

# COMMEX TECHNOLOGY LIMITED

## Annual Report 2011-2012



## 12th Annual Report

**BOARD OF DIRECTORS**

Ketan Sheth  
Kishore Hegde  
Madhukar Nath Chaturvedi

Chairman & Managing Director  
Non-Executive & Independent Director  
Non-Executive & Independent Director

**AUDITORS**

Gadgil & Co., Chartered Accountants  
118-B, Mittal Tower  
210, Nariman Point  
Mumbai-400 021

**COMPANY SECRETARY**

Vineet Kakkad

**BANKERS**

ICICI Bank Limited  
HDFC Bank Limited  
Abu Dhabi Commercial Bank  
State Bank of India

**REGISTERED OFFICE**

Exchange House  
Millennium Business Park  
Mahape  
Navi Mumbai- 400710  
Tel: +91 (22) 2778 0045  
Fax: +91 (22) 2778 0046  
Email: investor@commextechnology.com  
Website: www.commextechnology.com

**REGISTRAR AND SHARE TRANSFER AGENT**

Universal Capital Securities Private Limited  
21, Shakil Niwas, Opp. Satya Saibaba Temple  
Mahakali Caves Road, Andheri- (East)  
Mumbai-400093  
Tel: +91 (22) 2825 7641  
Fax: +91 (22) 28211996  
Email: info@uniseq.in  
Website: www.uniseq.in

**CORPORATE IDENTIFICATION NUMBER (CIN):**

L72900MH2000PLC123796

Twelveth Annual General Meeting on Friday, the 28<sup>th</sup> day of September, 2012 at 10.00 AM at Event Banquet, Near Filmistan Studio, S.V. Road, Goregaon West, Mumbai 400062

**Topics Contents**

Notice of Annual General Meeting	3
Chairman Review	12
Report of the Directors	13
Management Discussion and Analysis	19
Report on Corporate Governance	23
Auditors Report on (Consolidated Financial Statementd& Stand Alone)	37
Consolidated Balance Sheet (Consolidated& Stand Alone)	39
Consolidated Statement of Profit & Loss Account (Consolidated& Stand Alone)	40
Consolidated Cash flow statement (Consolidated& Stand Alone)	41
Notes on Consolidated Financial Statement	43
Auditors Report on Financial	64
Balance Sheet	70
Statement of Profit& Loss Account	71
Cash flow statement	72
Notes on Financial Statement	74
Financial Information of Subsidiaries	96
Attendance Slip & Proxy form	97

## NOTICE

**NOTICE** is hereby given that the Twelveth Annual General Meeting of the members of Commex Technology Limited (Formerly known as IT People (India) Limited) will be held on Friday, the 28th day of September, 2012 at 10.00 a.m. at Event Banquet, Near Filmistan Studio, S.V.Road, Goregaon West, Mumbai 400062 to transact the following businesses:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet as on 31st March 2012 and Profit & Loss Account for the year ended as on that date, together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Madhukar Nath Chaturvedi, who retires by rotation and being eligible, offers himself for reappointment.
3. To declare dividend on Equity shares for the financial year ended on 31st March, 2012.
4. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution

**“RESOLVED THAT** M/s. Gadgil & Co., Chartered Accountants, Mumbai (Registration No. 102876W) be and is hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors.”

### **SPECIAL BUSINESS:**

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

**“RESOLVED THAT** pursuant to the provision of Section 372A and other applicable provision of the Companies Act, 1956 (including any

modification(s) or re-enactment thereof, for the time being in force and subject to the consent and approval of the Reserve Bank of India (RBI) under Foreign Exchange Management Act, 1999 if required, or any other statute, Securities and Exchange Board of India (SEBI) or such authorities, if required and/or in accordance with the guidelines and notification issued by SEBI, Government, etc. and such other approval/permissions as may be necessary under any other statute for the time being in force and subject to the approval/consent of such appropriate authorities, if any, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall include any committee constituted by the Board or any other person(s) authorised by the Board to exercise the power conferred on the Board by this Resolution to make Loans or Investments, in one or more tranches by subscription, purchase or otherwise in subsidiary(ies)/ any body corporate in India or abroad (existing or which may be promoted/incorporated), in any kind of securities or by providing of guarantee or security in connection with a loan made by any other person to any subsidiary(ies)/ any body/ bodies corporate in India or abroad (existing or which may be promoted / incorporated) for global business expansion and other growth initiatives in excess of the limits prescribed in Section 372A of the Companies Act, 1956 but subject to a maximum limit of ₹1000 Crores (Rupees One Thousand Crores Only)".

**"RESOLVED FURTHER THAT** any of the Director be and are hereby severally authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution."

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

**"RESOLVED THAT**, in supersession of the previous resolution passed in the meeting of the Members of the Company held on 28th August, 2009 pursuant to section 293 (1) (d) of the Companies Act, 1956, thereby limiting the borrowing powers to the Board of Directors of the Company up to ₹ 500 Crores (Rupees Five Hundred Crores only), the consent of the Company be and is hereby accorded pursuant to Clause (d) of Sub-section (1) of Section 293 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), and subject to compliance of other applicable Acts, Rules and Regulations as may be in force, the Company hereby accords it's consent to the Board of Directors of the Company (herein after called "Board") for borrowing any sum or sums of money from time to time, as it may think fit, from any one or more persons, firms, bodies corporate, or financial institutions whether by way of cash credit, advance or deposits, term or project loans of bills discounted or otherwise Company's assists and properties, and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company's assets and properties, whether movable or immovable, or any of the undertakings of the Company not withstanding that the monies to be borrowed, together with moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of the business ), will or may exceed the aggregate of the paid-up capital of the Company and it's free reserves, that is to say, reserves not set apart for any specific purpose, but however that, the total amount up-to which moneys may be borrowed by the Board of Director and outstanding at any time shall not exceed the sum of ₹ 600 Crores only (Rupees Six Hundred Crores only), exclusive of interest."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorised for borrowing from time to time as it may think fir, any sum or sums of money but not exceeding ₹ 600 Crores (Rupees Six Hundred Crores Only), including moneys already borrowed by the Company) on such security and on such

terms and conditions as the Board may deem fit, by way of loans from or issue of Bonds, debentures or other securities whether convertible into equity/preference shares and/or securities with or without detachable warrants with a rights exercisable by the warrants holder(s) to convert or subscribe to equity shares/ preference shares to banks(s), Financial, other Institution(s), Mutual Funds(s), Non Resident Indians (NRI), Foreign Institutional Investors (FIIs) or any other persons (s) body(ies) Corporate, etc., whether shareholders of the Company or not."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby further authorised to execute such deeds of debentures and the debentures trust deeds or mortgage, charge, hypothecation, lien, promissory note, deposit receipts and other deeds and instruments or writings as they may think fit, and containing such conditions and covenants as the directors any think fit."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds and thing as may be deemed expedient and necessary to give effect to the above resolution."

**Date: 30th August, 2012**

**Place: Navi Mumbai**

**By Order of the Board of Directors**

**sd/-**

**Ketan Sheth**

**Chairman & Managing Director**

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Corporate Members, Societies, partnership firms, etc. intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. The relevant explanatory statement pursuant to section 173(2) of the Companies Act, 1956 setting out the material facts concerning the special Business mentioned under item nos. 5 & 6 of the notice are annexed hereto.
4. Members/Proxies should bring duly filled Attendance Slips sent herewith to attend the meeting.
5. The Annual Report of the Company is also available on the Company's website at [www. commextechnology.com](http://www.commextechnology.com)
6. The Company is concerned with environment and utilizes natural resources in a sustainable way. Recently the Ministry of Corporate Affairs (MCA), Government of India through its circular Nos. 17/2011 and 18/2011 dated 21st April, 2011 and 29th April, 2011 respectively, has allowed the companies to send official documents to their shareholders electronically as a part of green initiatives in corporate governance. The Company recognizes the spirit of the circular and henceforth proposes to send documents like Notice convening General Meeting, Directors' Report, Auditors' Report etc. to the email address provided by you to the depositories. We request you to update your email address depository participant to ensure that the annual report and other documents reach you on your preferred email.
7. The Register of Members and the Shares Transfer Books of the Company will be closed from 26th September, 2012 to 28th September, 2012 (both days inclusive).



8. The register of Directors Shareholding, maintained under section 307 of the Companies Act, 1956 will be available for inspection by the members at the meeting.
9. Members are requested to address all the documents, transfer deeds, demat requests, and other communications with respect to shares in physical mode to the Registrar & Share transfer Agents of the Company, M/s. Universal Capital Securities Private Ltd., directly quoting their full name, Folio No. and Name of the Company.
10. As per Securities and Exchange Board of India (SEBI) notification, submission of Permanent Account Number (PAN) is compulsorily required for participating in the securities market, deletion of name of deceased shareholder or transmission/transposition of shares. Members holding shares in dematerialized mode are requested to submit the PAN details to their Depository Participant, whereas Members holding shares in physical form are requested to submit the PAN details to the Company's Registrar and Transfer Agents.
11. Members holding shares in multiple folios in the identical order of names are requested to consolidate their holdings into one folio and intimate the same to our R&T Agents.
12. Members desirous of getting any information about the accounts and operations of the Company are requested to address their queries to the Compliance officer at least ten days in advance of the meeting so that the information required can be made readily available at the meeting to the extent possible.
13. Members are requested to intimate all changes pertaining to their Bank details, ECS, mandates, nominations, power of attorney, change of address/notice, etc.:
  - a. To their Depository Participants (DPs) in respect of their electronic share accounts.
  - b. To the Company's Registrar & Share Transfer Agents Universal Capital Securities Private Limited in respect of their physical share folios, if any.
14. The dividend, as recommended by the Board, if declared at the Annual General Meeting will be paid on or after 28th September, 2012 to those persons or their mandate :

- a. Whose names appear as Beneficial Owners as at the end of the business hours on Tuesday, 25th September, 2012 in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and
  - b. Whose names appear as members in the register of members of the Company after giving effect to valid share transfers in physical form lodged with the Company/ Registrar and Share Transfer Agents on or before Tuesday, 25th September, 2012.
15. Documents referred to in any of the items of the notice are available for inspection at the registered office of the Company up to 28th September, 2012 on all working days, except Sundays, during business hours of the Company.
  16. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
  17. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the shares certificates to R & T, for consolidation into a single folio.

**EXPLANATORY STATEMENT IN RESPECT OF ITEM NOS. 5 & 6 OF THE NOTICE PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

The following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

**ITEM NO.5**

The Company is constantly reviewing opportunities for expansion of its business operations either directly or through its subsidiaries/ joint ventures/associate companies/bodies India or abroad (existing or which may be promoted) and would, therefore, be required to provide financial support by way of loan(s)/ and/or guarantee(s) and/or security(ies) / investment in securities of its subsidiaries/ jointventures / associate companies / bodies corporate, in order to achieve greater financial flexibility and to enable optimal financial structuring to facilitate speedy implementation of various projects of such Companies.

And as per provision of Section 372A of the Companies Act, 1956 the Board of directors of a Company can make Loan, Investment, or give guarantee or provide any security beyond the prescribed ceiling of

- i) Sixty percent of the aggregate of the paid up share capital and free reserve or,
- ii) Hundred Percent of its free reserve, whichever is more

If special resolution is passed by the shareholders of the lending Company,

The shareholders in their meeting held on 28th August, 2009 authorised the Board of directors of your Company to make inter corporate investments, loans, guarantees and provision security in excess of a limits mentioned in the said section subject to a maximum of ₹ 250.00 Crore (Rupees Two Hundred Fifty Crore Only). The said limit of ₹250.00 Crore (Rupees Two Hundred Fifty Crore Only) is likely to be exhausted and that permission is sought pursuant to the provision of section 372A of the Companies Act, 1956 to give powers to the Board of Directors for making further Investment, Loan, and guarantee upto the maximum limit of ₹ 1,000 Crores (Rupees One Thousand Crores only).

These Investment, loans, advances and Guarantee are proposed to be made out of own/surplus funds internal accruals/borrowed funds, the objectives of which is optimum utilisation of surplus funds of the Company and also to achieve long term strategic and business objectives. The Investments, Loans, advances and guarantees will be made on terms and conditions most beneficial to the Company/at prevailing market rate pursuant to the provision of Section 372A of the Companies Act, 1956.

None of the other Directors of the Company are deemed to be concerned or interested in the resolution.

#### **ITEM NO. 6**

In Pursuant to the provision of Section 293(1) (d) of the Companies Act, 1956, the Board of the Directors of the Public Limited Company cannot borrow money in excess of the amount of the paid-up capital and free reserve of the Company (that is to say reserved not set apart for any specific purposes) without the approval of the Members in a General Meeting.

In the Ninth annual general meeting held on 28th August, 2009, shareholders by way of Ordinary Resolution has empowered the Board of Directors of the Company to borrow money, up to ₹ 500 Crore (Rupees Five Hundred Crore only).

The business operations of the Company has increased manifold thereafter. The view of existing business operations and future growth plans of the Company it is necessitate increasing in the Borrowing limits of the Board of Directors of the Company. It is therefore, proposed to increase the Borrowing Limits of the Directors from present ₹500 Crore (Rupees Five Hundred Crores Only) to ₹600 Crores (Rupees Six Hundred Crores only).

Accordingly, the consent of the Members of the Company is being sought for the enhancement of the borrowing limits under section 293(1)(d) of the Companies Act, 1956 as set out in the Resolution appended to this Notice.

The Board recommends the passing of Resolution as an Ordinary Resolution.

The Resolution at Item No.6 is, therefore, placed for approval of the members pursuant to Section 293(1)(d) of the Companies Act, 1956. None of the Directors of your Company is, in any way, concerned or interested in this resolution.

**Date: 30th August, 2012**  
**Place: Navi Mumbai**

**By Order of the Board of Directors**  
**sd/-**  
**Ketan Sheth**  
**Chairman & Managing Director**

## CHAIRMAN REVIEW

### OVERVIEW:

FY 2011-2012 has been a challenging year with unprecedented economic uncertainty in Europe, geo political upheaval in the Middle East and a slowing down of economic growth across Asia. These events had a profound effect for industrial growth across the world.

I would like to thank the entire Commex team and all our esteemed clients and associates for the creative momentum, support, enterprise and commitment during the year. Commex has successfully executed various prestigious initiatives during the year, which would not have been possible without the untiring efforts of each and every member of team Commex.

With a clear focus on exchange business and technology, Commex has efficiently harnessed its decades of exposure in the IT space, the domain expertise developed and acquired by it through its various approach plans for inorganic growth. The company has successfully developed a state-of-the-art exchange solution suite addressing commodity and capital markets in the country.

