



IFIN Commodities Ltd  
(Subsidiary of IFCI Financial Services Ltd)

## **IFIN COMMODITIES LIMITED**

**ANNUAL REPORT 2016 - 17**

## **IFIN COMMODITIES LIMITED**

### **Board of Directors**

Shri Biswajit Banerjee	-	Nominee Director
Shri Sreekumaran V Nair	-	Nominee Director
Shri M. P. Rege	-	Independent Director
Smt. S. Usha	-	Director

### **Statutory Auditors (2016-17)**

M/s. Ganesan & Co.,  
Chartered accountants  
FRN 000859S  
N. Venkatramani  
M. No: 215145  
Partner

### **Registered Office**

Continental Chambers, 3<sup>rd</sup> Floor  
142, Mahatma Gandhi Road  
Nungambakkam, Chennai - 600 034  
Ph: 044 2830 6600

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# IFIN COMMODITIES LIMITED

*(A Subsidiary of IFCI Financial Services Limited)*

## **NOTICE**

**NOTICE is hereby given that the 9<sup>th</sup> Annual General Meeting of the shareholders of M/s. IFIN COMMODITIES LIMITED will be held at Continental Chambers, 142, III Floor, Mahatma Gandhi Road, Nungambakkam, Chennai – 600034 on Friday, September 29, 2017 at 03:00 P.M. to transact the following business:**

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Financial Statements of the Company for the year ended on March 31, 2017, together with the Board of Directors' Report and Auditors' Report thereon.
2. To appoint a director in place of Smt. S. Usha (DIN: 03567757), who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint Statutory Auditors of the Company and fix their remuneration.

**"RESOLVED THAT** pursuant to the provisions of Section 139(5) and 142 and all other applicable provisions if any of the Companies Act, 2013 and Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) M/s. Ganesan & Company, Chartered Accountants, having firm registration number 001676S as appointed by the Comptroller and Auditor General of India (CAG), be and is hereby appointed as the Statutory Auditor(s) of the Company for the financial year 2017-18."

**"RESOLVED FURTHER THAT** M/s. Ganesan & Company & Co., Statutory Auditor(s) of the Company, be paid a fee of Rs. 1,55,000/- (Rupees One Lakh Fifty Five Thousand Rupees only) in respect of the audit of the Accounts of the company for the year 2017-18 and Rs. 25,000/- (Rupees Twenty Five Thousand Rupees only) in respect of the Limited review for every quarter

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Regd. & Corp. Office : 'Continental Chambers', 3rd Floor, 142, Mahatma Gandhi Road, Nungambakkam, Chennai - 600 034. Tel : +91 (044) 2830 6600, Fax : +91 (044) 2830 6650

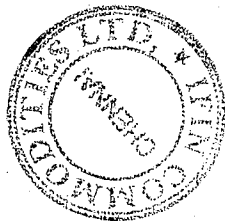
MCX M No. 40415; FMC No. MCX / TCM / CORP / 0236, NCDEX M No. 01008; FMC No. NCDEX / TCM / CORP / 0982, NSEL M No. : 12810

CIN : U93000TN2009G01070524

and Rs. 10,000/- (Rupees Ten Thousand only) towards tax audit of the Company, plus applicable taxes and such other certification fees not exceeding Rs. 5,000/- (Rupees Five Thousand only) per certificate as payable from time to time."

Place: Chennai

Date: September 07, 2017



By Order of the Board  
**For IFIN Commodities Limited**

**S. Usha**  
**Director**

(DIN: 03567757)  
New No. 6, Old No. 14,  
Parthasarathy Nagar 10th Street,  
Adambakkam, Chennai-600 088

**Notes:**

- 1. A Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of Special business under Item No. 4 and 5 set out above is annexed hereto.*
- 2. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company. Proxy forms should be submitted to the Company 48 Hours before the commencement of the Meeting.*
- 3. Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the Company a certified copy of board resolution authorizing their representative to attend and vote on their behalf at the meeting.*
- 4. Members should bring the attendance slip duly filled in for attending the meeting.*
- 5. All documents referred to in the accompanying Notice and the explanatory statement shall be open for inspection at the registered office of the Company during Business Hours except on Holidays, up to and including the date of the Annual General Meeting of the Company.*
- 6. Details of Directors seeking appointment or re-appointment at the Annual General Meeting of the Company to be held on Friday, September 29, 2017 are provided in Annexure - A of this notice.*

**Annexure – A**

Details of the Directors seeking Appointment/ Re-Appointment in the forthcoming Annual General Meeting

<b>Name of the Director</b>	<b>Smt. S. Usha</b>
Date of Birth	April 12, 1958
Date of Appointment	September 03, 2013
Expertise in Specific functional area	Financial Services
Qualification	B.Sc., M.B.A., CAIIB
Experience	30 plus years of experience in Financial Services
Directorships in other Companies	1. IFCI Financial Services Limited 2. IFIN Securities Finance Limited 3. IFIN Commodities Limited
Number of Board Meetings attended during the Year	5
Chairman/ Membership of the Committee across all Companies	<b>Member of Audit Committee</b> 1. IFIN Securities Finance Limited <b>Member of Nomination and Remuneration Committee</b> 1. IFCI Financial Services Limited 2. IFIN Securities Finance Limited <b>Chairman of Share Transfer Committee</b> 1. IFCI Financial Services Limited 2. IFIN Securities Finance Limited 3. IFIN Commodities Limited 4. IFIN Credit Limited
Shareholding in the Company	Nil
Relationship with other Directors	Nil

**ATTENDANCE SLIP**

**IFIN Commodities Limited**

***CIN: U93000TN2009GOI070524***

***Registered Office: Continental Chambers, 3rd Floor, 142, Mahatma Gandhi Road,  
Nungambakkam, Chennai – 600034***

Registered Folio No. : \_\_\_\_\_  
Number of Shares held : \_\_\_\_\_

I certify that I am a registered shareholder/ proxy for the registered shareholder of the Company.

I hereby record my presence at the 9<sup>th</sup> Annual General Meeting of the Company held on Friday, September 29, 2017 at 03:00 P.M. at Continental Chambers, 142, III Floor, Mahatma Gandhi Road, Nungambakkam, Chennai – 600034.

\_\_\_\_\_  
Name of the Member

\_\_\_\_\_  
Signature of the Member

\_\_\_\_\_  
Name of the Proxy

\_\_\_\_\_  
Signature of the Member

***Note: Please fill the Attendance Slip and hand it over at the Entrance of the Meeting Hall.***



**PROXY FORM**

**FORM NO MGT-11**

**IFIN Commodities Limited**

**CIN: U93000TN2009GOI070524**

**Registered Office: Continental Chambers, 3rd Floor, 142, Mahatma Gandhi Road,  
Nungambakkam, Chennai – 600034**

*(Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies  
(Management and Administration) Rules, 2014)*

**CIN** : U93000TN2009GOI070524  
**Name of the Company** : IFIN Commodities Limited  
**Registered Office** : Continental Chambers, 3rd Floor, 142, Mahatma Gandhi Road,  
Nungambakkam, Chennai – 600034  
**Email** : [cs@ifinltd.in](mailto:cs@ifinltd.in)  
**Telephone** : 044 2830 6613

Name of the Member(s) :	
Registered Address :	
E mail Id :	
Folio No. / Client ID:	
DP ID :	

I / We, being the member(s) of \_\_\_\_\_ shares of the above named company, hereby appoint:

(1) Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Email ID: \_\_\_\_\_  
Signature: \_\_\_\_\_, or failing him/her

(2) Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Email ID: \_\_\_\_\_  
Signature: \_\_\_\_\_, or failing him/her

(3) Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Email ID: \_\_\_\_\_  
Signature: \_\_\_\_\_, or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 9<sup>th</sup> Annual General Meeting of the Company, to be held on Friday, September 29, 2017 at 03:00 P.M. at Continental Chambers, 142, III Floor, Mahatma Gandhi Road, Nungambakkam, Chennai – 600034 and at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	Resolutions	For	Against
<b>Ordinary Business</b>			
1.	Adoption of the audited Financial Statements of the Company for the year ended on March 31, 2017, together with the Board of Directors' Report and Auditors' Report thereon.		
2.	Appointment of director in place of Smt. S. Usha, who retires by rotation and being eligible, offers herself for re-appointment.		
3.	Appointment of Statutory Auditors of the Company and fixing their remuneration.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017.

