with banks				
In Current Accounts with Schedule Banks		35,588,205		41,546,817
Margin money(refer note no 1 B II)				
Guarantees		40,243,774		39,060,134
Bank deposits with more than 12 months maturity				
b. Cheques, drafts on hand				
c. Cash on hand		2,552.07		202
		75,834,531		80,607,153

Note 9 Short term loans and advances

Short-term loans and advances	As at 31 March 2012		As at 31 March 2011	
	₹	₹	₹	₹
a. Others				
Other Loans and Advances		880,260		1,632,380
Prepaid Expenses		997,375		809,993
Preliminary Expenses				
Balance as on 1st April 2011	119,334		238,667	
Less: Written off	119,334	0	119,333	119,334
		1,877,636		2,561,707
		1,877,636		2,561,707

Note 10 Other current assets

Other current assets	As at 31 March 2012	As at 31 March 2011
	₹	₹
Interest accrued on Deposits	1,898,932	1,533,573
Interest Receivable	1,424,691	
	3,323,623	1,533,573



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IFIN Commodities Limited
Note 11 Revenue from Operations

Particulars	For the period ended 31st March 2012	For the year ended 31 March 2011
	₹	₹
Operating revenues:		
Brokerage	81,610,430	38,880,952
Profit on Trading	12,920,800	11,520,060
Other Operating income	110,010	
Total	94,641,240	50,401,012

Note 12 Other Income

Particulars	For the period ended 31st March 2012	For the year ended 31 March 2011
	₹	₹
Interest	4,103,740	2,512,601
Miscellaneous Income	19,948	149,417
Total	4,123,688	2,662,018

Note 13 Finance Cost

Particulars	For the period ended 31st March 2012	For the year ended 31 March 2011
	₹	₹
Other borrowing costs - On funds placed with the company	-	757,125
Total	-	757,125



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IFIN Commodities Limited
Note 14 Employee Benefits expense

Employee Benefits Expense	For the year ended 31 March 2012	For the year ended 31 March 2011
	₹	₹
(a) Salaries and incentives *	54,487,476	23,118,936
(b) Contributions to -		
(i) Provident fund	1,221,165	424,903
(c) Gratuity fund contributions	260,914	123,307
(f) Staff welfare expenses	496,663	27,250
Total	56,466,218	23,694,396

* Amount Paid to Holding Company for deputation of Employees is
Rs. 3,04,50,000/-

Note 15 Other Expenses

	For the year ended 31 March 2012	For the year ended 31 March 2011
	₹	₹
Insurance	141,751	33,090
Professional And Consultancy Charges	26,965,096	10,403,332
Commission Paid	4,413,092	0
Rent	3,351,552	2,956,521
Rates And Taxes	269,004	243,745
Repairs And Maintenance	1,319,940	999,790
Other Expenses	10,242,711	9,385,591
	46,703,145	24,022,069

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