Commex continues to invest in the research and development of cutting edge IT Products for its various exchange initiatives. The in-house technology bandwidth and the domain expertise are critical success factors for the various exchange initiatives undertaken by the company.

Commex has successfully promoted Universal Commodity Exchange Limited (UCX) which would be a national level multi-commodity exchange covering Agri, Bullion & Metals, Energy and others. Other shareholders in UCX include IDBI Bank Limited, Indian Farmers Fertiliser Co-operative (IFFCO), National Bank for Agriculture and Rural Development (NABARD), Rural Electrification Corporation Limited (REC). Apart from UCX, the company has also extended its reach to the spot markets through its spot exchange which is a new initiative in the field of commodity exchange business in the country. UCX would be a full-fledged commodity Exchange for Agro, Bullion, Energy & other Commodities for futures & derivatives markets. The company has also ventured into the spot markets, as an extension of its exchange focus. Apart from the sustained efforts to enhance the company's technology capabilities in the capital & commodities markets, the company also has ventured into the infrastructure services vertical which is expected to substantially benefit the company in its various exchange and allied initiatives.

Thank you for reposing your faith in the Company. I also thank the very committed members of the Commex Team and the Company's business associates for their continued support. My team and I look forward to the challenges of delivering sustainable and profitable growth in the years ahead with confidence.

I look forward to your continued support.

With warm regards,

sd/-

**Ketan Sheth**

Chairman

## DIRECTORS' REPORT

**Dear Members,**

Your Directors have pleasure in presenting their Twelveth Annual Report on the business and operations of the Company together with the Audited Financial Statements for the year ended 31st March, 2012.

### Financial Highlight

(₹ in Lacs)

Sr. No.	Particulars	Standalone		Consolidated	
		31.03.2012	31.03.2011	31.03.2012	31.03.2011
1.	Income from operations	1414.41	953.03	1425.63	976.25
2.	Other Income	88.62	245.71	88.62	245.71
3.	Net Total Income (1+2)	1503.03	1198.74	1514.25	1221.96
4.	Employee Benefit Expenses	490.51	242.18	490.50	246.05
5.	Other Expenses	59.36	525.41	68.55	538.01
6.	EBITA	953.16	431.15	955.20	437.90
7.	Less: Interest and Finance charges	22.31	0.39	22.33	0.45
8.	Less: Depreciation	284.37	93.60	284.37	93.60
<b>9.</b>	<b>Profit before Tax (6-7-8)</b>	<b>646.48</b>	<b>337.16</b>	<b>648.50</b>	<b>343.84</b>
10.	Provision for Tax	40.00	57.08	40.00	57.07
<b>11.</b>	<b>Net Profit after tax (9-10)</b>	<b>606.48</b>	<b>280.01</b>	<b>608.50</b>	<b>286.76</b>
12.	Extra Ordinary Items	-	-	-	-
13.	Net Profit/(Loss) for period <b>(11-12)</b>	606.48	280.01	608.50	286.76
14.	Less: Minority Interest	-	-	-	-
15.	Paid up Equity Share Capital (Face value ₹.2/- per share)	3102.14	3102.14	3102.14	3102.14
16.	Reserves Excluding Revaluation Reserve	8036.52	7650.97	7028.37	6992.05
17.	Earning Per Shares (Basic)	0.39	0.42	0.58	0.27
18.	Earning Per Shares (Diluted)	0.39	0.42	0.58	0.27

**DIVIDEND:**

The Directors declare has recommended a dividend of ₹ 0.12 Paise per share (i.e. 6%) amounting to ₹22.52 Million including dividend distribution tax, (previous year ₹0.10 Paise per equity Shares (%) amounting to ₹18.86 including dividend distribution tax)

**PERFORMANCE REVIEW (CONSOLIDATED BASIS):**

- Sales increased by 46.03% from ₹ 97.63 Millions to ₹142.56 Millions.
- Operating EBIDTA (Earnings Before Interest, Taxes, Depreciation and Amortization) increased by 118.13% from ₹43.79 Millions to ₹95.52 Millions.
- Profit Before Tax (PBT) increased by 88.61% from ₹ 34.38 Millions to ₹64.85 Millions.
- Profit After Tax (PAT) increased by 112.20 % from ₹28.68 Millions to ₹ 60.85 Millions.

**BUSINESS OUTLOOK:**

Commex Technology Limited has successfully capitalized and transformed itself from being a mere solution and service provider in the Information Technology domain to the holding entity of various exchanges which would operate at a national level.

With a clear focus on exchange business and technology, Commex has efficiently harnessed its decades of exposure in the IT space, the domain expertise developed and acquired by it through its various approach plans for inorganic growth. Your Company has successfully developed a state-of-the-art exchange solution suite addressing commodity and capital markets in the country.

Commex Technology Limited continues to invest in the research and development of cutting edge IT products for its various exchange initiatives. The in-house technology bandwidth and the domain expertise are critical success factors for the various exchange initiatives undertaken by the company.

Commex has successfully promoted Universal Commodity Exchange Limited (UCX) which would be a national level multi-commodity exchange covering Agri, Bullion & Metals, Energy and others. Other shareholders in UCX include IDBI Bank Limited, Indian Farmers Fertiliser Co-operative (IFFCO), National Bank for

Agriculture and Rural Development (NABARD), Rural Electrification Corporation Limited (REC). Apart from UCX, the company has also extended its reach to the spot markets through its spot exchange is a new initiative in the field of commodity exchange business in the country. UCX would be a full-fledged commodity Exchange for Agro, Bullion, Energy & other Commodities for futures & derivatives markets. The company has also ventured into the spot markets, as an extension of its exchange focus. Apart from the sustained efforts to enhance the company's technology capabilities in the capital & commodities markets, the company also has ventured into the infrastructure services vertical which is expected to substantially benefit the company in its various exchange and allied initiatives.

**FIXED DEPOSITS:**

During the year under review, your Company has not accepted any deposit under Section 58A of the Companies Act, 1956, read with Companies (Acceptance of Deposits) Rules, 1975.

**CONSOLIDATED ACCOUNTS:**

In accordance with the requirements of Accounting Standards AS-21, prescribed by the Institute of Chartered Accountants of India, the consolidated accounts and cash flow are annexed to this report.

Pursuant to the provision of section 212 of the Companies Act, 1956, the Ministry of Corporate affairs vide its General Circular no. 2/2011 dated February 8th, 2011 has granted a general exemption subject to certain conditions to holding Companies from complying with the provision of Section 212 of the Act which required the attaching of the Balance Sheet and profit and Loss Account and other documents of its subsidiary Companies to its Balance Sheet. Accordingly, the said documents are not being included in this Annual Report.

The Company will make available at any point of time the said annual accounts and related detailed information of the subsidiary companies upon request by any member of the Company or its subsidiary companies and the same will also be kept open for inspection by any member at the Head Office of the Company and the subsidiary companies.



**DIRECTORS:**

In term of provision of section 255 and 256 of the Companies Act, 1956, read with the Articles of Association of the Company, Madhukar Nath Chaturvedi Director of the Company retires by rotation and being eligible, offers himself for re-appointment in the ensuing Annual General Meeting.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Your Directors' confirm the Directors' Responsibility Statement pursuant to Section 217 (2AA) of the Companies Act, 1956, as under that:

- in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any ;
- the Directors' have 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 as at 31st march, 2012 and profit for the year ended on that date;
- the Directors' have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors have prepared the accounts for the financial year ended 31st March, 2012 on a 'going concern' basis.

**CORPORATE GOVERNANCE:**

It has always been the Company's endeavour to excel through better Corporate Governance and fair and transparent practices, many of which have already been in place even before they were mandated by the law. The Company complies with all the provisions of revised Clause 49 of the Listing Agreement. A separate report on Corporate Governance compliance is included as a part of the Annual Report along with the reports on Management Discussion and Analysis. The certificate from the Auditors of the Company regarding compliance of the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with stock exchanges is annexed to this report.

**AUDITORS:**

M/s. Gadgil & Co., Chartered Accountants, the Auditors of the Company would retire at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

The Company has received letters from them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such re-appointment within the meaning of Section 226 of the said Act.

**AUDITORS' REPORT:**

The observations made by the Auditors in their report are self-explanatory. The notes on accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comments

**FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The details of Foreign Exchange Earnings and Outgo are detailed in Note No. 22 forming a part of the Accounts.

**PARTICULARS OF EMPLOYEES:**

Particulars of the employees as required under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of the Employees) Rules, 1975 are not applicable since, none of the employee of the Company is drawing more than ₹ 60,00,000 p.a. or ₹ 5,00,000 p.m. for the part of the year.

**SECRETARIAL AUDIT REPORT**

As directed by Securities and Exchange Board of India (SEBI) secretarial audit is being carried out at the specified periodicity by M/s. SG and Associates, the Secretarial Auditors of the Company.

The Secretarial Audit Report confirms that the Company has complied with all applicable provisions of the Companies Act, 1956, Securities Contracts (Regulation) Act, 1956, Depositories Act, 1996, The Foreign Exchange Management Act, 1999, and all the Regulations and Guidelines of SEBI as applicable to the Company, including The Securities and Exchange Board of India Substantial Acquisition of Shares and Takeovers) Regulations, 2011, The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, and Listing Agreement with the Stock Exchange.

**CONSERVATION OF ENERGY:**

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of board of Directors) Rules, 1988 are provided in this report.

The activities of your company require minimal energy consumption and every endeavor has been made to ensure the optimal use of energy, avoid wastage and conserve energy as far as possible.

**LISTING:**

The Company 's shares continues to remain listed with Bombay Stock Exchange Limited (BSE), Mumbai, where the shares is actively traded and records healthy volume on daily basis The Company has paid the Annual Listing Fees to the Stock Exchange for the year 2012-2013.

**DEMATERIALIZATION OF SHARES:**

The shares of the Company are admitted with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) and also listed with the Bombay Stock Exchange Limited. Accordingly the Shares of your Company are available for dematerialization and can be traded in Demat mode.

**ACKNOWLEDGMENTS:**

Your Directors take this opportunity to thank all the shareholders of the Company, the Bankers, Registrars and Transfer Agents, Auditors, Customers, Vendors and executives of the respective agencies, for their continued support during the year.

Your Directors place on record their appreciation of all the employees and consultants of the Company for their untiring personal efforts as well as their collective contribution to the Company's performance during the year.

**Date: 30th August, 2012**

**Place: Navi Mumbai**

**By Order of the Board of Directors  
sd/-**

**Ketan Sheth  
Chairman & Managing Director**

## **Management Discussion and Analysis**

### **India's Economic Outlook:**

While India's macroeconomic outlook for FY 2011-12 remains favourable, continued tightening of monetary policy and further escalation in global oil prices pose certain risks to both growth and inflation. As domestic prices adjust further to international commodity prices, inflation gap is likely to close, but at a slower pace.

However, firms' growth figures indicates strong demand conditions. Continuation of fiscal consolidation process could provide support to private investment. Recent improvement in exports and decline in imports provides a good base for net external demand. The policy and procedural reforms in areas such as retail, insurance, agriculture and banking should continue to enhance the ease of doing business in India. Improving market sentiment, strengthening employment scenario, further liberalization of policies and increasing disposable incomes will contribute to the growth.

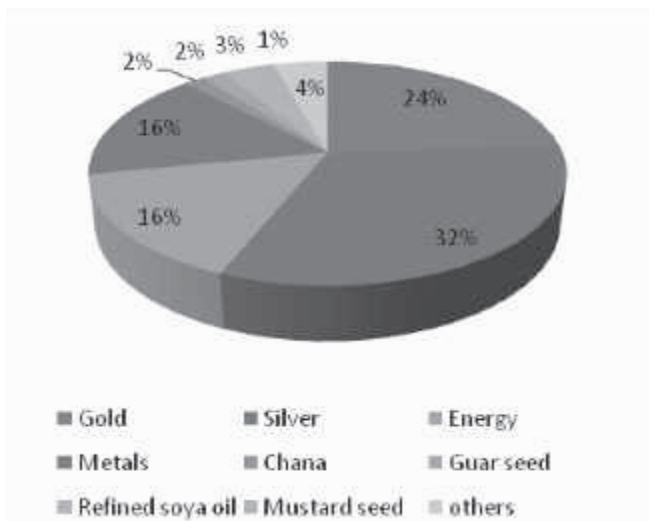
### **The Indian Commodities Market:**

Commodities play an important role in India's economy. India has over 7,000 regulated agricultural markets, or mandis, and the majority of the nation's agricultural production is consumed domestically, according to the Agricultural Marketing Information Network. India is the world's leading producer of several agricultural commodities. The agriculture sector accounted for approximately 14.5 % of India's gross domestic product (GDP) at a constant price (2004-05) for the fiscal 2011. India's GDP at current market prices for the fiscal 2011 was estimated to be ₹78,779.47 billion (Source: Economic Survey 2010-11). There are currently 21 commodity exchanges recognized by FMC in India offering trading in over 60 commodity futures with the approval of FMC. In the fiscals 2009, 2010, 2011 and 2012 the total value of commodities traded on commodity futures exchanges in India was ₹52,489.57 billion ₹77,647.54 billion ₹119,489.42 billion and ₹181,261.04 billion respectively.

### **Industry Growth in India**

Commodity futures trading in India has grown since the Government of India issued a notification on April 1, 2003 permitting futures trading in commodities. The total value of commodities futures traded in India in the fiscal 2012 was ₹181,261.04 billion, representing growth of approximately 140-fold from the value of commodity futures contracts traded in the fiscal 2004, which was ₹1,293.67 billion. Commodity futures trading volumes have risen at a compound annual growth rate of 97.9% between fiscal 2004 and fiscal 2010.

There are currently over 60 commodities futures that have been approved by the FMC for trading during the calendar year 2011, with Gold, Silver, Energy, Metals, Guar seed, Refined soya Oil, Chana comprising the majority of the trading turnover for the year 2011-12, as depicted in the graph below:



### Industry Structure and Developments

India is currently one of the fastest growing economies in the world and is expected to be the third largest economy by 2050 according to Goldman Sachs' Research Report: "Dreaming with BRICS - The Path to 2050". India did well to weather the global financial crisis over the last year and a half, with GDP growing at 6% at the worst of times, compared to most of the other countries which showed negative growth in one or more quarters during this period.

The macroeconomic parameters indicate the high potential for commodity exchanges in India. The growth of the overall economy in India is expected to drive the underlying demand for commodities and an increase in physical market volumes may increase the hedging requirements driving derivative volumes. The market structure is still evolving in India, thus offering scope for a player with strong capabilities to develop the market and sustain a space for itself. Development and research of cutting edge IT products with a focus on Exchange solutions for the Commodities & Capital Market which enhances the In-house technology bandwidth in the development and research, areas are critical success factors in the exchange space. The deep domain technology expertise of the company in the Exchange space for the Capital, Commodities & Currency Markets, would play crucial roles in the success of the various exchange initiatives undertaken by Commex.