Signature of the Shareholder

Signature of Proxy holder(s)

Affix One  
Rupee  
Revenue  
Stamp

**Notes:**

1. *The form of Proxy, in order to be effective, should be duly completed and deposited at the Registered office of the company not less than 48 Hours before the commencement of the Meeting.*
2. *A Proxy need not be a member of the Company.*
3. *In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.*
4. *The form of Proxy confers authority to demand or join in demanding a poll.*
5. *The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.*
6. *In case a member wishes his/her votes to be used differently, he/she should indicate the number of shares under the columns "For" or "Against" as appropriate.*

### **BOARD'S REPORT**

To  
The Members of  
**IFIN Commodities Limited**

The Board of Directors of your Company presents the Ninth Annual Report of IFIN Commodities Limited, together with the Audited Financial Statement, for the year ended on 31<sup>st</sup> March 2017.

#### **1. Financial Performance**

(Rs. in lakh)

<b>Particulars</b>	<b>YE 31.03.2017</b>	<b>YE 31.03.2016</b>
Revenue from operations	114.17	158.02
Other income	37.04	45.08
<b>Total income</b>	<b>151.21</b>	<b>203.10</b>
Employee Benefits Expenses	97.50	88.66
Finance Costs	3.28	3.45
Depreciation and amortization Expenses	0.33	1.15
Other expenses	62.65	89.49
<b>Total expenses</b>	<b>163.76</b>	<b>182.76</b>
Provision for Doubtful debts	0.31	-
Prior period expenses	1.40	1.04
<b>Profit/ (loss) before tax</b>	<b>(14.27)</b>	<b>19.30</b>
Tax	5.85	7.00
<b>PAT</b>	<b>(8.42)</b>	<b>12.30</b>

#### **2. Operations**

During the FY 2016-17, Brokerage income has substantially reduced to Rs.113.89 lakh compared to the previous FY 2015-16 of Rs.157.92 lakh due to stringent exposure norms adopted. Most of the clients who suffered losses have refrained from further trading in

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commodity market. Other income consists of interest income. Employee cost has increased  
Regd. & Corp. Office : 'Continental Chambers', 3rd Floor, 142, Mahatma Gandhi Road, Nungambakkam,  
Chennai - 600 034. Tel : +91 (044) 2830 6600, Fax : +91 (044) 2830 6650

from Rs.88.66 lakh in FY 2015-16 to Rs.97.50 lakh in FY 2016-17 mainly due to change in leave encashment policy i.e., now the payment is linked to the gross salary instead of basic pay given earlier. Other expenses include rent of Rs.26.28 lakh paid to IFIN, Commission of Rs. 23.00 lakh, Professional and Consultancy charges of Rs.2.95 lakh. The Loss after tax is Rs.8.42 lakh for the financial year ending March 31, 2017 as against Profit of Rs.12.30 lakh for the financial year ending March 31, 2016.

### **3. Business Environment**

Investors who want to diversify their portfolios beyond shares, bonds and real estate: commodities are possibly the best option. Commodities actually offer immense potential to become a separate asset class for market-savvy investors, arbitrageurs and speculators. Retail investors, who claim to understand the equity markets, may find commodities an unfathomable market. But commodities are relatively easy to understand as far as fundamentals of demand and supply are concerned. Well-established physical commodities have been actively traded in spot and derivative markets. Generally, these are basic resources, apart from agricultural products such as crude oil, zinc, aluminum, copper, gold and silver.

### **4. Dividend**

No dividend is being recommended by the Directors for the year ended March 31, 2017.

### **5. Transfer To Reserves**

Since there are no profits for the FY 2016-17 amounts has not been transferred to reserves.

### **6. Board of Directors**

#### **Changes in Directors during the year**

Shri Ramkumar Srinivasan (DIN: 01175498) had resigned as a Director of the Company with effect from May 24, 2016.

Shri Achal Kumar Gupta (DIN: 02192183) had vacated the office as a Director of the Company with effect from December 12, 2016, due to completion of his tenure with IFCI Limited.

Shri Biswajit Banerjee (DIN: 02602582) was appointed as Nominee Director by the Board of the Company w.e.f. January 05, 2017

As at March 31, 2017, the Board consists of 3 (Three) Directors.

The composition of the Board, number of meetings held, attendance of the Directors at the Board Meeting and the number of the Directorship in other companies in respect of each Director who was on Board as on 31.03.2017 is as given herein below:-

S. No.	Name of Director	Attendance Particulars		No. of other Directorships as on 31 <sup>st</sup> March, 2017
		No. of Meetings during the tenure of respective directors in FY 2016 - 17		Other Director-ships (Including Private Limited Companies )
		Held	Attended	
1.	Smt. S Usha	5	5	3
2.	Shri Rajesh Kumar Gupta*	5	4	5
3.	Shri Biswajit Banerjee	1	1	3
4.	Shri M P Rege	5	5	1

\* Shri Rajesh Kumar Gupta resigned from the Directorship of the Company with effect from June 14, 2017.

The Board wishes to place on record its gratitude and appreciation for the valuable contributions made by all the Directors who have resigned from their respective offices during their tenure in the Company.

Smt. S. Usha, Director, retires by rotation and being eligible offers herself for re-appointment.

During the Financial Year 2016-17, Five (5) Board Meetings were held on 27.04.2016, 17.06.2016, 29.07.2016, 24.10.2016 and 30.01.2017.

#### 7. Extract of Annual Return as provided under sub-section (3) of Section 92

An extract of Annual Return as provided under sub-section (3) of section 92 in Form MGT-9 as on March 31, 2017 is attached as **Annexure-I**.

## **8. Directors' Responsibility Statement**

To the best of our knowledge and belief and according to the information and explanations obtained by us, your Directors make the following statements in terms of Section 134 (3) (c) of the Companies Act, 2013:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis; and
- e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **9. Auditors**

M/s. Ganesan & Co, Chartered Accountant, Chennai are the retiring auditors of the Company and they hold office till the conclusion of this Annual General Meeting.

Comptroller and Auditor General of India (C&AG) vide letter dated July 21, 2017 have appointed M/s. Ganesan & Company, Chartered Accountants, Chennai as the Statutory Auditors of the Company for the financial year 2017-18. The necessary resolution for fixing the remuneration of auditors will be placed before the shareholders for their approval.

## **10. Explanations/comments on the report of Comptroller & Auditor General of India**

The explanations/comments of the Board on the report of Comptroller & Auditor General of India on the accounts for the year ended 31<sup>st</sup> March, 2017 under Companies Act, 2013 are attached as **Annexure-II** to this report.

### **11. Particulars of loans, guarantees or investments under Section 186 of the Companies Act, 2013**

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 form part of the notes to the financial statement.

### **12. Related Party Transactions**

All transactions entered by the Company with Related Parties were in the ordinary course of business and at Arm's Length pricing basis.

There were no materially significant transactions with Related Parties during the financial year 2016-17 which were in conflict with the interest of the Company.

The particulars of Contracts or Arrangement with related parties are given in notes to the financial statement. Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in **Annexure-III** in Form AOC-2.

### **13. The details relating to deposits, covered under chapter V of the Act**

During the Financial Year 2016-17, your Company did not accept any deposits within the meaning of provisions of chapter V – Acceptance of Deposits by Companies of the Companies Act, 2013 read with rules thereunder.

### **14. Material changes and commitments**

Material changes and commitments, if any, affecting the financial position of the company which has occurred between the end of the financial year of the company to which the financial statements relate and the date of the report is as follows:

IFCI Ltd (Ultimate holding company), vide its letter dated 13.06.2016, had requested us to put the process of Merger of ICOM with IFIN Credit on hold, as they are in the process of obtaining approval in this regard from the Government of India. The same had been intimated to the Office of the Regional Director, Southern Region, Chennai, vide ICOM's letter dated 24.06.2016.



#### **15. Conservation of energy, technology absorption and foreign exchange earnings and outgo & expenditure on research and development**

The Company has taken measures to conserve energy by having energy efficient electronic equipment. As regards absorption of technology, your Company has installed computer systems, software packages and other office equipment to increase its organizational efficiency, maximize productivity and to gain competitive advantage.

Your Company has neither incurred any expenditure nor earned any income in foreign exchange.

Further, your Company has not incurred any expenditure on Research and Development.

#### **16. Risk Management**

The Company has formulated and put in place Risk Management and Surveillance Policy in order to mitigate risk related to the business of the Company. The Risk Management team of the Company takes effective measures in order to protect the interest of the Company and investors as per the policy of the Company.

#### **17. Internal Financial Control**

The Company has put in place adequate Internal Financial Control commensurate with the size of the Company and nature of its business. The Company has appointed M/s. KPMG as single Advisor-cum-Implementation Partner (Advisor), for implementation of Internal Financial Control framework in the Company

The Company has also appointed M/s. Chenthilkumar & Co., as Internal Auditors to conduct internal audit of the functions and the activities of the Company.