With sustained growth and rapid development in technology and infrastructure, an increasing share of financial services would get centralized. As India experiences continued economic growth, the financial sector could generate about 10 million jobs and a GDP contribution of USD 350 to 400 billion by 2020. McKinsey market assessment report estimates potential of about 6 million centralized jobs across multiple services. Several developed countries have successfully established high-tech financial hubs, which over time have evolved as international financial service centers. The company also has ventured into the infrastructure services vertical which is expected to substantially benefit the company in its various exchange and allied initiatives.

### **Indian Government Initiatives to Modernize Commodity Futures Markets**

**Effect of removing restrictions from trade of options and swaps:** In developed markets, options volumes are approximately one-fourth to one-third of futures volumes. The Government of India may allow trading in options contracts on commodities, which we believe will boost volumes and overall growth in the Indian commodity market

**Introduction of new commodities:** Under current regulations, the FMC may approve of all commodities that can be traded on exchanges in India. Introduction of these and similar new commodities to the Indian commodity market will drive growth in the Indian commodities trading market

**Widening Investor Participation:** New participants are expected to enter the trading markets as exchanges become more accessible, the availability of market information increases and awareness regarding the benefits of hedging becomes more widespread. Some of the new entrants can be, Farmers, Equity investors, Manufacturers, Oil manufacturers, Hedge funds seeking to capitalize on price differentials; and Banks seeking to hedge their risk against collateral

### **Human Resource Development**

The Company's progress is largely attributed to the wholehearted support from its manpower. The technical team were constantly challenged for quality performance and expected to work with an entrepreneurial spirit on the project.

### **Internal control systems and their adequacy**

The Company has in placed the internal control systems and procedures commensurate with the size and nature of its business. These procedures are designed to ensure that:

All assets and resources are used efficiently and are adequately protected. All internal policies and statutory guidelines are complied with. There is accuracy and timing of financial reports and management information.

Audit Committee, the details of which has been provided in the Corporate Governance Report has been entrusted with detailed terms of reference to review and look into proper recording of transactions and preparation of financial statement. One of the important functions of the Audit Committee is to review the adequacy of internal control systems and compliance thereof.

### **Opportunities and Threats**

#### **Opportunities:**

India, in the recent years, is witnessing higher investments in infrastructure activities, so the atmosphere is expected to be more conducive in the time to come.

The exchange business is likely to see a growing investor base - large part of incremental growth likely to come from regional cities (non metros - tier II & III cities) i.e growth in newer products like new commodities, contracts, product & service innovations.

Other opportunities include state-of-the-art In-house Technology Bandwidth, deep domain expertise and a nationwide reach.

#### **Threats:**

1. Significant competition from Indian and Foreign companies operating in the similar segment.
2. Changes in governing laws may adversely affect the business operations.
3. Liquidity budgets and newer offerings could get duplicated by existing competitors.
4. Increased competition could result in pressure on pricing and commoditization of some services.

#### **Risk and Concerns:**

Besides increasing the client base, the Company needs to retain its current clients by providing timely, cost effective quality services in the competitive environment. The Company must also look for emerging business opportunity across industries.

**Date: 30th August, 2012**  
**Place: Navi Mumbai**

**By Order of the Board of Directors**

sd/-  
**Ketan Sheth**  
**Chairman & Managing Director**

## **REPORT ON CORPORATE GOVERNANCE**

(As required under Clause 49 of the Listing Agreements  
entered into with Stock Exchange)

Your Board of Directors present the Corporate Governance Report for the year 2011-2012 based on the disclosure requirements under Clause 49 of the Listing Agreement with the Stock Exchange existing as of 31st March, 2012.

### **I. MANDATORY REQUIREMENT**

#### **A. Company's Philosophy on Code of Corporate Governance:**

The Company adheres to good corporate practices and is constantly striving to better them and adopt emerging best practices. The Company believes in high degree of transparency and accountability in its business operations and business practices and continues to adopt all measures to enhance its level.

The Company respects the rights of all its stakeholders to information on the performance of the Company. The Company has adopted a Code for Corporate Disclosure Practice for Prevention of Insider Trading. The Company is committed to maintain high standard of corporate governance towards its shareholders, Government, clients, employees and society.

#### **B. Composition of the Board of Directors:**

Board has an optimum combination of Executive and Non-Executive Directors, and is in conformity with Clause 49 of the Listing Agreement with the Stock Exchange in which the Company's Ordinary Equity Shares are listed. As on 31st March, 2012 the composition of the Board and other related information are as given below:

In advance of each meeting the Board is presented with all relevant information of various matters relating to the working of the Company, especially those that requires deliberations at the highest level. Directors have separate access to senior management at all times. In addition to items which are required to be placed before the Board for its noting or approval, information is provided on various significant items.

To enable the Board, to discharge its responsibilities effectively, the members of the Board are briefed at every Board meeting on the overall performance of the Company. The minutes of the Board meeting are circulated in advance to all Directors and confirmed at the subsequent Board meeting.



Name	Category	Attendance of meetings		Directorships and Chairmanships/ Memberships in Other Companies *		
		Board	General	No. of Directorships*	Committee Positions	
					Member**	Chairman***
Ketan Sheth (Chairman & Managing Director)	Executive Director	8	Yes	4	2	1
Kishore Hegde	Independent, Non Executive Director	8	Yes	6	2	1
Madhukar Nath Chaturvedi	Independent, Non Executive Director	8	Yes	2	2	0

\* Including private Companies and foreign Companies Directorship and Directorship in Commex technology Limited.

\*\* Includes only Audit Committee and Shareholders /Investors' Grievance Committee in all companies including Commex Technology Limited

**Brief resume of the Directors proposed to be appointed/re-appointed at the ensuing annual General Meeting is as under:**

Madhukar Nath Chaturvedi, 63 years of age is holding Master's Degree in Mechanical Engineering from Indian Institute of Technology, Kanpur, India. He has also attended Management Development Programs at IIM Ahmedabad and IIT Delhi and has over two decades of experience in software industry. He worked at Engineers India Limited and NTPC before moving to Emitac/ Datamation Systems in the Middle East to head their software division. He is the founder director of Orient Information Technology Ltd, which is a SEI-CMM Level 4 company with offices spread globally. Madhukar Nath Chaturvedi has been recognized by WIL (Walchandnagar Industries Ltd.), his first work organization as the Best Performing Engineer and was presented by Emitac with the Outstanding Contribution Award. He is also the founder director of Advanced Business Solutions FZ, LLC based in Dubai Internet City, which offers solutions and services for Microsoft Technologies to all the Business Sectors.

**C. Non-executive Directors' compensation and disclosures**

The Non-Executive Directors including Independent Directors are paid sitting fees for attending the meetings of the Board. Currently, a fee is ₹ 5,000/- per meeting per Director is paid for attending the meeting of the Board.

**D. Number of Board Meeting held and dates of Board Meeting**

During the financial year 2011-2012, the Board of Directors met Eight (8) times as under:

S. No.	Date of Board Meeting	S. No.	Date of Board Meeting
1.	14th May,2011	2.	13th August, 2011
3.	13th August, 2011	4.	2nd September, 2011
5.	10th November, 2011	6.	26th December, 2011
7.	14h February2012	8.	28th March, 2012

**E. Code of Conduct**

The code of conduct which is applicable to all employees including the Managing and Executive

Directors were laid down by the Board and the same has been posted on the website of the Company.

**F. BOARD COMMITTEES****i. AUDIT COMMITTEE:****Brief description of terms of reference**

The Audit Committee of the Board of Directors of the Company provides assurance to the Board on the adequacy of the internal control systems and financial disclosures. Its main aim is to monitor and to provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures, and transparency, integrity and quality of financial reporting.

Your Company has Audit committee comprising of three members out of which two directors are Independent non-executive directors viz, Madhukar Nath Chaturvedi and Kishore Hegde.

Kishore Hedge is the Chairman of the audit committee. All members of the audit committee are financially literate.

The terms of reference of the Audit committee are wide enough to cover the matters specified for Audit Committee under clause 49 of the Listing Agreement as well as in Section 292A of the Companies Act, 1956 and inter-alia include:

- a. To discuss with the auditors periodically about internal control systems, the scope of audit including the observations of the auditors.
- b. To ensure compliance with internal control systems,
- c. To review the quarterly, half-yearly and annual financial statements before submission to the Board.
- d. Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- e. Recommending the appointment and removal of statutory auditor, fixation of audit fee and also approval for payment for any other services.
- f. Reviewing with the management the annual financial statements before submission to the Board, focusing primarily on:
  - Any changes in accounting policies and practices
  - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
  - Major accounting entries involving estimates based on exercise of judgment by the management
  - Qualifications in draft audit report
  - Significant adjustments arising out of audit
  - The going concern assumption
  - Compliance with accounting standards
  - Compliance with stock exchange and legal requirements concerning Financial statements
  - Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the
  - Company at large.

- g. Reviewing with the management, performance of statutory and internal auditors, and the adequacy of internal control systems.
- h. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- i. Discussion about any significant findings of internal auditors and follow up there on.
- j. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- k. Discussion with external auditors, before the audit commences, about nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- l. Reviewing the Company's financial and risk management policies.
- m. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends and creditors.)

During the year under review, four (4) Audit Committee meetings were held on 14th May, 2011, 14th August, 2011, 14th November, 2011, and 14th February, 2012.

<b>Members</b>	<b>Designation</b>	<b>Meetings Held</b>	<b>Meetings attended</b>
Kishore Hegde	Chairman	4	4
Ketan Sheth	Member	4	4
Madhukar Nath Chaturvedi	Member	4	4

## **ii. INVESTORS' GRIEVANCE AND SHARE TRANSFER COMMITTEE**

Investors' Grievance and Share Transfer Committee specifically looks into the shareholders' and investors' complaints on matters relating to transfer of shares, non-receipt of annual report, non-receipt of dividend etc. In addition, the Committee also looks into matters that can facilitate better investor services and relations:

The Committee consists of three members out of which two are Non-Executive Independent Directors viz. Madhukar Nath Chaturvedi and Kishore Hegde and Ketan Sheth is the Chairman of the Committee.

During the year under review, the Committee met Four (4) times on 14th May, 2011, 14th August, 2011, 14th November, 2011, and 14th February, 2012, 11th February, 2012.

<b>Members</b>	<b>Designation</b>	<b>Meetings Held</b>	<b>Meetings attended</b>
Ketan Sheth	Chairman	4	4
Kishore Hegde	Member	4	4
Madhukar Nath Chaturvedi	Member	4	4

All shares received for transfer were registered and dispatched within thirty days of receipt, if the documents were correct and valid in all respects. There were no pending share transfers as on 31st March, 2011. During the year under review, the Company had received NIL complaints from shareholders relating to dividend.

### **G. General Body Meeting**

Location and time of general Meeting

<b>Year</b>	<b>Date</b>	<b>Type of Meeting</b>	<b>Venue</b>	<b>Time</b>
2007-08	November 12,2007	EGM	Event Banquet, Near Filmistan Studio, S.V.Road, Goregaon West, Mumbai 400062	10.00 A.M.
2007-08	April 8, 2008	Court convened meeting of the Equity Shareholders		10.30 A.M.
2007-08	December 30, 2008	AGM		10.00 A.M.
2008-09	August 28, 2009	AGM		10.00 A.M.
2009-10	28 <sup>th</sup> September 2010	AGM		10.00 A.M.
2010-11	29 <sup>th</sup> September, 2011	AGM		10.00 A.M.

All the above meetings were held at one venue only. All the resolutions moved at the last AGM were passed by show of hands by the requisite majority of Members attending the Meeting.

No Postal Ballot was conducted during the year.

The following are the Special resolutions passed at the General Meetings held in past 3 years:

AGM/EGM held on	Whether Special Resolution passed	Summary
November 12, 2007	Yes	<ul style="list-style-type: none"> <li>• Preferential Allotment of 75, 00,000 warrants convertible in to equity Shares of the Company.</li> <li>• Raising of Finance by way of GDRs/ADRs/FCCBs etcuptoRs. 100 Crores</li> <li>• Raising of Finance by way of GDRs/ADRs/FCCBs etcuptoRs. 100 Crores.</li> <li>• Increase in FII Limits upto 49% of the paid up Equity Share Capital of the Company.</li> </ul>
April 8, 2008	Yes	<ul style="list-style-type: none"> <li>• Approving the Scheme of Amalgamation under Section 391 to 394</li> </ul>
December 30,2008	Yes	<ul style="list-style-type: none"> <li>• Sub-Division of shares</li> </ul>
August 28, 2009	Yes	<ul style="list-style-type: none"> <li>• Issuanceof Global Depository Receipts</li> <li>• Issue of shares/securities to Qualified Institutional Buyers</li> <li>• (QIB's)by way of Qualified Institutional Placement (QIP's)</li> </ul>
September 28, 2010	Yes	<ul style="list-style-type: none"> <li>• Raising of Capital by an International Offer of Equity Shares represented by Global Depository Receipts</li> <li>• Private Placement of Equity Shares/ any instrument convertible into Equity</li> <li>• Shares to Qualified Institutional Buyers (QIB's)</li> </ul>
September 29 <sup>th</sup> , 2011	No	

All resolutions as set out in the respective notices were duly passed by the shareholders.

## H. Disclosure

### a) Disclosures on materially significant related party transactions

The Company has not entered into any transaction of material nature with the Promoters, Directors or the Management, their subsidiaries or relatives,

etc. that may have potential conflict with the interests of the Company at large. Related party transactions are disclosed in the Notes to Accounts forming part of this Annual Report. Transactions entered into by the Company with related parties during the year were periodically placed before the Audit Committee for review. The Register of Contracts containing transactions, in which Directors are interested, is placed before the Board regularly.

#### **b) Statutory Compliance, Penalties and Strictures**

The Company has complied with the various rules and regulations prescribed by the Stock Exchanges, Securities and Exchange Board of India and any other statutory authority relating to capital markets. No penalties or strictures have been imposed by them on the Company.

#### **c) Disclosure of Accounting Treatment**

In the preparation of financial statements, the Company has followed Generally Accepted Accounting Principles (followed in India) as prescribed in Accounting Standards.

#### **d) Subsidiary Companies**

The company has Five subsidiary Companies viz,

- i. IT Capital Services Pvt Ltd
- ii. Orient Infotech Ltd UK
- iii. Orient Information Technology INC. USA
- iv. Orient Information Technology FZ LLC – UAE
- v. Information Technology People WLL – Baharain

#### **e) Proceeds from public issues, preferential issues etc:**

The Company has placed periodically before the Audit Committee on quarterly basis as a part of quarterly declaration of financial results and published in newspapers periodically statement of utilization of funds raised through public and preferential issues made by the Company. Further the Company has prepared a statement of funds utilized for purposes other than those stated in prospectus and the same were placed before the audit committee. The above statements were certified by statutory auditors and were placed before audit committee meetings and Board Meetings for their consideration and approvals.

## **f) Risk Management**

The Company has a defined Risk Management framework. The Company has laid down procedures to inform the Board members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management controls risk through means of a properly defined framework.

## **g) Code of Conduct**

The Board of Directors at its meeting held on 4th August, 2006 has adopted code of Business Conduct and Ethics for Directors and Senior Management. The said code has been communicated to the Directors and members of the senior Management. The code has also been displayed on the Company's website - [www.commextechnology.com](http://www.commextechnology.com). All Directors and senior management have affirmed compliance with the code. A declaration to this effect signed by Managing Director is given in this annual report.

## **I. Means of Communication**

The Company normally publishes its quarterly and/or yearly financial results in the leading national newspapers namely The Economic Times and/ or Financial Express and/or Business Standard. In addition, the same are published in local language (Marathi) newspapers namely Daily Loksatta/Maharashtra Times etc. and other editions of leading newspapers.

The Company puts forth vital information about the Company and its performance, quarterly & yearly financial results, official news releases, communication & presentation made to the institutional investors and analysts on Company's official website at [www.commextechnology.com](http://www.commextechnology.com) regularly and also for the benefit of the public at large.

## **J. Secretarial Audit for Reconciliation of Capital**

A qualified Practicing Company Secretary carried out Secretarial Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).

## **K. Chief Executive Officer (CEO)/CFO Certification:**

As required under Clause 49(V) of the Listing Agreement, the CEO/CFO Certification given by Managing Director of the Company of the Financial



Statements, the Cash Flow Statement and the Internal Control Systems for financial reporting was placed before the Board of Directors.

## **II NON-MANDATORY REQUIREMENTS**

- A. Office of the Chairman of the Board and reimbursement of expenses by the Company. The Company is presently reimbursing the expenses incurred in performance of duties.
- B. Shareholders' rights - furnishing of quarterly & yearly financial results. The Company's quarterly & financial results are published in English and Marathi newspapers having wide circulation.
- C. Postal Ballot

The Company will seek shareholders' approval through postal ballot in respect of such resolutions as are laid down in Companies (Passing of Resolution by Postal Ballot) Rules, 2011, as and when the occasion arises.

Adoption of non-mandatory requirements of Clause 49 of the Listing Agreement is being reviewed by the Board from time to time.

Pursuant to clause 49 of the Listing Agreement with the Stock Exchanges on Code of Corporate Governance, Certificate from Statutory Auditors' of the Company regarding compliance of conditions of Corporate Governance by the Company is annexed. The Statutory Auditors Certificate will also be sent to the Bombay Stock Exchange Limited and National Stock Exchange of India Limited where the Company's shares are listed, along with the annual return to be filed by the Company

### **Annual Declaration By Managing Director Pursuant To Clause 49 (I)(d)(ii) of the Listing Agreement**

As the Chairman & Managing Director of Commex Technology Limited, I hereby declare that all the Board members and senior management personnel of the Company have affirmed compliance with the Company's Code of Business Conduct and Ethics for the Financial year 2011-2012

**Date: 30th August, 2012**  
**Place: Navi Mumbai**

**By Order of the Board of Directors**

sd/-  
**Ketan Sheth**  
**Chairman & Managing Director**

### **DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors.

Both these Codes are available on the Company's website. I confirm that the Company has in respect of the financial year ended March 31, 2012, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Chief Financial Officer, employees in the Executive Vice President cadre, Vice President

**Date: 30th August, 2012**  
**Place: Navi Mumbai**

**By Order of the Board of Directors**

sd/-  
**Ketan Sheth**  
**Chairman & Managing Director**

**CERTIFICATE OF COMPLIANCE WITH THE CORPORATE GOVERNANCE  
REQUIREMENTS UNDER CLAUSE 49 OF LISTING AGREEMENT**

**To**

**The Members of**

**Commex Technology Limited**

We have examined the compliance of conditions of corporate governance by Commex Technology Limited (Formerly known as IT People (India) Limited), for the year ended on March 31, 2012, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For SG & Associates**

**Company Secretaries**

**sd/-**

**Suhas Ganpule**

**(Proprietor)**

**M. No. 12122**

**C.P. No. 5722**

**Date: - 30<sup>th</sup> August, 2012**

**Place: - Mumbai**

**GENERAL SHAREHOLDERS INFORMATION**

- i. Annual General Meeting
- Day, Date and Time : **28th September, 2012**
- Venue : **Event Banquet, Near Filmistan Studio, S.V.Road, Goregaon West, Mumbai 400062**
- ii. Financial calendar
- Financial Year : **April 1<sup>st</sup> to March 31<sup>st</sup>**
- Financial Reporting (tentative)
- First Quarter result : **Second Week of August, 2012**
- Quarterly/Half-yearly result : **Second Week of November, 2012**
- Third Quarter result : **Second Week of February, 2013**
- Fourth Quarter result : **Second Week of May, 2013**
- iii. Dates of Book Closure : **From 25<sup>th</sup> September, 2012 to 27<sup>th</sup> September, 2012 (Both days Inclusive)**
- iv. Dividend Payment : **on or after 28th Day of September, 2012**
- v. Listing on Stock Exchange : **Bombay Stock Exchange Limited (BSE), Mumbai Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001**
- vi. Stock code - Scrip code (BSE) : **532342,**  
Scrip ID(BSE) : **COMMEXTECH**
- Vii. Market price Data and share price Performance in comparison to broad based indices:

Month	Bombay Stock Exchange Limited		
	High Rs.	Low Rs.	Total Number of Shares Traded
April 2011	30.20	22.75	2,89,29,027
May 2011	29.25	24.05	1,56,25,338
June 2011	25.30	20.10	5,92,03,288
July 2011	29.70	21.70	17,21,62,727
August 2011	28.00	22.10	16,34,38,310
September 2011	24.25	20.00	2,67,26,140
October 2011	23.10	20.00	5,44,95,743
November 2011	22.80	12.75	2,09,59,408

December 2011	13.38	9.24	10,70,68,253
January 2012	20.35	11.50	3,42,97,213
February 2012	23.40	18.50	1,18,78,565
March 2012	20.60	14.95	3,15,31,990

Source :BSE Website-www.bseindia.com

viii. Registrar and Share Transfer Agent : Universal Capital Securities Pvt. Ltd.  
21, Shakil Niwas,  
Opp. Satya Saibaba Temple,  
Mahakali Caves Road,  
Andheri (East), Mumbai 400 093.  
Ph: 022 28257641, Fax: 022 28207207.

viii Outstanding GDRs / ADRs/ Warrants or any Convertible instruments, Conversion date and likely impact on equity: There are 50334500 (Five Crores Three Lacs thirty Four thousand and five hundred) number of shares issued as GDR are outstanding as on 31st March, 2012.

Shareholding pattern as at 31st March, 2012

Category	No. of Shares held	Percentage to total share capital
Promoters	58618626	37.79
Corporate Bodies	8565031	8.17
FII/NRI/OCBs	72	0
Indian Public	37588761	21.59
Any other	50334500	32.45
<b>Total</b>	<b>15,51,06,990</b>	<b>100.00</b>

xiii. Address for correspondence:  
Commex Technology Limited  
Exchange House  
Millennium Business Park  
Mahape  
Navi Mumbai- 400710  
Tel: +91 (22) 2778 0045  
Fax: +91 (22) 2778 0046  
Email: Website: www.commextechnology.com

**AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF COMMEX TECHNOLOGY LIMITED (FORMERLY KNOWN AS IT PEOPLE (INDIA) LTD.) ON THE CONSOLIDATED FINANCIAL STATEMENTS OF COMMEX TECHNOLOGY LIMITED (FORMERLY KNOWN AS IT PEOPLE (INDIA) LTD.) AND ITS SUBSIDIARIES**

We have examined the attached consolidated Balance sheet of Commex Technology Ltd. (Formerly known as IT People (India) Ltd.) and its subsidiaries as at 31st March 2012, the Consolidated Profit and Loss Account for the year as on that date. These financial statements are the responsibility of the Commex Technology Ltd (Formerly known as IT People (India) Ltd.) management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

We have audited financial statements of three Subsidiaries, viz IT Capital Services Pvt. Ltd, Orient Information FZ-LLC-UAE & Information Technology People WLL- Bahrain. The financial statements of Orient Infotech Limited – United Kingdom, Orient Information Technology Inc. – USA, have been consolidated on the basis of unaudited financial statements

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Commex Technology Limited (Formerly Known as IT People (India) Ltd) and its subsidiaries included in the consolidated financial statements.

Subject to Note No. C3 of Schedule 13 forming part of accounts and on the basis of the information and explanation given to us and on the consideration of the separate audit reports on individual audited financial statements of Commex Technology Limited

(Formerly Known as People (India) Ltd) . and its aforesaid subsidiaries, we are of the opinion that:

- (a) the Consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of Commex Technology Limited (Formerly Known as IT People (India) Ltd). and its subsidiaries as at 31st March 2012; and
- (b) the Consolidated Profit and Loss Account gives a true and fair view of the consolidated results of operations of Commex Technology Limited (Formerly known as IT People (India) Ltd.) and its subsidiaries for the as on that date.
- (c) The Consolidated Cash Flow statement gives a true and fair view of the consolidated cash flow of operations of Commex Technology Ltd (Formerly known as IT People (India) Ltd.) and its subsidiaries for the year as on that date.

**For Gadgil & Co.  
Chartered Accountants**

**Place: Mumbai**

**Dated: 29th May, 2012**

**sd/-  
Dushyant A. Gadgil  
Proprietor  
M.No:17795  
Firm Registration No.102876W**

**Consolidated Balance Sheet as at 31st March, 2012**

(₹ in Lacs)

Particulars		Note No	Figures as at the end of current reporting period		Figures as at the end of previous reporting period	
<b>I. EQUITY AND LIABILITIES</b>						
<b>(1) Shareholder's Funds</b>						
(a)	Share Capital	3	3102.14		3102.14	
(b)	Reserves and Surplus	4	7028.37		6992.05	
(c)	Money received against share warrants		-		-	
			<b>10130.51</b>		<b>10094.19</b>	
<b>(2) Share application money pending allotment</b>						
			-		-	
<b>(3) Non-Current Liabilities</b>						
(a)	Long-term borrowings	5	444.24		-	
(b)	Deferred tax liabilities (Net)	10	-		-	
(c)	Other Long term liabilities		-		-	
(d)	Long term provisions		-		-	
			<b>444.24</b>		-	
<b>(4) Current Liabilities</b>						
(a)	Short-term borrowings	6	-		1178.07	
(b)	Trade payables		0.08		64.85	
(c)	Other current liabilities	7	1432.59		132.92	
(d)	Short-term provisions	8	356.34		388.22	
			<b>1789.00</b>		<b>1764.06</b>	
<b>TOTAL</b>			<b>12363.76</b>		<b>11858.26</b>	
<b>II. ASSETS</b>						
<b>(1) Non-current assets</b>						
(a)	Fixed assets	9				
	(i) Tangible assets		707.69		774.53	
	(ii) Intangible assets		1004.53		1221.00	
	(iii) Capital work-in-progress		3771.88		2417.92	
	(iv) Intangible assets under development		-		-	
			<b>5484.09</b>		<b>4413.46</b>	
(b)	Non Current Investments	10	3000.00		2995.00	
(c)	Deferred Tax Assets (Net)	11	71.23		71.23	
(d)	Long Term Loans and Advances		-		-	
(e)	Other Non-Current Assets		-		-	
			<b>8555.32</b>		<b>7479.69</b>	
<b>(2) Current Assets</b>						
(a)	Current investments	10	75.75		-	
(b)	Inventories		-		-	
(c)	Trade Receivables	12	696.21		782.10	
(d)	Cash and Cash Equivalents	13	340.08		38.46	
(e)	Short-Term Loans and Advances	14	2687.48		3549.79	
(f)	Other Current Assets	15	8.92		8.22	
			<b>3808.43</b>		<b>4378.58</b>	
<b>TOTAL</b>			<b>12363.76</b>		<b>11858.26</b>	
<b>Significant accounting policies</b>		2				
<b>Notes to accounts</b>		22				

As per our Report of even date annexed

**For Gadgil & Co.**
**Firm Regn No :102876W**

(Chartered Accountants)

For and on behalf of the Board

sd/-

**Dushyant A. Gadgil**  
**Proprietor**

M No. 17795

Place: Mumbai

Date: 29th May, 2012

sd/-

**Ketan Sheth**  
 Managing Director

sd/-

**Kishore Hegde**  
 Director



**CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST March ,2012**  
(₹ in Lacs)

	Particulars	Note No	Figures for the current reporting period		Figures for the previous reporting period	
I	Revenue from operations	16	1425.63		976.25	
II	Other income	17	88.62		245.71	
III	<b>Total Revenue (I +II)</b>			<b>1514.25</b>		<b>1221.96</b>
IV	<b>Expenses:</b>					
	<b>Cost of material consumed</b>					
	Purchase of Stock -in -Trade					
	Changes in inventories of finished goods					
	work-in- progress and Stock-in Trade					
	<b>Employee benefits expense</b>	18		490.50		246.05
	<b>Finance costs</b>	19		22.33		0.45
	<b>Depreciation and amortization expense</b>	20		284.37		93.60
	<b>Other Expenses</b>	21		68.55		538.01
	<b>Total expenses</b>			<b>865.75</b>		<b>878.11</b>
V	<b>Profit before exceptional and extraordinary items and tax (III - IV)</b>			<b>648.50</b>		<b>343.84</b>
VI	<b>Exceptional items</b>			-		-
VII	<b>Profit before extraordinary items and tax (V - VI)</b>			<b>648.50</b>		<b>343.84</b>
VIII	<b>Extraordinary Items</b>			-		-
IX	<b>Profit before tax (VII - VIII)</b>			<b>648.50</b>		<b>343.84</b>
X	<b>Tax expense:</b>					
	(1) Current tax				0.02	
	(2) Deferred tax (Credit)/Expenses				57.07	
					-	
XI	<b>Profit (Loss) for the period from continuing operations (IX - X)</b>			40.00		57.08
				<b>608.50</b>		<b>286.76</b>
XII	<b>Profit (Loss) from discontinuing operations</b>			-		-
XIII	<b>Tax expense of discontinuing operations</b>			-		-
XIV	<b>Profit/(Loss) from Discontinuing operations (after tax) (XII - XIII)</b>			-		-
XV	<b>Profit (Loss) for the period (XI + XIV)</b>			<b>608.50</b>		<b>286.76</b>
XVI	<b>Earnings per equity share:</b>					
	(1) Basic			0.58		0.27
	(2) Diluted			-		-
	<b>Significant accounting policies</b>	2				
	<b>Notes to accounts</b>	22				