The findings and recommendations of the Internal Auditors are reviewed by the Board of Directors on a periodical basis and necessary corrective actions are being undertaken.

#### **18. Vigil Mechanism/ Whistle Blower Policy**

Pursuant to Section 177(9) & Section 177(10) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Company has voluntarily established a vigil mechanism which is overseen through the Board. Adequate safeguards

against victimization of employees and directors who express their concerns, forms part of the mechanism.

Your Company hereby affirms that no Director/ employee have denied access to the Chairman of the Board of Directors and that no complaints were received during the year.

#### **19. Anti- Sexual Harassment Policy**

There Company has in place Anti Sexual Harassment Policy in line with the requirements of Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

An internal Complaints Committee has been set up for redressal of complaints and that all employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the year under review, the company has not received any complaint pursuant to the provisions of Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

#### **20. Formal Annual Evaluation of Board and Directors**

The Board has made formal annual evaluation of its own performance and individual directors taking into consideration the evaluation criteria set out in Nomination and Remuneration policy of IFCI Financial Services Limited being its immediate Holding Company.

#### **21. Significant and Material Orders passed by the Regulators or Courts or Tribunals impacting the Going Concern status and company's operations in future**

There are no significant and material orders passed by the regulators or courts or Tribunals which would impact the going concern status of the Company.

#### **22. Details of employees under Section 197 read with Sub rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.**

The company has no employee in respect of whom the information required under Section 197 of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, is required to be given.

### 23. Acknowledgement

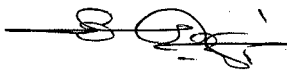
The Board of Directors express their gratitude for the co-operation, guidance and support received from M/s. IFCI Limited, IFCI Financial Services Limited, Clients of the Company, Commercial Banks, Regulators, Statutory Authorities, Multi Commodity Exchange of India Ltd (MCX), National Commodity and Derivatives Exchange Ltd (NCDEX) and other stakeholders of the Company.




Place: Chennai

Date: September 07, 2017

**By Order of the Board  
For IFIN Commodities Limited**

  
**Sreekumaran V Nair**  
**Director**  
(DIN: 02207516)

  
**S. Usha**  
**Director**  
(DIN: 03567757)

## Form No. MGT - 9

Extract of Annual Return for the financial year ended on 31.03.2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
(Management & Administration) Rules, 2014.

## I. Registration &amp; Other Details

1.	CIN	U93000TN2009GOI070524
2.	Registration Date	21/01/2009
3.	Name of the Company	IFIN Commodities Limited
4.	Category of the Company	Company Limited by shares
5.	Sub-category of the Company	Union Government Company
6.	Address of the Registered Office & Contact Details	No. 142, Mahatma Gandhi Road, Nungambakkam, Chennai – 600034 Email: <a href="mailto:cs@ifinltd.in">cs@ifinltd.in</a> Telephone: 044 2830 6613
7.	Whether listed company	No
8.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Nil

## II. Principal Business Activities of the Company (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products/ services	NIC Code of the Product/service	% to total turnover of the company
1.	Security and commodity contracts brokerage	6612	77.75%

## III. Particulars of Holding, Subsidiary and Associate Companies

S. No.	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	IFCI Limited IFCI Towers, 61, Nehru Place, New Delhi – 110019	L74899DL1993GOI053677	Ultimate Holding Company	Nil*	Section 2 (87) & Section 2 (46)
2.	IFCI Financial Services Limited IFCI Towers, 61, Nehru Place, New Delhi – 110019	U74899DL1995GOI064034	Holding Company	100%	Section 2 (87) & Section 2 (46)

\* Direct holding is NIL

#### IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

##### A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31.03.2016]				No. of Shares held at the end of the year [As on 31.03.2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian	-	-	-	-	-	-	-	-	-
a) Individual/ HUF*	-	6	6	0.00	-	6	6	0.00	0
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	49,99,994	49,99,994	100.00	-	49,99,994	49,99,994	100.00	0
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A)</b>	-	50,00,000	50,00,000	100.00	-	50,00,000	50,00,000	100.00	0
<b>B. Public Shareholding</b>	-	-	-	-	-	-	-	-	-
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total</b>	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31.03.2016]				No. of Shares held at the end of the year [As on 31.03.2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(B)(1):-</b>									
<b>2. Non-Institutions</b>	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
<b>Sub-total</b>	-	-	-	-	-	-	-	-	-
<b>(B)(2):-</b>									
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31.03.2016]				No. of Shares held at the end of the year [As on 31.03.2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	50,00,000	50,00,000	100.00	-	50,00,000	50,00,000	100.00	0

\*Beneficial interest are held by IFCI Financial Services Limited

## B) Shareholding of Promoter

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1.	IFCI Financial Services Limited	49,99,994	100.00	-	49,99,994	100.00	-	-
2.	Smt. Chandra Ramesh (Nominee of IFCI Financial Services Limited)	1	0.00	-	1	0.00	-	-
3.	Shri D. V. Ramesh (Nominee of IFCI Financial Services Limited)	1	0.00	-	1	0.00	-	-
4.	Shri K Janarthanam (Nominee of IFCI Financial Services Limited)	1	0.00	-	1	0.00	-	-
5.	Shri Ramkumar Srinivasan (Nominee of IFCI Financial Services Limited)	1	0.00	-	1	0.00	-	-
6.	Shri Sreekumar V Nair (Nominee of IFCI Financial Services Limited)	1	0.00	-	1	0.00	-	-
7.	Smt. Rajesh Kumar Gupta (Nominee of IFCI Financial Services Limited)	1	0.00	-	1	0.00	-	-
	Total	50,00,000	100.00	-	50,00,000	100.00	-	-



**C) Change in Promoters' Shareholding (please specify, if there is no change)**

S. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	50,00,000	100.00	50,00,000	100.00
2.	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	-	-	-	-
3.	At the end of the year	50,00,000	100.00	50,00,000	100.00

**D) Shareholding Pattern of top ten Shareholders:**

(Other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	-	-	-	-
2.	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
3.	At the end of the year	-	-	-	-

**E) Shareholding of Directors and Key Managerial Personnel:**

S. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	<b>At the beginning of the year</b>				
	- Shri Rajesh Kumar Gupta (Nominee of IFCI Financial Services Limited)	1	0.00	1	0.00
	- Shri Ramkumar Srinivasan (Nominee of IFCI Financial Services Limited)	1	0.00	1	0.00
2.	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
3.	<b>At the end of the year</b>				
	- Shri Rajesh Kumar Gupta (Nominee of IFCI Financial Services Limited)	1	0.00	1	0.00

**V) Indebtedness - Indebtedness of the Company including interest outstanding/accrued but not due for payment.**

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>	-	-	-	-
* Addition	-	-	-	-
* Reduction	-	-	-	-
<b>Net Change</b>	-	-	-	-

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the end of the financial year</b>	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-

## VI. Remuneration of Directors and Key Managerial Personnel

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Amount in Rs)

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Nil	
1.	Gross salary	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit	-	-
5.	Others, please specify	-	-
	Total (A)	-	-
	Ceiling as per the Act		@5% of profits calculated under Section 198 of the Companies Act, 2013

**B. Remuneration to other directors (Amount in Rs)**

S. No.	Particulars of Remuneration	Name of the Director	Total Amount (Rs.)
1.	Independent Directors	Shri M P Rege	
	Fee for attending board/ committee meetings	35,000	35,000
	Commission	-	-
	Others, please specify	-	-
	Total (1)	35,000	35,000
2.	Other Non-Executive Directors		
	Fee for attending board/ committee meetings	-	
	Commission	-	
	Others, please specify	-	
	Total (2)	-	
	Total (B)=(1+2)	35,000	35,000
	Total Managerial Remuneration*	-	-
	Overall Ceiling as per the Act		@1% of profits calculated under Section 198 of the Companies Act, 2013

\*Excluding sitting fees under Section 197 (5) of the Companies Act, 2013 and as per Schedule V of the Companies Act, 2013

**C. Remuneration to Key Managerial Personnel Other Than MD/ Manager/ WTD**

S. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-

S. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
4.	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	<b>Total</b>	-	-	-	-

#### VII. Penalties / Punishment/ Compounding of Offences:

There were no Penalty / Punishment/ Compounding under Companies Act during the year ended 31.03.2017.



**By Order of the Board  
For IFIN Commodities Limited**



**Sreekumaran V Nair**

**S. Usha**

**Director**

**Director**

(DIN: 02207516)

(DIN: 03567757)

Place: Chennai

Date: September 07, 2017



ANNEXURE - 11

**भारतीय लेखा तथा लेखा परीक्षा विभाग**

कार्यालय प्रधान निदेशक वाणिज्यिक लेखा परीक्षा  
तथा पदेन सदस्य लेखा परीक्षा बोर्ड, चेन्नै

**Indian Audit and Accounts Department**  
**Office of the Principal Director of Commercial Audit**  
**and ex-officio Member Audit Board, Chennai**

No:PDCA/CHENNAI/CA-III/2-112/2017-18/269

09.08.17

The Chairman,  
IFIN Commodities Limited,  
Continental Chambers,  
Third Floor,  
142, Mahatma Gandhi Road,  
Nungambakkam, Chennai-34.

Sir,


Sub: Comments of the Comptroller and Auditor General of India under Section 143 (6)(b) of the Companies Act, 2013 on the accounts of IFIN Commodities Limited, Chennai for the year ended 31 March 2017.

\*\*\*\*\*

I forward herewith comments of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the financial statements of IFIN Commodities Limited, Chennai for the year ended 31 March 2017.

Receipt of this letter may be acknowledged.

Yours faithfully,

  
(G. SUDHARMINI)

**PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT AND  
EX-OFFICIO MEMBER AUDIT BOARD, CHENNAI**

Encl: As above

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA  
UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL  
STATEMENTS OF IFIN COMMODITIES LIMITED, CHENNAI FOR THE YEAR  
ENDED 31 MARCH 2017.**

The preparation of financial statements of IFIN Commodities Limited, Chennai for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 05.05.2017.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of IFIN Commodities Limited, Chennai for the year ended 31 March 2017 under section 143(6)(a) of the Act.

**For and on behalf of the  
Comptroller & Auditor General of India**

  
(G. SUDHARMINT)

**PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT &  
EX-OFFICIO MEMBER AUDIT BOARD, CHENNAI**

Place: Chennai  
Date: 09.08.17

**Annexure – III**

**Form No. AOC - 2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

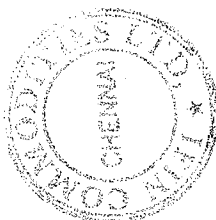
**1. Details of contracts or arrangements or transactions not at Arm's length basis.**

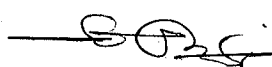

S. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Nil
b)	Nature of contracts/arrangements/transaction	Nil
c)	Duration of the contracts/arrangements/transaction	Nil
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Nil
e)	Justification for entering into such contracts or arrangements or transactions	Nil
f)	Date of approval by the Board	Nil
g)	Amount paid as advances, if any	Nil
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	Nil

**2. Details of material contracts or arrangements or transactions at Arm's length basis.**

S. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Nil
b)	Nature of contracts/arrangements/transaction	Nil
c)	Duration of the contracts/arrangements/transaction	Nil
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Nil
e)	Date of approval by the Board	Nil
f)	Amount paid as advances, if any	Nil

**By Order of the Board  
For IFIN Commodities Limited**




  
**Sreekumaran V Nair**      **S. Usha**  
**Director**      **Director**  
(DIN: 02207516)      (DIN: 03567757)

Place: Chennai

Date: September 07, 2017





# GANESAN AND COMPANY

CHARTERED ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

To The Members of IFIN Commodities limited

We have audited the accompanying financial statements of **IFIN Commodities limited** ("the Company"), which comprises the balance sheet as at 31<sup>st</sup> March 2017, the statement of profit and loss, the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management responsibility for the financial statements:**

The company's Board of Directors is responsible for the matters 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 financial position, financial performance and cash flow of 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 the Companies (Accounts) Rules 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to 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.

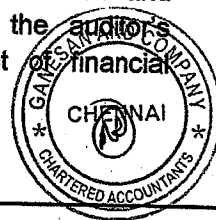
### **Auditor's responsibility:**

Our responsibility is to express an opinion on these financial statements based on our audit.

We 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 there under.

We conducted our audit in accordance with the standards on Auditing specified under section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those standards and pronouncements 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 financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement



- 9, (Old No. 36), South Beach Avenue, MRC Nagar Main Road, R.A. Puram, Chennai - 600 028 ☐ Phone : 65280547
- 23, Jawaharlal Nehru Street, Puducherry - 605 001 ☐ Phone : 2336884 2332015, 2338975
- A-306, 3rd Floor, Symphony Block, Victory Harmony Apartments, Sumangali Servashrama Road (Hebbal), 4th Cross, Chola Nagar, Bangalore - 560 032. ☐ Phone : 080-2333 6133
- E-mail : gandco.ca@gmail.com; support@gando-ca.com

statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give 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 Company's Directors, 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 on the financial statements.

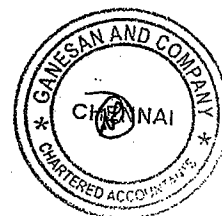
### **Opinion**

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;

- a. In the case of the Balance Sheet of the state of affairs of the Company as at March 31, 2017;
- b. In the case of the statement of Profit and Loss, of the Loss for the year ended on that date; and
- c. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### **Report on other Legal and Regulatory Requirements**

1. As required by section 143(5) of the Companies Act, 2013, we give in the "Annexure C" to our report on the directions issued by the Comptroller and Auditor General of India.
2. 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 (hereinafter referred to as the "Order"), and on the basis of such check we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order
3. As required by section 143(3) of the Act, we 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 accounts of the branch offices of the Company have been audited by us under Section 143 (8) of the Act and have been properly dealt with by us in preparing this report.
  - d) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - e) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



- f) On the basis of written representation received from the directors as on 31 March 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
- g) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company had disclosed the impact of pending litigations as at March 31, 2017 on its financial position in its financial statements. (Refer Note 18)
  - ii) The Company does not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
  - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2017.
  - iv) The Company did not have any holdings or dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December 2016. (Refer Note 27)

for **GANESAN AND COMPANY**  
**CHARTERED ACCOUNTANTS**  
Firm Regn No.: 000859S

*N. Venkatramani*

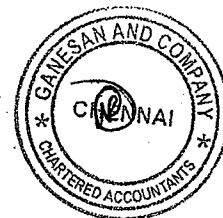
**N.VENKATRAMANI**  
**PARTNER.**  
**M.No.215145**

Place : Chennai  
Date : 05.05.2017

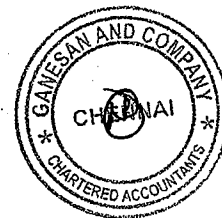


**ANNEXURE B REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE ON THE ACCOUNTS OF IFIN COMMODITIES LIMITED FOR THE YEAR ENDED MARCH 31, 2017**

- i) (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.  
  
(b) The physical verification of fixed assets is being done by the company once in a year which in our opinion is reasonable having regard to the size of the company and nature of business. During the year the assets have been physically verified by the management and no material discrepancies have been noticed on such verification.  
  
(c) The Company does not own any immovable properties. Therefore, provisions of Clause 3(i)(c) of the said Order are not applicable to the Company.
- ii) The Company is in the business of rendering services and consequently do not hold any inventory. Therefore, the provisions of clause 3(ii) of the Order are not applicable to the Company.
- iii) The Company has not granted any loan, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv) The company has not granted any loans, investments, guarantees and securities to which provisions of section 185 and 186 of the Act applies. Therefore, the provisions of clause 3(iv) of the said Order with respect of Section 185 are not applicable to the Company.
- v) The Company has not accepted any deposits from the public within the meaning of Section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under, wherever applicable. Therefore the provisions of clause 3(v) of the Order are not applicable to the Company.
- vi) The Central Government of India has not prescribed the maintenance of cost records under Section 148(1) of the Act for any of the services rendered by the company.
- vii) a) According to the information and explanations given to us and the records produced before us for verification, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities.



- b) According to the information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute.
- viii) According to the records of the Company examined by us and the information and explanation provided to us, the company has not defaulted any repayment of loans or borrowings to any financial institutions or bank or Government or dues to debenture holders as at the balance sheet date. The Company has also not taken any loan from financial institutions, banks or government. The Company has no debenture holders.
- ix) The company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly the provisions of clause 3(ix) of the Order are not applicable to the Company.
- x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi) The Company has not paid / provided any managerial remuneration. Accordingly, the provisions of clause 3(xi) of the Order are not applicable to the Company.
- xii) The Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- xiii) The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv) The Company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under audit. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
- xv) The company has not entered into any non cash transactions with directors or persons connected with them within the meaning of Section 192 of the Act. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.