As per our Report of even date annexed  
**For Gadgil & Co.**  
**Firm Regn No :102876W**  
 (Chartered Accountants)

For and on behalf of the Board

sd/-  
**Dushyant A. Gadgil**  
**Proprietor**  
 M No. 17795  
 Place: Mumbai  
 Date: 29th May, 2012

sd/-  
**Ketan Sheth**  
 Managing Director

sd/-  
**Kishore Hegde**  
 Director

## Consolidated Cash Flow statement for the year ended 31st March, 2012 (₹ in Lacs)

PARTICULARS	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
<b><u>A CASH FLOW FROM OPERATING ACTIVITIES</u></b>		
Profit Before tax from continuing operations	648.50	343.84
Profit Before tax from discontinuing operations	-	-
Profit Before Tax	<b>648.50</b>	<b>343.84</b>
<b><u>Non- Cash Adjustment To Reconcile Profit Before Tax To Net Cash Flows</u></b>		
Increase/(Decrease) in Reserve on Consolidation	(351.19)	96.70
Depreciation/Amortization on Continuing Operation	284.37	93.60
Depreciation/Amortization on Discontinuing Operation	-	-
Impairment/Other Write-off on Tangible/Intangible Assets pertaining to Continuing Operation	-	(0.03)
Loss/(Profit) on sale of Fixed Assets	-	-
Provision Written Back	4.21	-
Prior Period Expenses	(8.88)	-
Net Gain on sale of Current Investments	-	-
Interest Expenses	22.33	0.45
Interest Income	(10.78)	-
Dividend Income	-	-
Operating Profit Before Working Capital Changes	<b>588.56</b>	<b>534.57</b>
<b><u>Movements in Working Capital:</u></b>		
Increase/Decrease in Trade Payble	(64.77)	(9.86)
Increase/Decrease in Long Term Provision	-	-
Increase/Decrease in Short Term Provision	(31.88)	351.97
Increase/Decrease in Other Current Liabilities	1299.67	(1057.48)
Increase/Decrease in Other Long Term Liabilities	-	-
Increase/Decrease in Short Term Advances	862.32	(390.24)
Decrease/Increase in Trade Receivable	85.89	(365.07)
Decrease/Increase in Inventories	-	-
Decrease/Increase in Long Term Provision	-	-
Decrease/Increase in Short Term Provision	-	-
Decrease/Increase in Other Current Assets	(0.69)	-
Decrease/Increase in Other Non- Current Assets	-	-
Direct Tax Paid (Net of Refunds)	(40.00)	(0.02)
<b>Net Cash Flow from/(Used in) Operating Activities (A)</b>	<b>2699.08</b>	<b>(936.14)</b>
<b><u>B CASH FLOW FROM INVESTING ACTIVITIES</u></b>		
Purchase of Fixed Assets incl. Intangible Assets, CWIP	(1355.01)	(381.56)
Capital Advances	-	-
Proceeds from Sale of Fixed Assets	-	-
Proceeds of Non- Current Investments	-	745.30
Purchase of Non Current Investments	(5.00)	-
Purchase of Current Investments	(75.75)	-
Proceeds from Sale/ Maturity of Current Investments	-	-
Investments in Bank Deposits (having Original Maturity of more than three months)	-	-
Redemtpaion/Maturity of Bank Deposits (having original maturity of more than three months)	-	-
Interest Received	10.78	-
Dividend Received from Subsidiary Company	-	-
Dividend Received	-	-
<b>Net Cash Flow from/(Used in) Investing Activities (B)</b>	<b>(1424.98)</b>	<b>363.74</b>

**Consolidated Cash Flow statement for the year ended 31st March, 2012**  
(₹ in Lacs)

PARTICULARS	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
<b><u>C CASH FLOW FROM FINANCING ACTIVITIES</u></b>		
Proceeds from Issuance of Equity Share Capital	-	-
Proceeds from Issuance of Preference Share Capital	-	-
Proceeds from Long Term Borrowings	450.00	-
Repayment of Long Term Borrowings	(5.76)	-
Proceeds from Short Term Borrowings	-	739.13
Repayment of Short Term Borrowings	(1178.07)	-
Interest Paid	(22.33)	(0.45)
Dividend Paid on Equity Shares	(186.13)	(155.11)
Dividend Paid on Preference Shares	-	(25.77)
Tax on Equity Dividend Paid	(30.19)	-
Tax on Preference Dividend Paid	-	-
<b>Net Cash Flow from/(Used in) Financing Activities (C)</b>	<b>(972.48)</b>	<b>557.81</b>
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	301.62	(14.58)
Cash & Cash Equivalents at the Beginning of the Year	46.65	61.23
<b>Cash &amp; Cash Equivalents at the End of the year</b>	<b>348.26</b>	<b>46.65</b>
<b><u>Components of Cash and Cash Equivalents</u></b>		
Cash in Hand	48.63	15.33
Cheque/Drafts on Hand	-	-
with Banks on -		
- Current Account	1.45	23.13
- Deposits Account	290.00	-
- Deposits Account (Margin)	8.19	8.19
<b>Total Cash and Cash Equivalents</b>	<b>348.26</b>	<b>46.65</b>

As per our Report of even date annexed

**For Gadgil & Co.**

**Firm Regn No :102876W**

(Chartered Accountants)

For and on behalf of the Board

sd/-

**Dushyant A. Gadgil**  
**Proprietor**

M No. 17795

Place: Mumbai

Date: 29th May, 2012

sd/-

**Ketan Sheth**  
Managing Director

sd/-

**Kishore Hegde**  
Director

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**NOTES FORMING PARTS OF CONSOLIDATED ACCOUNTS AS ON 31st MARCH 2012**

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**Note No.1****1. Corporate Information**

Commex Technology Limited (formely known as IT People (India) Ltd.) is a Company promoting software products and solutions to the capital and commodities markets and IT Consulting Services and solutions to companies worldwide. The Company is listed at the Bombay Stock Exchange Limited (BSE).

Software products includes products, solutions and services division for the financial and capital markets addressing Stock and Commodities Exchange, intermediary Brokerage House, Merchant banking Operation and Financial services in India and Overseas.

**Incorporation and Registration**

"Commex Technology Limited" was originally incorporated as a Private Limited Company with the name "Global e-Com (India) Limited" on 24th January 2000, under Companies Act, 1956, and was issued a certificate of incorporation bearing number 11-123796 of 2000 by the Registrar of Companies Maharashtra. The Company became a Public Limited Company on 8th February 2000 and the name of the Company was changed to "Global e-Com (India) Limited", thereafter, on 11th April 2000 the name of the Company was again changed to "Balwas e-Com India Limited".

The Company subsequently on 28th October 2003 changed its name to "Starmax Infomedia Limited" and was issued with a fresh with a certificate of Incorporation consequent upon change of name on its acquisition by "IT People Private Limited".

The Company subsequently on 22nd November, 2004 changed its name to "IT People (India) Limited" and was issued a fresh certificate of Incorporation consequent upon change of name bearing number L72900MH2000PLC123796 by the registrar of Companies, Maharashtra. Further on 14th November, 2011 the name of the Company was again changed to "Commex Technology Limited".

**Note No.2****Summary of Significant Accounting Policies****2.1 Change in Accounting policies**

During the year ended 31 March 2012, the revised Schedule VI notified under the companies act 1956, has become applicable to the company, for preparation & presentation of its financial statements. The adoption of revised schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. the company has also reclassified the previous year figure in accordance in the current year.

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**NOTES FORMING PARTS OF CONSOLIDATED ACCOUNTS AS ON 31st MARCH 2012**

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**2.2 Method of Consolidation:**

For the purpose of consolidation, Accounts of the parent as well as the subsidiaries are considered for the year up to 31-3-2012. Accounts of the Orient Infotech. Ltd U.K., Orient Information Technology Inc. USA are unaudited and compiled by independent, external accounting agencies, as the local rules governing these Companies do not require Audit of these Companies. Accounts of Orient Information Technology FZ -LLC -UAE & Information Technology People WLL-Bahrain, IT Capital Services Private Limited are audited. All inter-company transactions between the group companies are eliminated. The subsidiary of the company at USA, UK, Bahrain & Germany are inactive.

**2.3 Translation of financial statements of the Subsidiaries:**

Transactions arising in foreign currency are reported at the rates closely approximating to those ruling during the relevant transaction dates. All monetary assets and liabilities in foreign currency as at the date of financial statements are restated at the exchange rates prevalent at the Balance Sheet date. The reporting currency of the Company is Indian Rupees. The reporting currencies of its subsidiaries are -Orient Infotech. Ltd U.K.,-Great Britain Pounds, Orient Information Technology Inc. USA-United States Dollars, Orient Information Technology FZ -LLC -UAE United Arab Emirates Dirhams & Information Technology People WLL Bahrain - Bahraini Dinars. The revenue items of the foreign subsidiaries are translated to Indian Rupees using the Simple Average of the quarterly closing rates. Non-monetary items in the Balance Sheet of the foreign subsidiaries are translated at the rates closely approximating those ruling during the relevant transaction dates. The net impact of such change is disclosed under General Reserve on consolidation.

**2.4 Use of Estimates**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expense and liabilities and disclosures of contingent liabilities, at the end of the reporting Period. Although these estimates are based on the managements best knowledge of current events and actions, uncertainty about these assumptions and estimates could results in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

**NOTES FORMING PARTS OF CONSOLIDATED ACCOUNTS AS ON 31st MARCH 2012**
**2.5 Tangible Fixed Assets**

Fixed assets, are stetted at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises purchase price, borrowing costs if capitalization criteria met and directly attributable cost of bringing the assets to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Subsequent expenditure related to an items of fixed assets is added to its book value only of it increases the future benefits from the existing assets beyond its previously assessed standards of performance. All other expenses on existing fixed assets, including day- to day repair and maintenance expenditure and cost of replacing parts, are changed to the statement of profit & loss for the period during which such expenses are incurred.

**2.6 Depreciation on Tangible Fixed Assets**

Till 31st March 2003 Depreciation on Fixed Assets has been provided on straight-line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. Depreciation on fixed assets is calculated on straight line basis using the rates arrived at based on useful lives estimates by the management or those prescribed under the schedule XIV to the companies act 1956, whichever is higher. The company has used the following rates to provide depreciation on its fixed assets.

Keeping in view the wear and tear and the actual realizable value of the fixed assets, the Company has provided depreciation from 1st April, 2004 on Straight Line Method at the higher rates than as prescribed by the Companies Act. The depreciation as per Act and as per books in respect of the fixed assets is as under.

Particulars	Depreciation Rate as per Companies Act	Depreciation Rate as per Books	Depreciation as per Act	Depreciation as per Books
	%	%	(₹.)	(₹.)
Plant & Machinery	4.75	45.00	2,71,700/-	25,74,000/-
Furniture & Fittings	6.33	8.00	28,94,392/-	36,58,000/-
Office Equipment	4.75	25.00	12,851/-	67,639/-
Computer Accessories	16.21	50.00	11,389/-	35,130/-
<b>Total</b>			<b>31,90,332/-</b>	<b>63,34,769/-</b>

**NOTES FORMING PARTS OF CONSOLIDATED ACCOUNTS AS ON 31st MARCH 2012**

As a result of the above, the Depreciation provision for the year is higher by ₹31,44,437/- and consequently the Profit for the year ended is lower by ₹31,44,437/-. This change was made w.e.f. 1st April,2004 in case of the company and hence the Reserves to date of the company are lower by ₹9,30,59,128/-

Further the Management has written off the Fixed Assets at the Rates higher than prescribed under the Schedule XIV of the Companies Act, 1956, keeping in view their impairment due to the technological obsolescence prevalent in the Information Technology Sector, so as to make adequate provision for Impairment of the said Assets, as per the Accounting treatment prescribed under the Accounting Standard 26 on Impairment of Assets (AS 28) issued by the Institute of Chartered Accountants of India.

**2.7 Impairment of Tangible and Intangible Assets**

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an assets is required, the company estimates the assets recoverable amount. An assets recoverable amount is the higher of an assets or cash generating units (CGU) net selling price and its value in use. The recoverable amount is determined for an individuals assets, unless the assets does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an assets or CGU exceeds its recoverable amount, the assets is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre - tax discounts rate that reflects current market assessment of time value of money & risk specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the company's CGU to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of Five (5) Years. For longer periods a long term growth rate is calculated and applied to projects future cash flows after the 5 (Five) Years.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit & loss, except for previously revalued tangible fixed assets where the revaluation reserves up to the amount of any previous revaluation.

**NOTES FORMING PARTS OF CONSOLIDATED ACCOUNTS AS ON 31st MARCH 2012**

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

An assessment is made at each reporting dates as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the assets or CGU recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the assets recoverable amount since the last impairment loss was recognized. The reversal is limited so that would have been determined, net of depreciation had no impairment loss has been recognized for the assets in prior years. Such reversal is recognized in the statement of profit and loss unless the assets is carried at a revalued amount in which case the reversal is treated as a revaluation increase.

**2.8 Investments**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made are classified as current investments. All other investments are classified as long term investments.

On initial recognition all investments are matured at cost. The cost comprise purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired by the issue of shares or other securities the acquisition cost is the fair value of the securities issued if an investment is acquired in exchange for another assets the acquisition is determined by reference to the fair value of the assets given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investment are carried in the financial statement at lower cost and fair value determined on an individuals investment basis. Long term investment are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investment.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit & loss account.

**2.9 Revenue Recognized**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliable measured. The followings specific recognition criteria must also be met before revenue is recognized



**NOTES FORMING PARTS OF CONSOLIDATED ACCOUNTS AS ON 31st MARCH 2012****Income from services**

Revenues from contract priced on a time and material basis are recognized when services are rendered and related costs are incurred.

Revenues from turnkey contracts, which are generally time bound fixed price contracts, are recognized over the life of the contracts using the proportionate completion method, with contract costs determining the degree of completion, foreseeable losses on such contracts are recognized when probable.

Revenues from sale of software licenses are recognized upon delivery where there is no customization required. In case of customization the same is recognized over the life of the contract using the proportionate completion method.

Revenues from maintenance contracts are recognized pro-rata over the period of the contract.