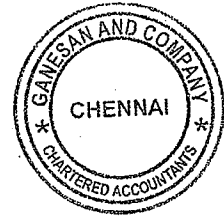


- xvi) The company is not required to be registered under Section 45 - IA of Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3(xvi) of the Order are not applicable to the Company.

for **GANESAN AND COMPANY**  
**CHARTERED ACCOUNTANTS**  
Firm Regn No.: 000859S

*N. Venkatraman*  
**N.VENKATRAMAN**  
**PARTNER.**  
**M.No.215145**

Place : Chennai  
Date : 05.05.2017



### **"Annexure B" to Independent Auditor's Report**

(Referred to Point f in paragraph 3 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of **IFIN COMMODITIES LIMITED** on the financial statements for the year ended March 31, 2017.)

### **Report on the Internal Financial Controls under Clause (i) of Sub Section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

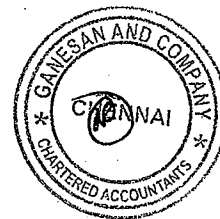
We have audited the internal financial controls over financial reporting of **IFIN COMMODITIES LIMITED** as of 31<sup>st</sup> March 2017 in conjunction with our audit of the financial statements for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Company are 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 Controls over Financial Reporting issued by Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, 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 Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act and the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note"), to the extent applicable to an audit of internal financial controls over financial reporting. 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 was established and maintained and if 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 includes 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 of 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.

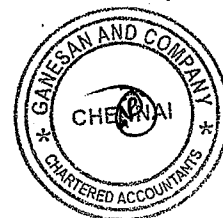
### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed 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 authorisations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised 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. Also, 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





because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

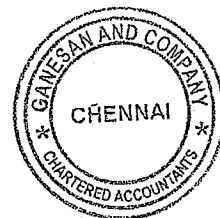
In our opinion, the Company has, in all material respects, maintained adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India, the Company's internal financial controls over financial reporting were operating effectively as of 31<sup>st</sup> March 2017.

for **GANESAN AND COMPANY**  
**CHARTERED ACCOUNTANTS**  
Firm Regn No.: 000859S

*N. Venkat Ramani*

**N.VENKATRAMANI**  
**PARTNER.**  
**M.No.215145**

Place : Chennai  
Date : 05.05.2017



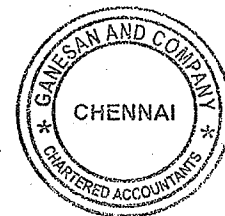
**ANNEXURE C REFERRED TO IN PARAGRAPH 3 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE ON THE ACCOUNTS OF IFIN COMMODITIES LIMITED FOR THE YEAR ENDED MARCH 31, 2017**

<b>S.No.</b>	<b>GENERAL DIRECTIONS</b>	<b>AUDITOR'S COMMENT</b>
1.	Whether the company has clear title / lease deeds for freehold and leasehold land respectively? If not, please state the area of freehold and leasehold land for which title/lease deeds are not available.	The company does not hold any freehold or leasehold land. Hence reporting under this sub-direction does not arise.
2.	Whether there are any cases of waiver / write off of debts / loans / interest, etc. If yes, the reasons therefor and the amount involved.	According to the information and explanation given to us and on the basis of audit carried out by us, we note that there are no cases of waiver / write off of debts during the year.
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift / grants from the government or other authorities?	The company does not hold any inventory and have not received any assets as gift / grants from the Government or other authorities. Hence, reporting under this sub-direction does not arise.

for **GANESAN AND COMPANY**  
**CHARTERED ACCOUNTANTS**  
Firm Regn No.: 000859S

*N. Venkatramani*  
**N.VENKATRAMANI**  
**PARTNER.**  
**M.No.215145**

Place : Chennai  
Date : 05.05.2017



**IFIN Commodities Limited**  
**Balance Sheet as at 31st March 2017**

(Amount in Rs.)

Particulars		Note No.	For the Year ended 31st March 2017	For the Year ended 31st March 2016
1		2	3	4
<b>I. EQUITY AND LIABILITIES</b>				
<b>1 Shareholders' funds</b>				
(a) Share capital	2		50,000,000	50,000,000
(b) Reserves and surplus	3		3,149,588	3,991,339
<b>3 Non-current liabilities</b>				
Deferred tax liabilities (Net)			18,188	182,730
<b>4 Current liabilities</b>				
(a) Trade payables				
(i) Dues of Micro and Small Enterprises				
(ii) Dues of creditors other than Micro and Small Enterprises			50,501,456	30,995,011
(b) Other current liabilities	4		7,952,907	10,567,060
(c) Short - term provisions	5		973,549	723,292
<b>TOTAL</b>			<b>112,595,689</b>	<b>96,459,432</b>
<b>II. ASSETS</b>				
<b>Non-current assets</b>				
<b>1 (a) Fixed assets</b>				
(i) Tangible assets	6		67,517	67,518
(ii) Intangible assets			133,904	167,021
(b) Long-term loans and advances	7		11,800,000	11,850,000
<b>2 Current assets</b>				
(a) Trade receivables	8		353	1,353,902
(b) Cash and cash equivalents	9		95,513,520	77,677,311
(c) Short-term loans and advances	10		2,776,378	2,214,726
(d) Other current assets	11		2,304,016	3,128,954
<b>TOTAL</b>			<b>112,595,689</b>	<b>96,459,432</b>

Significant Accounting Policies

The Notes No. 1 to 11 form an integral part of Balance Sheet

This is the balance Sheet referred to in our Report of even date

FOR AND ON BEHALF OF THE BOARD OF  
IFIN COMMODITIES LIMITED

For **GANESAN AND COMPANY**

CHARTERED ACCOUNTANTS  
FIRM REGN No. 000859S

*N. Venkatramani*  
N. VENKATRAMANI  
PARTNER  
M. No. 215145

*S. Usha*

Usha  
Director

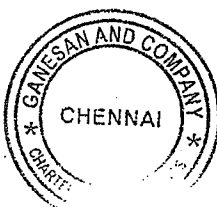
*Rajesh Kumar Gupta*

Rajesh Kumar Gupta  
Director

*L. Sheetal*

L. Sheetal  
Company Secretary

Place : Chennai  
Date : 05/05/2017



**Statement of Profit and loss as on 31st March 2017**

(Amount in Rs.)

Particulars	Note No.	For the Year ended 31st March 2017	For the Year ended 31st March 2016
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
I. Revenue from operations	12	11,417,043	15,802,503
II. Other income	13	3,703,786	4,507,710
III. Total Revenue (I + II)		<b>15,120,829</b>	<b>20,310,213</b>
IV. Expenses:			
Employee benefits expense	14	9,749,770	8,866,021
Finance costs	15	327,857	345,275
Depreciation and amortization expense		33,117	115,074
Other expenses	16	6,265,121	8,949,250
Total expenses		<b>16,375,865</b>	<b>18,275,620</b>
Profit (Loss) before Provisions and extraordinary items and tax (III-IV)		(1,255,036)	2,034,593
VI. Provision for Doubtful debts		31,343	-
Prior period Expenses		140,450	104,428
Profit (Loss) before extraordinary items and tax (V - VI)		(1,426,829)	1,930,165
VIII. Extraordinary Items		-	-
IX. Profit (Loss) before tax (VII- VIII)		(1,426,829)	1,930,165
X Tax expense:			
- Current Tax		-	676,179
- Deferred Tax Charge (Net)		(164,542)	23,627
- Relating to Earlier Years		(420,536)	-
XI Profit (Loss) for the period (IX - X)		<b>(841,751)</b>	<b>1,230,359</b>
XII Earnings per share			
XV Profit (Loss) for the period Basic & Diluted		(0.17)	0.25

The Notes 1 & 12 to 16 form an integral part of Statement of Profit and Loss  
This is the Statement of profit and Loss referred to in our report of even date

**For GANESAN AND COMPANY**  
CHARTERED ACCOUNTANTS  
FIRM REGN No. 000859S

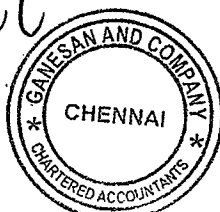
**FOR AND ON BEHALF OF THE BOARD OF  
IFIN COMMODITIES LIMITED**

*N. Venkataraman*  
**N. VENKATARAMAN**  
PARTNER  
M. No. 215145

*Usha*  
**Usha**  
Director

*Rajesh Kumar Gupta*  
**Rajesh Kumar Gupta**  
Director

Place : Chennai  
Date : 05/05/2017



*L. Sheetal*  
**L. Sheetal**  
Company Secretary



**IFIN COMMODITIES LIMITED**  
**CASH FLOW STATEMENT AS ON 31ST MARCH 2015**

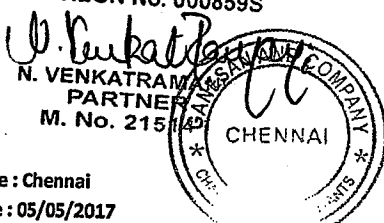
(Amount in Rs.)