Revenues are reported net of discounts. The billing of consultants employed outside India, which is borne directly by the overseas clients is excluded from the revenue.

**2.10 Foreign currency transaction**

The Company has the billing process whereby it bills its overseas clients in INR and the amount is remitted by the overseas clients by converting the equivalent local currency equivalent to the Billing made in INR.

**Conversion**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date Non monetary items which are measured in terms of historical cost denominated in foreign currency are reported using the exchange rate at the of the transaction. Non monetary items which are measures at fair value or other similar valuation denominated in foreign currency are transferred using the exchange rate at the date when such value was determined.

**2.11 Income Taxes**

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the income tax act, 1961, enacted in India and tax laws prevailing in the respective tax jurisdiction where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

**NOTES FORMING PARTS OF CONSOLIDATED ACCOUNTS AS ON 31st MARCH 2012**

Deferred income taxes reflects the impact of timing difference between taxable income and accounting income originating during the current year and reversal of timing difference for the earlier years. Deferred tax is measured using the tax rates and tax rates and tax laws enacted or substantially enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing difference only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses all deferred tax assets are recognized only if there is virtual certainly supporting evidence that they can be realized against future taxable profits.

In situation where the company is entitled to a tax holiday under the income tax act 1961 enacted in India or tax laws prevailing in the respective tax jurisdiction where it operates no deferred tax (assets or liabilities) is recognized in respect of timing difference which reverse during the tax holiday period to the extent the company's gross total income is subjected to the deduction during the tax holiday period. Deferred tax in respect of timing difference which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However the company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each reporting date, the company reassesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes- down the carrying amount of deferred tax assets to the extent that it is no longer reasonably certain or virtually as the case may be that sufficient future taxable income will be available against which deferred tax assets can be realized. Any such write down is reversed to the extent that it becomes reasonably certain or virtually certain as the case may be that sufficient future taxable income will be available.

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**NOTES FORMING PARTS OF CONSOLIDATED ACCOUNTS AS ON 31st MARCH 2012**

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Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relates to the same taxable entity and the same taxation authority.

Minimum alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an assets only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period I.e. the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an assets in accordance with the Guidance Note on Accounting for credit available of minimum alternate tax under income tax act 1961. the said assets is created by way of credit to the statement of profit and loss and shown as "MAT credit Entitlement". The company reviews the MAT credit entitlement assets at each reporting date and writes down the assets to extent the company does not have convincing evidence that it will pay normal tax during the specified period.

**2.12 Earnings Per share.**

Basics earnings per share are calculated by dividing the net profit and loss for the period attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted age number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity shares to the extent that they are entitled to participate in dividend related to fully paid equity shares during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issues bonus element in a right shares, split issue and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a correspondence change in resources.

**2.13 Employment Benefits**

The Company's contribution to provident fund is accounted on accrual basis and is charged to the profit and loss account.

No provision has been considered necessary towards gratuity since none of the employees have put in the qualified number of years of service with the Company.

**2.14 Provisions**

A provisions is recognized when the company has present obligation as a results of past events. It is possible that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable

**NOTES FORMING PARTS OF CONSOLIDATED ACCOUNTS AS ON 31st MARCH 2012**

estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the company expects some or all of a provision to be reimbursed for example under Insurance Contract, the re-imbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expenses relating to any provision is presented in the statement of profit and loss net of any reimbursement.

**Warranty provisions**

Provisions for warranty related costs are recognized when the products is sold or service provided. Provision is based on historical experience. The estimate of such warranty related costs is revised annually.

**2.15 Contingent liabilities**

A contingent liability possible obligation that arises from past events whose existence will be confirmed by the occurrence or non- occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statement.

**2.16 Cash & cash equivalents**

Cash and cash equivalents for the purpose of cash flow statement comprises cash at bank and in hand and short term investments with an original maturity of three months or less.

**2.17 Measurement of EBITDA**

As permitted by the guidance notes on the revised schedule vi to the companies act 1956. the company has elected to present earnings before interest tax depreciation and amortization as per a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit/(Loss) from continuing operations. In its measurement the company does not include depreciation and amortization expenses finance costs and tax expenses.

**NOTES FORMING PARTS OF CONSOLIDATED ACCOUNTS AS ON 31st MARCH 2012**
**NOTE NO. 3. SHARE CAPITAL**

(₹ in Lacs)

Particulars	Figure as at the end of current reporting period		Figure as at the end of previous reporting period	
<b>Note 'A'</b>				
<b>Share Capital</b>				
<b>Authorised</b>				
26,25,00,000 Equity Shares Of ₹2/- each and ₹ 7,50,00,000 unclassified shares (P.Y. 75,00,000 Equity Shares of ₹ 2/- each) and ₹ 10,00,00,000 unclassified shares		6000.00		6000.00
<b>Issued, Subscribed and Paid - up</b>				
10,47,72,490 Equity Shares of ₹ 2/- each Fully paid up (Out of above shares 4,50,05,000 equity shares of ₹2/- each fully paid up upon conversion of 9,00,100 GDR @ 50 equity shares per GDR (P.Y. 5,32,77,500 Equity Shares of ₹ 2/- each fully paid up	2095.45		2095.45	
<b>Global Depository Receipts (GDR)</b>				
10,06,690 GDR each representing 50 equity shares of ₹2/- each fully paid up (P.Y.19,06,790 GDR representing 50 Equity shares of ₹2/- each fully paid up	1006.69		1006.69	
		3102.14		3102.14
<b>Total Share Capital</b>		<b>3102.14</b>		<b>3102.14</b>

**a. Reconciliation of the shares outstanding at the beginning and at the end of the period**  
**Equity Shares**

Particulars	Figure as at the end of current reporting period		Figure as at the end of previous reporting period	
	(₹ in Lacs)	(₹ In Lacs)	(₹ In Lacs)	(₹ In Lacs)
<b>At the beginning of the period</b>	1047.72	2095.45	597.67	1195.35
issued during the period - On conversion of GDR	-	-	450.05	900.10
issued during the period - Bonus Issue	-	-	-	-
issued during the period - ESOP	-	-	-	-
<b>outsanding at the end of the period</b>	<b>1047.72</b>	<b>2095.45</b>	<b>1047.72</b>	<b>2095.45</b>

**Reconciliation of the Global Depository Receipt outstanding at the beginning and at the end of the period**  
**Global Depository Receipt (GDR)**

Particulars	Figure as at the end of current reporting period		Figure as at the end of previous reporting period	
	No.	(₹ In Lacs)	No.	(₹ In Lacs)
<b>At the beginning of the period</b>	10.07	1006.69	19.07	1906.79
issued during the period -	-	-	-	-
Less :converted into Equity Shares during the period	-	-	(9.00)	(900.10)
<b>outsanding at the end of the period</b>	<b>10.07</b>	<b>1006.69</b>	<b>10.07</b>	<b>1006.69</b>

**NOTES FORMING PARTS OF CONSOLIDATED ACCOUNTS AS ON 31st MARCH 2012**
**NOTE NO. 3. SHARE CAPITAL**
**(₹ in Lacs)**
**b Terms/rights attached to equity shares**

The company has only one class of the shares having a par value of ₹ . 2/- per shares. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c Terms/rights attached to Global Depository Receipt (GDR)**

The Global Depository Receipts ("GDRs") represented by this certificate are each issued in respect of 50 equity Shares of par value ₹ 2/- each (the "Shares") in Commex Technology Ltd. (formerly known as IT People (India) Limited (the "Company") pursuant to and subject to a depository agreement dated 18th May 2009, and made between the Company and Deutsche Bank Trust Company Americas depository and/or any other depository which may from time to time be appointed under the agreement (the "Depository") (such agreement, as amended from time to time, being hereinafter referred to as the "Deposit Agreement").

**D. Details of shareholders holding more than 5% shares in the company**

Particulars	Figure as at the end of current reporting period		Figure as at the end of Previous reporting period	
	No.	% holding in the class	No.	% holding in the class
	<u>Equity shares of ₹2/- each fully paid</u>			
1 Skyline Capital Pvt. Ltd.	570.08	36.75	493.07	31.78

As per records of the company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares

**NOTES FORMING PARTS OF CONSOLIDATED ACCOUNTS AS ON 31st MARCH 2012**
**NOTE NO.4. RESERVES & SURPLUS**

(₹ in Lacs)

Particulars	Figure as at the end of current reporting period		Figure as at the end of Previous reporting period	
<b>Securities premium account (Equity Shares)</b>				
Balance as per the last financial statements	6288.20		6288.20	
<b>Add:-</b> Premium on Equity Shares	-		-	
<b>Less:-</b> amounts utilized towards issue of fully paid up bonus shares	-		-	
<b>Securities premium Equity Shares Closing Balance</b>		<b>6288.20</b>		<b>6288.20</b>
<b>Securities premium account (GDR)</b>				
Balance as per the last financial statements	3146.20		3146.20	
<b>Add:-</b> Premium on GDR	-		-	
<b>Less:-</b> amounts utilized towards issue of fully paid up bonus shares	-		-	
<b>Securities premium GDR Closing Balance</b>		<b>3146.20</b>		<b>3146.20</b>
<b>General Reserve</b>				
Balance as per the last financial statements	1721.10		1721.10	
<b>Add:-</b> amounts transferred from surplus balance in the statement of profit & loss	-		-	
<b>General Reserve Closing Balance</b>		<b>1721.10</b>		<b>1721.10</b>
<b>Forfeited Equity Shares</b>				
Balance as per the last financial statements	278.63		278.63	
<b>Add:-</b> amounts transferred	-		-	
<b>Forfeited Equity Shares Closing Balance</b>		<b>278.63</b>		<b>278.63</b>
<b>Surplus/(deficit) in the statement of P&amp;L</b>				
Balance as per the last financial statements	(1742.35)		(1848.24)	
Provision made earlier years written back	4.21		-	
Profit/(Loss) for the year	608.50		286.76	
	(1129.64)		(1561.48)	
<b>Less :- Appropriation</b>				
Proposed final equity dividend	186.13		155.11	
Provision for Dividend Distribution Tax	30.19		25.76	
Prior period Expenses	8.88		-	
	225.20		180.87	
<b>Surplus/(deficit) in the statement of P&amp;L</b>		<b>(1354.84)</b>		<b>(1742.35)</b>
<b>Provision for diminution of value of investment</b>		<b>(3108.14)</b>		<b>(3108.14)</b>
<b>General Reserve on Consolidation</b>		<b>57.23</b>		<b>408.42</b>
<b>Total Reserves &amp; Surplus</b>		<b>7028.37</b>		<b>6992.05</b>

**NOTE NO.5. LONG TERM BORROWINGS**

Particulars	Non- Current Portion		Current Maturities	
	31.03.12	31.03.11	31.03.12	31.03.11
<b>LONG- TERM BORROWINGS</b>				
<b>Term Loans</b>				
(Secured against Property Lease Rent Receivable)	444.24	-	-	-
<b>Total Long- term borrowings</b>	<b>444.24</b>	<b>-</b>	<b>-</b>	<b>-</b>

**NOTES FORMING PARTS OF CONSOLIDATED ACCOUNTS AS ON 31st MARCH 2012**
**NOTE NO.6. SHORT TERM BORROWINGS**

(₹ in Lacs)

Particulars	Figure as at the end of current reporting period		Figure as at the end of Previous reporting period	
<b>SHORT- TERM BORROWINGS (Unsecured)</b>				
Interest free loans & advances repayable on demand				
- Related Parties	-	-	-	657.91
- Others	-	-	-	520.16
<b>Total Short- term borrowings</b>	-	-	-	<b>1178.07</b>

**NOTE NO.7. OTHER CURRENT LAIBILITIES**

Particulars	Figure as at the end of current reporting period		Figure as at the end of Previous reporting period	
<b>2 Other Liabilities</b>				
a Interest free Security Deposits from Lessees	86.00		75.00	
b Employees Profession Tax Payable	0.01		0.02	
c Employers ESIC Payable	0.39		-	
d Employees PF Payable	0.01		-	
e TDS Payable	1.18		0.83	
f Service Tax Payable	-		50.57	
g Others	1345.00		6.51	
		1432.59		132.92
<b>Total Other Current Liabilities</b>		<b>1432.59</b>		<b>132.92</b>

**NOTE NO.8. PROVISIONS**

Particulars	Long - Term		Short - Term	
	31.03.12	31.03.11	31.03.12	31.03.11
<b>Provision for employee benefits</b>				
Provision for Gratuity	-	-	8.40	11.00
Provision for Leave Encashment	-	-	2.39	4.00
	-	-	<b>10.79</b>	<b>15.00</b>
<b>Others Provisions</b>				
Provisions for Expenses	-	-	96.05	192.35
Provision for Current Tax	-	-	31.92	-
Provision for Proposed Div. 2010-11	-	-	186.13	-
Provision for Dividend Distribution Tax	-	-	30.19	25.76
Provision for Proposed Div. 2010-11	-	-	1.26	155.11
	-	-	<b>345.55</b>	<b>373.22</b>
<b>Total Provisions</b>	-	-	<b>356.34</b>	<b>388.22</b>



**NOTES FORMING PARTS OF CONSOLIDATED ACCOUNTS AS ON 31st MARCH 2012**
**(₹ in Lacs)**
**NOTE NO. 9 - TANGIBLE ASSETS**

Sr. No.	PARTICULARS	Land	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Others (Computers)	Total
A	<u>Cost or Valuation</u>								
	<u>Gross Block</u>								
	<u>At 1 April 2010</u>	-	850.71	2613.20	489.63	19.36	46.35	103.00	4122.25
	Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	
<u>At 31 March 2011</u>	-	850.71	2613.20	489.63	19.36	46.35	103.00	4122.25	
B	Additions	-	-	0.02	-	-	0.55	0.49	1.06
	Disposals	-	-	-	-	-	-	-	-
	<u>At 31 March 2012</u>	-	850.71	2613.22	489.63	19.36	46.90	103.49	4123.31
	<u>Depreciation</u>								
At 1 April 2010	-	267.18	2587.07	236.54	17.46	44.19	101.68	3254.12	
charge for the year	-	28.41	25.74	36.58	1.84	0.68	0.35	93.60	
Disposals	-	-	-	-	-	-	-	-	
<u>At 31 March 2011</u>	-	295.59	2612.81	273.12	19.30	44.87	102.04	3347.72	
charge for the year	-	28.41	0.00	39.17	0.06	0.18	0.07	67.90	
Disposals	-	-	-	-	-	-	-	-	
<u>At 31 March 2012</u>	-	324.00	2612.81	312.29	19.36	45.05	102.11	3415.62	
C	<u>Impairment Loss</u>								
	At 1 April 2010	-	-	-	-	-	-	-	-
	At 31 March 2011	-	-	-	-	-	-	-	-
	charge for the year	-	-	-	-	-	-	-	-
<u>At 31 March 2012</u>	-	-	-	-	-	-	-	-	
D	<u>Net Block</u>								
	At 31 March 2011	-	555.12	0.39	216.51	0.06	1.48	0.97	774.53
	At 31 March 2012	-	526.70	0.41	177.34	(0.00)	1.85	1.39	707.69