	Particulars	Year ended		Year ended	
		31.03.2017		31.03.2016	
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
	Net Profit before tax as per P&L a/c		(1,426,829)		1,930,165
	Adjustments for:				
	Depreciation / Amortisation on Fixed Assets	33,117		115,074	
	Prior period Expenses			104,428	
	Interest income	(3,636,857)		(4,507,710)	
	Interest Expenses	327,857		345,275	
			(3,275,883)		(3,942,933)
	<b>Operation Profit before Working Capital Changes</b>		(4,702,713)		(2,012,768)
	Adjustments for:				
	(Increase) / Decrease in Trade Receivables	1,353,549		(993,566)	
	(Increase) / Decrease in short term Loans & Advances	(561,652)		354,285	
	(Increase) / Decrease in other Current Assets	824,938		1,260,982	
	(Increase) / Decrease in loans & Advances	50,000		25,500,000	
	Increase / (Decrease) in Trade Payable	19,506,445		443,795	
	Increase / (Decrease) in Current Liabilities	(2,614,152)		(119,262)	
	Increase / (Decrease) in Provisions	250,257		479,976	
	Increase / (Decrease) in other Current liability			(13,494,173)	
			18,809,386		13,432,036
	<b>Cash Generated from Operation before tax</b>		14,106,673		11,419,267
	Deferred tax liabilities (Net)				
	Direct taxes paid		420,536		676,179
	<b>Net cash from Operating Activities</b>		14,527,209		10,743,089
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
	(Increase) / Decrease in Fixed Deposits		693,717		(4,326,151)
	Interest Received		3,636,857		4,507,710
	Repayment of Long Term Liabilities				
	<b>Net Cash used in / raised from Investing Activities</b>		4,330,575		181,559
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
	Interest Paid		(327,857)		(345,275)
	Capital by the Holding company				
			(327,857)		(345,275)
	<b>Net Changes in Cash &amp; Cash Equivalent (a+b+c)</b>		18,529,927		10,579,373
	Opening Cash and Cash Equivalent		27,884,100		17,304,727
	Closing Cash and Cash Equivalent		46,414,026		27,884,100
	<b>Increase / Decrease in Cash &amp; Cash Equivalent</b>		18,529,927		10,579,373

The above cash flow statement has been prepared under the "indirect method" set out in Accounting Standard-3 on Cash Flow Statement issued as per Company's Accounting Standard Rules, 2006.

**For GANESAN AND COMPANY**

CHARTERED ACCOUNTANTS  
FIRM REGN No. 000859S



Place : Chennai  
Date : 05/05/2017

**FOR AND ON BEHALF OF THE BOARD OF**  
**IFIN COMMODITIES LIMITED**

*S. Usha*  
Usha  
Director  
*L. Sheetal*  
L. Sheetal  
Company Secretary

*Rajesh Kumar Gupta*  
Rajesh Kumar Gupta  
Director



**IFIN Commodities Limited**

**Note 2. Share Capital**

Particulars	As at 31st March 2017		As at 31st March 2016	
	Number	Rs.	Number	Rs.
<b>Authorised</b>				
Equity Shares of Rs.10/- each	5,000,000	50,00,00,00	5,000,000	50,00,00,00
<b>Issued</b>				
Equity Shares of Rs.10/- each	5,000,000	50,00,00,00	5,000,000	50,00,00,00
<b>Subscribed &amp; Paid up</b>				
Equity Shares of Rs.10/- each	5,000,000	50,00,00,00	5,000,000	50,00,00,00
<b>Total</b>	5,000,000	50,00,00,00	5,000,000	50,00,00,00

Particulars	As at 31st March 2017		As at 31st March 2016	
	Number	Rs	Number	Rs
Shares outstanding at the beginning of the year	5,000,000	50,00,00,00	5,000,000	50,00,00,00
Add: Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	5,000,000	50,00,00,00	5,000,000	50,00,00,00

**Rights, Preferences and restrictions attaching to each class of shares:**

The Company has only one class of equity share, i.e. equity shares having face value of Rs.10/- per share. Each shareholder is entitled to one vote per share held. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting except in case of Interim Dividend. In the event of liquidation of company, the holders of the equity shares will be entitled to receive any of the remaining assets if the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of shares held by the shareholders.

**Shares held by Holding Company:**

5000000 Equity Shares (Previous year - 5000000 equity shares) are held by IFCI Financial Services Limited, the holding company and its nominees.

**Details of shares held by the shareholders holding more than 5% of the aggregate shares in the company:**

Name of Shareholder	As at 31st March 2017		As at 31st March 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>Equity Shares</b>				
IFCI Financial Services Limited and nominees	5,000,000	100	5,000,000	100



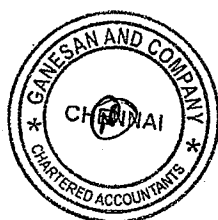
**IFIN Commodities Limited**

**Note 3 Reserves and Surplus**

(Amount in Rs.)

Particulars	As at 31st March 2017	As at 31st March 2016
<b>a. Surplus:</b>		
Opening balance	3,991,339	2,860,080
Less : Adjustment for Fixed asset	-	99,100
(+) Profit / (Loss) For the current year	(841,751)	1,230,359
<b>Closing Balance</b>	<b>3,149,588</b>	<b>3,991,339</b>
<b>Total</b>	<b>3,149,588</b>	<b>3,991,339</b>

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**IFIN Commodities Limited**

**Note 4 Other Current Liabilities**

(Amount in Rs.)

Particulars	As at 31st March 2017	As at 31st March 2016
Sundry Deposits	229,086	389,999
Creditors for expenses	191,510	1,549,883
Other Payables - Statutory Payment to Government Authorities	964,298	880,338
Payable to Exchanges	5,074,404	5,744,884
Other Liabilities	1,230,451	1,463,428
Provision for expenses	263,159	538,528
<b>Total</b>	<b>7,952,907</b>	<b>10,567,060</b>

**Note 5 Short-term Provisions**


Particulars	As at 31st March 2017	As at 31st March 2016
<b>(a) Provision for employee benefits</b>		
Gratuity	206,949	29,688
Leave Encashment	596,760	183,734
<b>(b) Others</b>		
Provision for Bonus	169,840	509,870
<b>Total</b>	<b>973,549</b>	<b>723,292</b>

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Description	Gross Assets				Accumulated Depreciation				(Amount in Rs.)		
	Balance as at 1st April 2016	Addition	Deletion	Balance as at 31st March 2017	Balance as at 1st April 2016	Depreciation charge for the year	Balance as at 31st March 2017	Prior year depreciation	Adjustment against retained earnings	Balance as at 31st March 2017	Balance at 31st March 2017
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
<b>Tangible Assets</b>											
Office Equipments	138,400			138,400	131,596		131,596				
Computer Hardware	1,214,273	-	-	1,214,273	1,153,560		1,153,560			6,804	6,804
<b>total</b>	<b>1,352,673</b>	<b>-</b>	<b>-</b>	<b>1,352,673</b>	<b>1,285,156</b>	<b>-</b>	<b>1,285,156</b>		<b>-</b>	<b>60,713</b>	<b>60,713</b>
<b>Intangible Assets</b>										<b>67,517</b>	<b>67,517</b>
Computer Software	1,553,728	-	-	1,553,728	1,386,707	33,117	1,419,824				
Intangible-Membership Card	3,200,000	-	-	3,200,000	3,200,000	-	3,200,000			133,904	167,02
<b>total</b>	<b>4,753,728</b>	<b>-</b>	<b>-</b>	<b>4,753,728</b>	<b>4,586,707</b>	<b>33,117</b>	<b>4,619,824</b>			<b>(0)</b>	<b>-</b>
<b>Grand Total</b>	<b>6,106,401</b>	<b>-</b>	<b>-</b>	<b>6,106,401</b>	<b>5,871,863</b>	<b>33,117</b>	<b>5,904,980</b>			<b>133,904</b>	<b>167,02</b>
<b>previous Year</b>	<b>6,106,401</b>	<b>-</b>	<b>-</b>	<b>6,106,401</b>	<b>5,553,261</b>	<b>115,074</b>	<b>5,668,334</b>	<b>104,429</b>	<b>-</b>	<b>201,422</b>	<b>234,53</b>
								<b>99,100</b>		<b>234,539</b>	<b>553,14</b>



**IFIN Commodities Limited**

**Note 7. Long Term Loans and Advances**

(Amount in Rs.)