**NOTES FORMING PARTS OF CONSOLIDATED ACCOUNTS AS ON 31st MARCH 2012**

(₹ in Lacs)

**NOTE NO. 9 - INTANGIBLE ASSETS**

Sl. No.	PARTICULARS	Goodwill	Brands/ Trademarks	Patents and IPR	Technical Know how	Computer Software	Internet Portal	Others	Total
	<b>Gross Block</b>								
	<u>At 1 April 2010</u>	138.66	-	-	-	198.33	1738.64	-	2075.64
	Purchase	-	-	-	-	-	-	-	-
	Internal Development	-	-	-	-	-	-	-	-
	Disposal	-	-	-	-	-	-	-	-
	<u>At 31 April 2011</u>	138.66	-	-	-	198.33	1738.64	-	2075.64
	Purchase	-	-	-	-	-	-	-	-
	Internal Development	-	-	-	-	-	-	-	-
	Disposal	-	-	-	-	-	-	-	-
	<u>At 31 April 2012</u>	138.66	-	-	-	198.33	1738.64	-	2075.64
	<b>Amortization</b>								
	<u>At 1 April 2010</u>	-	-	-	-	198.33	656.32	-	854.65
	charge for the year	-	-	-	-	-	-	-	-
	Disposal	-	-	-	-	-	-	-	-
	<u>At 31 March 2011</u>	-	-	-	-	198.33	656.32	-	854.65
	charge for the year	-	-	-	-	-	216.47	-	216.47
	Disposals	-	-	-	-	-	-	-	-
	<u>At 31 march 2012</u>	-	-	-	-	198.33	872.78	-	1071.11
	<b>NetBlock</b>								
	<u>At 31 March 2011</u>	138.66	-	-	-	-	1082.33	-	1220.99
	<u>At 31 march 2012</u>	138.66	-	-	-	-	865.86	-	1004.53

**NOTES FORMING PARTS OF CONSOLIDATED ACCOUNTS AS ON 31st MARCH 2012**
**NOTE NO. 10. INVESTMENTS**

(₹ in Lacs)

	Particulars	Non- Current		Current	
		31.03.12	31.03.11	31.03.12	31.03.11
	<b>Investments</b> (Valued at Cost unless stated otherwise)				
<b>A</b>	<b>Unquoted equity instruments</b>				
	<b>Universal Commodity Exchange Ltd *</b>	3000.00	2995.00	-	-
	(29950000 Shares of ₹ 10/- each (Face Value ₹ 10/- (P.Y.29950000 Shares of ₹ 10/- each Face Value ₹10/-) * During the year ceased to be the subsidiary of the Company				
		<b>3000.00</b>	<b>2995.00</b>	<b>0.00</b>	<b>0.00</b>
<b>B</b>	<b>Investment in Gold</b>				
	2765 GMS (Previous Years GMS NIL) (Market Value ₹ 77,53,060/- Previous Year NIL)	-	-	75.75	-
	<b>Total Investments</b>	<b>3000.00</b>	<b>2995.00</b>	<b>75.75</b>	<b>0.00</b>

**NOTE NO. 11 - DEFERRED TAX**

Particulars	Figure as at the end of current reporting period	Figure as at the end of Previous reporting period
<b>Deferred Tax Liabilities</b>		
Fixed Assets : impact of differences between tax depreciation and depreciation/amortization charged for the financial reporting		
<b>Gross Deferred tax liabilities</b>		
<b>Deferred Tax Assets</b>		
Carried Forward Losses under Income Tax Act, 1961	71.23	71.23
<b>Gross deferred tax assets</b>	71.23	71.23
<b>Net Deferred Tax (Assets)</b>	71.23	71.23

**NOTE NO. 12 - TRADE RECEIVABLES**

Particulars	Non- Current Portion		Current Maturities	
	31.03.12	31.03.11	31.03.12	31.03.11
<b>Outstanding for a period of exceeding Six months from the date. they are due for payment</b>				
secured considered good	-	-	-	-
unsecured, considered good	-	-	-	782.10
Provision for doubtful receivables	-	-	-	-
<b>(A)</b>	-	-	-	<b>782.10</b>
<b>other receivables</b>				
secured considered good	-	-	-	-
unsecured, considered good	-	-	696.21	-
Provision for doubtful receivables	-	-	-	-
<b>(B)</b>	-	-	<b>696.21</b>	-
<b>Total (A+B)</b>	-	-	<b>696.21</b>	<b>782.10</b>

**NOTE NO. 13 - CASH & CASH EQUIVELENTS**

Particulars	Non-Current Portion		Current Maturities	
	31.03.12	31.03.11	31.03.12	31.03.11
<b>Cash and cash equivalents</b>				
<b>Balance with Bank</b>				
On Current accounts	-	-	48.63	23.13
Deposits with original maturity of less the three months	-	-	290.00	-
	-	-	<b>338.63</b>	<b>23.13</b>
<b>Cash on hand</b>	-	-	<b>1.45</b>	<b>15.33</b>
<b>Other bank balance</b>				
Margin Money deposit	-	-	8.19	8.19
	-	-	<b>8.19</b>	<b>8.19</b>
	-	-	<b>348.26</b>	<b>46.65</b>
Amount Disclosed under Other Current Assets	-	-	<b>8.19</b>	<b>8.19</b>
	-	-	<b>340.08</b>	<b>38.46</b>

**NOTES FORMING PARTS OF CONSOLIDATED ACCOUNTS AS ON 31st MARCH 2012**
**NOTE NO. 14 - LOANS & ADVANCES**

(₹ in Lacs)

	Particulars	Non-Current Portion		Current Maturities	
		31.03.12	31.03.11	31.03.12	31.03.11
<b>A</b>	<b>Capital advances</b>				
	secured considered good	-	-	-	-
	Unsecured considered good	-	-	-	-
<b>B</b>	<b>Security Deposits</b>				
	secured considered good	-	-	3.19	3.14
	Unsecured considered good	-	-	-	-
<b>C</b>	<b>Loans and advances to related parties</b>				
	secured considered good	-	-	3.19	3.14
	unsecured, considered good	-	-	0.09	-
<b>D</b>	<b>Advances recoverable in cash or kind</b>				
	secured considered good	-	-	-	-
	Unsecured considered good	-	-	2457.04	3546.65
<b>E</b>	<b>Other loans &amp; advances</b> (Unsecured considered good)				
	loans to employees	-	-	0.20	-
	Others	-	-	226.96	-
		-	-	227.16	-
	<b>Total (A+B+C+D+E)</b>	-	-	<b>2687.48</b>	<b>3549.79</b>

**NOTE NO. 15 - Other Current Assets**

	Particulars	Non-Current Portion		Current Maturities	
		31.03.12	31.03.11	31.03.12	31.03.11
<b>A</b>	<b>Unsecured considered good unless stated otherwise</b>				
	Non-Current bank balances	-	-	8.19	8.19
<b>B</b>	<b>Others</b>				
	Interest accrued on fixed deposits	-	-	-	-
	Others	-	-	0.73	0.04
		-	-	0.73	0.04
	<b>Total (A+B)</b>	-	-	<b>8.92</b>	<b>8.22</b>

**NOTE NO. 16. Revenue From Operations**

Particulars	Figures for the current reporting period		Figures for the Previous reporting period	
<b>Revenue from Operations</b>				
Sale of services		1425.63		976.25
<b>Revenue from Operation (net)</b>		<b>1425.63</b>		<b>976.25</b>

**NOTE NO. 17. Other Income**

Particulars	Figure as at the end of current reporting period		Figure for the previous reporting period	
<b>Interest Income on</b>				
Interest on Bank Fixed Deposit	0.77	10.78	-	-
Other Interest	10.01		-	
<b>Other Non Operating Income</b>				
Rent	77.81	77.84	-	245.71
Net Gain on Foreign Currency Translation	-		-	
Other Non Operating Income	0.03		245.71	
<b>Total Other Income</b>		<b>88.62</b>		<b>245.71</b>

**NOTES FORMING PARTS OF CONSOLIDATED ACCOUNTS AS ON 31st MARCH 2012**
**NOTE NO. 18. Employee Benefit Expenses**

(₹ in Lacs)

Particulars	Figures for the current reporting period		Figures for the Previous reporting period	
<b>Employee Benefit Expenses</b>				
Salary & Wages and Bonus		13.70		45.01
Software Product Development, Implementation & Maint Cost		476.39		184.88
Contribution to provident & other fund		0.17		15.29
Gratuity expenses		-		-
Staff welfare expenses		0.24		0.87
<b>Total Employee Benefit Expenses</b>		<b>490.50</b>		<b>246.05</b>

**NOTE NO. 19. Finance Cost**

Particulars	Figure as at the end of current reporting period		Figure for the Previous reporting period	
<b>Finance Cost</b>				
Interest on Secured Loan		14.20		-
Other Interest		-		-
Bank charges		0.21		0.45
Other Finance Cost		7.92		-
<b>Total Financial Exps.</b>		<b>22.33</b>		<b>0.45</b>

**NOTE NO. 20. Depreciation and amortization expenses**

Particulars	Figure as at the end of current reporting period		Figure for the Previous reporting period	
<b>Depreciation and amortization expenses</b>				
Depreciation of tangible fixed assets		93.60		93.60
Depreciation of intangible fixed assets		216.47		-
		<b>310.07</b>		<b>93.60</b>

**NOTE NO.21. Other Expenses**

Particulars	Figures for the current reporting period		Figures for the previous reporting period	
Power and Fuel		2.15		5.03
Rent		-		-
Repairs to Building		0.87		6.27
Repairs to Machinery		0.19		7.36
Repairs - Others		0.05		0.27
Repairs - Vehicle		-		0.17
Insurance		0.41		-
Rates & Taxes		6.29		3.51
Auditors Remuneration		3.74		3.79
Communication Expenses		2.80		6.07
Company Secretarial Expenses		8.42		11.09
Office Expenses		6.59		-
Postage & Courier Charges		1.11		0.29
Printing & Stationary		1.39		1.21
Professional Charges		20.35		23.72
Net loss on foreign currency translation and transaction		-		443.78
Miscellaneous Expenses		14.19		25.45
		<b>68.55</b>		<b>538.01</b>

**NOTES FORMING PARTS OF CONSOLIDATED ACCOUNTS AS ON 31st MARCH 2012**

<b>Payment to Auditor</b>	<b>Figures for the current reporting period</b>		<b>Figures for the Previous reporting period</b>	
<b><u>As auditor</u></b>				
Audit fees	2.40		2.45	
Tax audit fees	0.40		0.40	
Limited review	-		-	
		2.80		2.85
<b><u>In other capacity</u></b>				
Taxation matter	-		-	
Company law matters	0.35		0.35	
Management services	-		-	
Other services (certification fees)	0.59		0.59	
Reimbursement of expenses	-		-	
		0.94		0.94
<b>Payment to Auditors</b>		<b>3.74</b>		<b>3.79</b>

**Note NO. 22**

- The Company is engaged in the Information Technology Solutions Services, which cannot be expressed in any generic unit. Hence it is not possible to give quantitative details of sales and certain information as required under paragraphs 3, 4C and 4D of part II of Schedule VI to the Companies Act, 1956.
- Earnings in Foreign Exchange during the year:**

<b>Particulars</b>	<b><u>2011-12</u></b> ₹	<b><u>2010-11</u></b> ₹
Information Technology Solutions Services	14,25,63,000/-	9,76,25,000/-
<b>TOTAL</b>	<b>14,25,63,000/-</b>	<b>9,76,25,000/-</b>

**3. Expenditure in Foreign Currency: Nil (Previous Year Nil)**

- In the opinion of the management, Current Assets, Loans and advances are realizable at the values represented in accounts.
- The balance of Sundry Debtors, Creditors, Loans & advances, Deposits, etc are subject to confirmation.
- As per the information available with the Company, there are no small-scale industrial undertakings to whom an amount of Rupees one lakh or more was outstanding for more than 30 days.

**7. Related Party Disclosures :**
**A. Particulars of Related parties :**

Sr. No.	Name of Related Party	Nature of Relationship
I	Skyline Capital Private Limited	Associate Company – Share Holding
II	Ketan Sheth	Key Managerial Person
III	Kishore Hegde	Independent Director
	Madhukar Chaturvedi	Independent Director
IV	<b>Subsidiaries</b>	As under
	IT Capital Services Pvt. Ltd.	Wholly Owned Subsidiary
	Universal Commodity Exchange Ltd.	Associate Company
	Orient Information Technology FZ LLC	Wholly Owned Subsidiary
	Orient Information Technology INC	Wholly Owned Subsidiary
	Orient Infotech Limited UK	Wholly Owned Subsidiary
	Information Technology People WLL	Wholly Owned Subsidiary

**B. Transactions with Related Parties:**

Sr. No.	Name of Related Party	Relationship	Nature of Transaction	Transactions during Year Amt. ₹	Outstanding Balance as on 31.03.12 Amt. ₹	Outstanding Balance as on 31.03.11 Amt. ₹
1	Skyline Capital Private Ltd. (Formerly IT People Pvt. Ltd.)	Associate Company – Share Holding	Unsecured Loan Loan taken  Loan Repaid	  3,17,00,000/-	  NIL	  3,17,00,000/-
2	Ketan Sheth	Chairman & Managing Director	Unsecured Loan Loan taken  Loan Repaid	  3,35,90,956/-	  NIL	  3,35,90,956/-
3	Orient Information Technology FZ LLC	Wholly Owned Subsidiary	Loan Given  Loan Given Loan Repaid	  22,68,59,500/-	  2,33,11,187/-	  25,01,70,687/-
4	IT Capital Service Pvt. Ltd	Wholly Owned Subsidiary	Unsecured Loan  Loan Given Loan Repaid	  2,16,080/-	  NIL	  2,16,080/-
5	Universal Commodity Exchange Ltd	Associate Company – Share Holding * (Previous Year was the Subsidiary of the Company)	Loan Given  Loan Given Loan Repaid	  17,00,000/-	  NIL	  17,00,000/-

**8. Earning per shares:**

<b>Particulars</b>	<b>31st March, 2012</b>	<b>31st March, 2011</b>
Net Profit attributable to Equity		
Share Holders	0.39	0.27
Nominal Value of Equity Share	₹ 2/-	₹ 2/-

**9. Contingent Liabilities:**

Value of unexpired Bank Guarantee issued by the Bankers in favour of the Commissioner of Customs and Excise, Government of India is ₹ 1,70,000/- (Previous Year ₹1,70,000/-).