Particulars	As at 31st March 2017	As at 31st March 2016
<b>A. Security Deposits</b>		
Secured, considered good	-	-
Unsecured, considered good	11,800,000	11,850,000
Doubtful	-	-
Less: Provision for doubtful deposits	-	-
	<b>11,800,000</b>	<b>11,850,000</b>
<b>B. Other loans and advances</b>		
Advance tax and Tax deducted at Source	-	-
Less Provision for Tax	-	-
<b>TOTAL</b>	<b>11,800,000</b>	<b>11,850,000</b>

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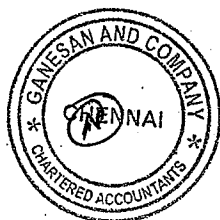
**IFIN Commodities Limited**

**Note 8 Trade receivable**

**(Amount in Rs.)**

Particulars	As at 31st March 2017	As at 31st March 2016
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	353	1,353,902
	353	1,353,902
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered doubtful	2,795,219	2,763,876
Less: Provision for doubtful debts	2,795,219	2,763,876
	-	-
<b>Total</b>	<b>353</b>	<b>1,353,902</b>

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**IFIN Commodities Limited**
**Note 9 Cash and cash equivalents**
**(Amount in Rs.)**

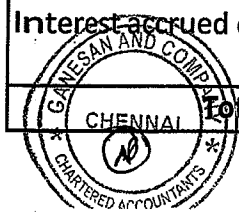
Particulars	As at 31st March 2017		As at 31st March 2016	
a. Balances with banks				
This includes:				
Current Accounts with Schedule Banks	46,402,114		27,882,305	
Bank deposits	49,099,494		49,793,211	
				77,675,517
b. Cheques, drafts on hand				
c. Cash on hand	11,912			1,794
		95,513,520		
*Includes bank deposits with more than 12 months having maturity		95,513,520		77,677,311

**Note 10 Short term loans and advances**

Particulars	As at 31st March 2017		As at 31st March 2016	
a. Loans and advances to related parties				
Unsecured, considered good		66,546		
Others				
Other loans and advances				
Advance tax and Tax deducted at Source	1,969,024		822,374	
Less: Provision for Tax		1,969,024		822,374
Other Loans and Advances		568,695		1,313,172
Prepaid Expenses		172,112		79,180
		2,776,378		2,214,726
<b>Total</b>		<b>2,776,378</b>		<b>2,214,726</b>

**Note 11 Other current assets**

Particulars	As at 31st Mar 17		As at 31st Mar 16	
Interest accrued on Deposits	2,304,016			3,128,954
		2,304,016		
<b>Total</b>		<b>2,304,016</b>		<b>3,128,954</b>



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**IFIN Commodities Limited**

**Note 12 Revenue from Operations**

(Amount in Rs.)

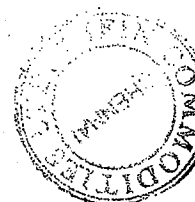
Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
<b>Operating revenues:</b>		
Brokerage	11,388,693	15,791,553
Account Opening Charges	28,350	10,950
<b>Total</b>	<b>11,417,043</b>	<b>15,802,503</b>

**Note 13 Other Income**

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
Interest	3,636,857	4,507,710
Miscellaneous Income	66,929	-
<b>Total</b>	<b>3,703,786</b>	<b>4,507,710</b>



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**IFIN Commodities Limited**
**Note 14 Employee Benefits expense**
**(Amount in Rs.)**

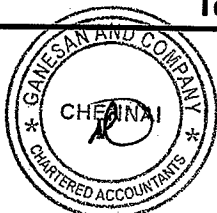
Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
Salaries and incentives	8,731,088	8,065,888
Contributions to -		
(i) Provident fund	588,717	596,938
(ii) Employee State Insurance	24,203	56,607
Staff welfare expenses	405,761	146,588
<b>Total</b>	<b>9,749,770</b>	<b>8,866,021</b>

**Note 15 Finance Cost**

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
Bank Charges	327,857	345,275
<b>Total</b>	<b>327,857</b>	<b>345,275</b>

**Note 16 Other Expenses**

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
Insurance	53,493	38,973
Auditors Remuneration	246,000	260,000
Professional And Consultancy Charges	294,457	626,212
Commission Paid	2,299,590	3,366,745
Rent	2,627,949	2,782,956
Rates And Taxes	10,109	201,909
Penalty	40,057	515,248
Postage & Telegram	174,087	282,280
Printing & Stationary	153,954	232,786
Other Expenses	365,425	642,140
<b>Total</b>	<b>6,265,121</b>	<b>8,949,250</b>



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**IFIN COMMODITIES LIMITED**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
MARCH 31, 2017**

**1.1 OVERVIEW**

IFIN Commodities Limited or ICOM (the Company) is a subsidiary of IFCI Financial Services Limited. It was set up to spearhead exchange based Commodity trading. ICOM was incorporated on 21<sup>st</sup> January 2009.

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

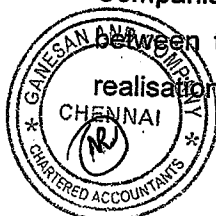
**1.2 SIGNIFICANT ACCOUNTING POLICIES:**

**I. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rule, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

The Ministry of Corporate Affairs (MCA) has notified the Companies (Accounting Standards) Amendment Rules, 2016 vide its notification dated March 30, 2016. The said notification read with rule 3(2) of the Companies (Accounting Standards) Rules, 2006, is applicable to accounting period commencing on or after the date of notification i.e. 1st April 2016.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and services and the time between the acquisition of assets for processing, rendering of services and their realisation in cash and cash equivalents, the Company has ascertained its operating



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cycle as 12 months for the purpose of current-non current classification of assets and liabilities.

## **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:**

### **a. BROKERAGE INCOME**

Brokerage Income is recognized on the trade date of the transaction upon confirmation of the transactions by the exchanges.

### **b. INTEREST INCOME**

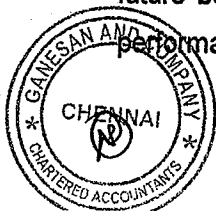
Interest earned on fixed income bearing securities is accounted on a time proportion basis taking into account the amount outstanding and the rate applicable.

### **c. COMMODITY FUTURES – DERIVATIVES**

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.

## **IV. TANGIBLE ASSETS**

Tangible Assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Costs for this purpose includes purchase price, non-refundable taxes or levies and other directly attributable costs of bringing the assets to its working condition for its intended use. Subsequent expenditure related to an item of tangible asset is added to its book value only if it increase the future benefits from the existing asset beyond its previously assessed standard of performance. Losses arising from the retirement of, and gains or losses arising from



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disposal of tangible assets which are carried at cost less depreciation are recognized in the Statement of profit and Loss.

## **V. INTANGIBLE ASSETS**

Intangible assets are recognized only if it is probable that the future economic benefits that are attributable to assets will flow to the enterprise and cost of the assets can be measured reliably. Intangible assets are stated at acquisition cost and are carried at cost less accumulated amortization and accumulated impairment losses, if any. Gains or losses arising from the retirement or disposal of intangible assets are determined as the difference between net disposal proceeds and the carrying amount of the assets and recognized as income or expenses in the statement of profit or Loss.

Computer software which is not an integral part of the related hardware is classified as an Intangible asset and is being amortized over the estimated useful life.

## **VI. DEPRECIATION AND AMORTISATION**

Depreciation is provided on Written Down Value method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

## **VII. 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.

## **VIII. EMPLOYEE BENEFITS:**

### **Defined contribution plan:**

- (a) The Company's Provident Fund Scheme and Employee State insurance scheme are defined contribution plan and company's contribution paid/payable is recognized as expense in Profit & Loss account during the period in which the employee renders the related service.
- (b) The Company's liability towards Gratuity is a Defined Benefit Plan. The liability towards Gratuity is determined using the Projected Unit Credit Method which recognizes each period of service as giving rise to additional unit of Employee benefit entitlement. The gratuity Scheme is operated through Group gratuity Scheme of LIC. The gratuity liabilities are provided based on Actuarial Valuation.



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certified by LIC. Actuarial gains and losses are charged to Profit and Loss Account.

**(c) Compensated Absence-Leave Salary**

The policy provides for an employee to be entitled to 24 days of earned leave per year and maximum of 15 days leave standing to the credit of the employee at the end of the calendar year will be paid as leave salary calculated on the basic pay along with January month salary of the immediate next calendar year. The expenses on this account thus arising are recognized in the profit and loss account.

**IX. TAXATION:**

Income Tax expense comprises current tax as determined in accordance with the income tax laws and deferred tax 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 by the balance sheet date. Deferred tax assets are recognized only to the extent there is a reasonable certainty that such assets can be realized in future. Further deferred tax assets arising mainly on account of carry forward loss and unabsorbed depreciation under the tax laws are recognized, only if there is virtual certainty, supported by convincing evidence of its realization.

**X. PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:**

Provisions are recognized when there is a present obligation as a result of past event and it is probable that there will be outflow of resources.

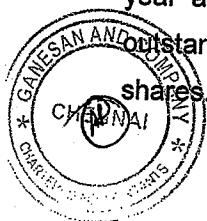
Contingent liabilities are disclosed without making a provision in books when there is an obligation that may, but probably will not require outflow of resources.

Contingent assets are not recognized/ disclosed in the financial statements.

**XI. EARNINGS PER SHARE**

Basic earnings per share are computed by dividing the net profit or loss for the year attributable to the equity shareholders by the weighted number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share the net profit or loss for the year attributable to equity shareholders and weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity



**IFIN COMMODITIES LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**MARCH 31, 2017**

17. Decision to continue with the process of merger considered at the meeting of the Board of Directors held on 22.04.2015, with IFIN Commodities Limited and IFIN Credit Limited, (subsidiaries of IFCI Financial Services Limited) was put on hold vide letter dated 13.06.2016 from IFCI Limited (ultimate holding company), as they are in the process of obtaining approval in this regard from Government of India. The same had been intimated to the office of the Regional Director, Southern Region, vide company's letter dated 24.06.2016.
18. Claims in respect of legal case pending against the company amounting to Rs.465.33 lakhs made by the clients (involving 8 cases) has not been provided, since the management is confident of expecting a favourable decision against these claims.
19. The Company has furnished bank guarantee aggregating to Rs.400.00 lakhs to Multi Commodity Exchange Limited as on 31.03.2017 for meeting margin requirements. The Company has pledged fixed deposits upto 50% of the above deposits, i.e. Rs.200.00 lakhs for obtaining the above guarantee. The ultimate holding company (IFCI Limited) has given a Letter of comfort to bank for furnishing the above bank guarantee.
20. Cash and Bank includes bank deposits of Rs 15.00 lakhs with more than 12 months remaining maturity and this has been disclosed vide directions from the Holding Company.
21. **MANAGERIAL REMUNERATION:** Nil (Previous Year –Nil)
22. **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:

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(Amount in Rs.)

Particulars	As on 31-03-2017	As on 31-03-2016
Net Profit for the year available for the equity share holders (Before extra-ordinary Item)	(8,41,751)	12,30,359
Nominal value per equity share	Rs.10	Rs.10
Weighted Average No. of outstanding equity shares during the year – Basic & Diluted.	50,00,000	50,00,000
Basic & Diluted Earnings Per Share (Before & After extra- ordinary Item)	(0.17)	0.25

### 23. CURRENT AND DEFERRED TAX:

(a) Current Tax

The company has provided Rs. Nil/- (Previous Year – Rs. 6,76,179) as per the provisions of Income Tax Act, 1961 in view of current year loss.

(b) Deferred Tax

Tax effect on timing difference has been recognized as deferred tax during the year as under:

- WDV of Fixed Assets under Companies Act, 2013 as at 31.03.2017 - Rs.2,01,421 (Rs.234539)
- WDV of Fixed Assets under Income Tax Act, 1961 as at 31.03.2017 - Rs.1,40,532 (Rs.261279)

Deferred Tax as on 31.03.2017 - Rs.18,188 Rs.(1,82,730)

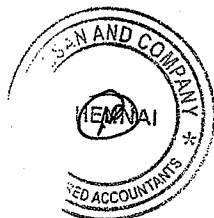
### 24. EMPLOYEE BENEFITS

Provisions for employee benefits under revised AS 15:

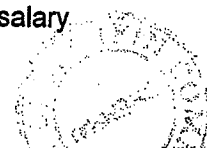
- (a) Defined Contribution plan: Provident and other statutory funds. The amount recognized as an expense during the year is Rs.5,88,717/- (Previous Year – Rs. 5,96,938/-).

(b) Defined Benefit plan-Compensated Absence-Leave Salary

The policy provides for that an employee is entitled to 24 days of earned leave per year and maximum of 15 days leave standing to the credit of the employee at the end of the calendar year will be paid as leave salary.



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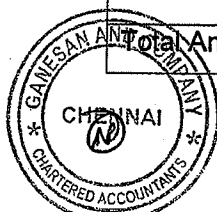
calculated on the basic pay along with December / January month salary. The expenses recognized in the profit and loss account is Rs.6,81,409/- (previous year Rs. 1,89,475)

- (c) Defined Benefit plan-The Company operates Gratuity plan 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 subject to a maximum of Rs. 10, 00, 000. Vesting occurs on completion of 5 years of service.

The following table sets out the Gratuity plan as provided by LIC.

(Amount in Rs.)

Particulars	Year 2016-17	Year 2015-16
Policy No	605000514	605000514
Date of Valuation	31/03/2017	31/03/2016
Membership Date		
Number of Members	27	31
Average age	34.11	32.87
Average Monthly Salary	11366.03	10796
Average past Service	5.11	3.94
Valuation Method	Projected unit credit method	Projected unit credit method
Results of Valuation		
Present value of Past Service Benefit	5,28,442	4,27,010
Service cost	99,273	1,05,614
Fund with LIC	6,94,081	4,90,800
Accrued Gratuity	9,01,030	7,41,214
Actuarial Assumptions		
Mortality Rate	LIC (2006-08) ultimate	LIC (2006-08) ultimate
Discount rate	8% p.a.	8% p.a.
Salary escalation rate	5%	5%
Withdrawal rate	1% to 3% depending on age	1% to 3% depending on age
Total Amount Payable	Nil	41,824



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**25. DETAILS OF AUDITORS REMUNERATION (EXCLUDING SERVICE TAX):**

Nature of Service	2016-17	2015-16
Statutory Audit Fee	1,55,000	1,55,000
Quarterly Limited Review	75,000	75,000
Tax Audit and Other Certification	16,000	15,000
Total	2,46,000	2,45,000

**26. RELATED PARTY DISCLOSURE:**

- a) Ultimate Holding Company : IFCI Limited
- b) Holding Company : IFCI Financial Services Limited
- c) Fellow Subsidiaries :
- i) IFIN Securities Finance Limited
  - ii) IFIN Credit Limited
  - iii) IFCI Factors Limited
  - iv) IFCI Venture Capital Funds Limited
  - v) IFCI Infrastructure Development Ltd
  - vi) MPCON Limited
  - vii) Stock Holding Corporation of India Limited

Note: Fellow Subsidiaries (iii) to (vii) given above are subsidiaries of ultimate Holding Company, IFCI Limited.

**d) Key Management Personnel and relatives of such personnel:**

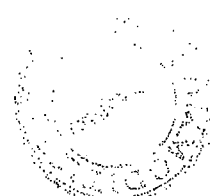
Smt.S.Usha : Director

Ms. L. Sheetal : Company Secretary (Since 20.06.2016)

Relatives of Key Management Personnel : Nil



*Handwritten signature/initials*





## 28. FOREIGN EXCHANGE INFLOW AND OUTFLOW

The company has not incurred any expenditure in foreign currency during the year ended 31<sup>st</sup> March 2017. Also, the company does not have any foreign currency exposure as at 31<sup>st</sup> March 2017.

29. 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.

30. Figures of the previous year have been regrouped / rearranged wherever necessary to make them comparable with the current year figures.

The accompanying notes are an integral part of financial statements

Signature to Note No.1 to 30 forming part of financial statements

For and on behalf of the Board of Directors

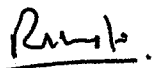
For GANESAN AND COMPANY  
FIRM REGN NO.: 000859S  
CHARTERED ACCOUNTANTS



S.Usha

DIRECTOR

DIN: 03567757



Rajesh Kumar Gupta

DIRECTOR

DIN: 07188093

N.VENKATRAMANI

PARTNER

M.No.215145



L.Sheetal

Company Secretary





**Route map to the 9<sup>th</sup> AGM venue of IFIN Commodities Limited**