**10. Previous Year's figures are regrouped / restated wherever necessary to confirm with this year's classification.**
**SIGNATURES TO NOTE NOS "1 To 22"**

As per our Report of even date annexed

**For Gadgil & Co.**

**Firm Regn No :102876W**

(Chartered Accountants)

sd/-

**Dushyant A. Gadgil**

**Proprietor**

M No. 17795

Place: Mumbai

Date: 29th May, 2012

For and on behalf of the Board

sd/-

**Ketan Sheth**

Managing Director

sd/-

**Kishore Hegde**

Director



## AUDITORS REPORT

TO

**THE MEMBERS OF COMMEX TECHNOLOGY LIMITED**

**(FORMERLY KNOWN AS IT PEOPLE (INDIA) LIMITED)**

### **Report on the financial Statements**

We have audited the accompanying Balance Sheet of Commex Technology Limited (Formerly known as IT People (India) Limited) as at 31st March, 2012, and the statement of Profit and Loss and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's responsibility for the financial statements**

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

### **Auditor's responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit includes the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

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

- a. In the case of the balance sheet, of the state of affairs of the company as on 31st March, 2012
- b. In the case of the statement of profit and loss, of the profit 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 the Companies (Auditor's Report) Order, 2003, ('the order') issued by the Central Government of India in terms Sub Section (4A) of Section 227 of the Act, we give in the annexure a statement on matters specified in paragraph 4 and 5 of the above said order.
2. As required by Section 227(3) of the Act, we report that:
  - (a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of accounts as required by law, have been kept by the company so far as appears from our examinations of such books.
  - (c) The Balance Sheet Statement of Profit & Loss, & Cash flow Statement dealt with by this report are in agreement with the books of account of the company.
  - (d) In our opinion, the Balance Sheet, Statement of Profit & Loss, & Cash flow Statement comply with the Accounting Standards referred to in sub section (3C) of Section 211 of the Act, in so far as they are applicable to the Company.

On the basis of written representations received from the Directors as on 31st March, 2012, and taken record by the Board of Directors, none of the Directors are disqualified as on 31st March, 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of

**For Gadgil & Co.**  
**(Chartered Accountants)**  
**Firm Regn No :102876W**

sd/-

**Dushyant A. Gadgil**  
**Proprietor**  
**M No. 17795**  
**Place: Mumbai**  
**Date: 29th May, 2012**

## **ANNEXURE TO AUDITOR'S REPORT 2011-12**

Statement referred to in paragraph 3 of our report of even date to the members of COMMEX TECHNOLOGY LIMITED (FORMERLY KNOWN AS IT PEOPLE (INDIA) LIMITED) on the accounts for the year ended **31st March 2012**.

- (a) The Company has maintained proper records showing full particulars including quantitative details & situation of Fixed Assets.
  - (b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size and nature of it's assets. No material discrepancies were noticed on such verification.
  - (c) During the year, the Company has not disposed off a substantial part of the Fixed Assets.
- ii. The Company being in the business of Information Technology Solutions Services, is not having any inventory, hence the question of its physical verification and maintenance of records does not arise.
- iii. (a) The company has advanced loan of ₹25,01,70,687/- to one of it's subsidiaries. The maximum amount involved during the year was ₹ 25,01,70,687/- & the year end balance of loans taken from such party was ₹ 2,33,11,187/-. The said amount is advanced in the course of business of the Company to make acquisitions of new business overseas, in pursuance of the utilization of the proceeds received on issue of Global Depository Receipt. The said advance is interest free and to the extent it is prejudicial to the interest of the holding Company.
- (b) The Company has taken loans from Two parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 6,52,90,956/- and the year end balance of loans taken from such parties is NIL
  - (c) The said loans taken from the parties listed in the register maintained under section 301 of the Companies Act, 1956 are interest-free and without limitation on repayment and therefore the loans are prima facie, not prejudicial to the interests of the Company.
  - (d) There being no stipulation as regards the repayment and other terms and conditions on which loan has been taken from the Company listed in the register

**ANNEXURE TO AUDITOR'S REPORT 2011-12**

maintained under section 301 of the Companies Act, 1956, the question of regularity of payment of Principal and interest does not arise.

- iv. In our opinion and according to explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and with regard to sale of Goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal controls.
- v. In our opinion & according to information and explanation given to us, there are no transactions of purchases and services made in pursuance of contracts or arrangements, entered into by the Company with the party listed in the register maintained under section 301 of the Companies Act, 1956 and aggregating during the year to 50000/- or more.
- vi. In our opinion and according to the information and explanations given to us, the Company has not accepted any public deposits and therefore the provisions of Section 58A & 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 are not applicable to the Company.
- vii. In our opinion the Company has an internal audit system commensurate with the size and nature of its business.
- viii. We have been informed that the Central Government has not prescribed maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956.
- ix. (a) Certain isolated instances of delay in payment of Tax Deducted at Source have been observed during the course of our audit, which has since been complied by the company by making payment of the Tax Deducted at Source along with interest. Except that the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employee's state insurance, income tax, sales tax, wealth tax, custom duty, cess and other material statutory dues applicable to it. The disputed statutory dues aggregating ₹ 5,32,90,072/- consisting of ₹ 2,66,44,536/- towards service tax and ₹ 2,66,44,536/- towards penalty not been deposited on account of disputed matters pending before appropriate authorities are as under:

**ANNEXURE TO AUDITOR'S REPORT 2011-12**

b)	Sr.	Name of the Statute	Nature of Dues	Amount (₹ in Lacs)	Period to which the amount relates	Forum where dispute is pending
	1	Finance Act, 1994 (Service Tax)	Service Tax	₹ 532 Lacs	01.05.2006 to 30.09.2007	Custom Excise Service Tax Appellate Tribunal (CESTAT)

- x. The Company is having accumulated losses of ₹ 2,89,46,176/-. The Company has not incurred cash losses during the financial year covered under the audit nor in the financial year immediately preceding such financial year.
- xi. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion the company is not a chit fund or a nidhi / mutual benefit fund/ society. Therefore the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xiv. In our opinion the company is not dealing in or trading in shares, securities debentures and other investments. Accordingly the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xv. The Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Therefore the provisions of clause 4 (xv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xvi. The Company has raised new term loan during the year. The term loan raised during the year has been applied for the purposes for which it has been raised.
- xvii. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that have been used for long-term investments.

**ANNEXURE TO AUDITOR'S REPORT 2011-12**

- xviii. According to the information and explanations given to us, the company has not made any preferential allotment of Shares to the parties and companies covered in the register maintained under section 301 of the Act.
- xix. According to the information and explanations given to us, the company has not issued any debentures during the year covered by our audit report.
- xx. During the year covered by our audit no money has been raised by Public issue & therefore the provisions of clause 4 (xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xxi. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

**For Gadgil & Co.  
(Chartered Accountants)  
Firm Regn No :102876W**

**sd/-**

**Dushyant A. Gadgil  
Proprietor  
M No. 17795  
Place: Mumbai  
Date: 29th May, 2012**

**Standalone Balance Sheet as at 31st March, 2012**

(₹ in Lacs)

Particulars	Note No	Figures as at the end of current reporting period		Figures as at the end of previous reporting period	
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholder's Funds</b>					
(a) Share Capital	3	3102.14		3102.14	
(b) Reserves and Surplus	4	8036.52		7650.97	
(C) Money received against share warrants		-		-	
			<b>11138.66</b>		<b>10753.11</b>
<b>(2) Share application money pending allotment</b>			-		-
<b>(3) Non-Current Liabilities</b>					
(a) Long-term borrowings	5	444.24		-	
(b) Deferred tax liabilities (Net)	10	-		-	
(C) Other Long term liabilities		-		-	
(d) Long term provisions		-		-	
			<b>444.24</b>		-
<b>(4) Current Liabilities</b>					
(a) Short-term borrowings	6	-		652.91	
(b) Trade payables		0.08		64.85	
(C) Other current liabilities	7	92.59		137.92	
(d) Short-term provisions	8	364.42		388.01	
			<b>457.09</b>		<b>1243.69</b>
<b>TOTAL</b>			<b>12039.99</b>		<b>11996.80</b>
<b>II. ASSETS</b>					
<b>(1) Non-current assets</b>					
(a) Fixed assets	9				
(i) Tangible assets		707.69		774.53	
(ii) Intangible assets		1004.53		1220.99	
(iii) Capital work-in-progress		1731.34		417.92	
(iv) Intangible assets under development		-		-	
		<b>3443.56</b>		<b>2413.45</b>	
(b) Non Current Investments	10	5792.04		5787.04	
(C) Deferred Tax Assets (Net)	11	71.23		71.23	
(d) Long Term Loans and Advances		-		-	
(e) Other Non-Current Assets		-		-	
			<b>9306.83</b>		<b>8271.72</b>
<b>(2) Current Assets</b>					
(a) Current investments	10	75.75		-	
(b) Inventories		-		-	
(C) Trade Receivables	12	696.21		782.10	
(d) Cash and Cash Equivalents	13	317.76		22.61	
(e) Short-Term Loans and Advances	14	1635.25		2912.18	
(f) Other Current Assets	15	8.19		8.19	
			<b>2733.16</b>		<b>3725.08</b>
<b>TOTAL</b>			<b>12039.99</b>		<b>11996.80</b>
Significant accounting policies	2				
Notes to accounts	22				

As per our Report of even date annexed

**For Gadgil & Co.**
**Firm Regn No :102876W**

(Chartered Accountants)

sd/-

**Dushyant A. Gadgil**
**Proprietor**

M No. 17795

Place: Mumbai

Date: 29th May, 2012

For and on behalf of the Board

sd/-

**Ketan Sheth**
**Managing Director**

sd/-

**Kishore Hegde**
**Director**

**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST March ,2012**

(₹ in Lacs)

	Particulars	Note No	Figures for the current reporting period		Figures for the previous reporting period	
<b>A</b>	<b>CONTINUING OPERATION</b>					
<b>I</b>	Revenue from operations	16	1414.41		953.03	
<b>II</b>	Other income	17	88.62		245.71	
<b>III</b>	<b>Total Revenue (I + II)</b>			<b>1503.03</b>		<b>1198.74</b>
<b>IV</b>	<b>Expenses:</b>					
	<b>Cost of material consumed</b>					
	Purchase of Stock -in -Trade		-		-	
	Changes in inventories of finished goods work-in- progress and Stock--in Trade		-		-	
	<b>Employee benefits expense</b>	18		490.51		242.18
	<b>Finance costs</b>	19		22.31		0.39
	<b>Depreciation and amortization expense</b>	20		284.37		93.60
	<b>Other Expenses</b>	21		59.36		525.41
	<b>Total expenses</b>			<b>856.54</b>		<b>861.57</b>
<b>V</b>	<b>Profit before exceptional and extraordinary items and tax (III - IV)</b>			<b>646.48</b>		<b>337.17</b>
<b>VI</b>	<b>Exceptional items</b>			-		-
<b>VII</b>	<b>Profit before extraordinary items and tax (V - VI)</b>			<b>646.48</b>		<b>337.17</b>
<b>VIII</b>	<b>Extraordinary Items</b>			-		-
<b>IX</b>	<b>Profit before tax (VII - VIII)</b>			<b>646.48</b>		<b>337.17</b>
<b>X</b>	<b>Tax expense:</b>					
	(1) Current tax		40.00		0.02	
	(2) Deferred tax (Credit)/Expenses		-		57.07	
<b>XI</b>	<b>Profit (Loss) for the period from continuing operations (IX - X)</b>			40.00		57.08
<b>B</b>	<b>DISCONTINUING OPERATION</b>			<b>606.48</b>		<b>280.08</b>
<b>XII</b>	<b>Profit (Loss) from discontinuing operations</b>			-		-
<b>XIII</b>	<b>Tax expense of discontinuing operations</b>			-		-
<b>XIV</b>	<b>Profit/(Loss) from Discontinuing operations (after tax) (XII - XIII)</b>			-		-
<b>XV</b>	<b>Profit (Loss) for the period (XI + XIV)</b>			<b>606.48</b>		<b>280.08</b>
<b>C</b>	<b>TOTAL OPERATION</b>					
<b>XVI</b>	<b>Earnings per equity share:</b>					
	(1) Basic			<b>0.39</b>		<b>0.18</b>
	(2) Diluted			-		-
	Significant accounting policies	2				
	Notes to accounts	22				

As per our Report of even date annexed

**For Gadgil & Co.**
**Firm Regn No :102876W**

(Chartered Accountants)

sd/-

**Dushyant A. Gadgil**
**Proprietor**

M No. 17795

Place: Mumbai

Date: 29th May, 2012

For and on behalf of the Board

sd/-

**Ketan Sheth**
**Managing Director**

sd/-

**Kishore Hegde**
**Director**



**Standalone Cash Flow statement for the year ended 31st March, 2012**
**(₹ in Lacs)**

PARTICULARS	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
<b><u>A CASH FLOW FROM OPERATING ACTIVITIES</u></b>		
Profit Before tax from continuing operations	646.48	337.17
Profit Before tax from discontinuing operations	-	-
Profit Before Tax	<b>646.48</b>	<b>337.17</b>
<b><u>Non- Cash Adjustment To Reconcile Profit Before Tax To Net Cash Flows</u></b>		
Share of (Profit)/Loss from Investment in Partnership Firm	-	-
Depreciation/Amortization on Continuing Operation	284.37	93.60
Depreciation/Amortization on Discontinuing Operation	-	-
Impairment/Other Write-off on Tangible/Intangible Assets pertaining to Continuing Operation	-	-
Loss/(Profit) on sale of Fixed Assets	-	-
Provision Written Back	4.21	-
Prior Period Expenses	(8.82)	-
Net Gain on sale of Current Investments	-	-
Interest Expenses	22.31	0.39
Interest Income	(10.78)	-
Dividend Income	-	-
Operating Profit Before Working Capital Changes	<b>937.77</b>	<b>431.15</b>
<b><u>Movements in Working Capital:</u></b>		
Increase/Decrease in Trade Payble	(64.77)	(9.86)
Increase/Decrease in Long Term Provision	-	-
Increase/Decrease in Short Term Provision	(23.59)	357.23
Increase/Decrease in Other Current Liabilities	(45.33)	(1062.62)
Increase/Decrease in Other Long Term Liabilities	-	-
Increase/Decrease in Short Term Advances	1276.94	223.58
Decrease/Increase in Trade Receivable	85.89	(365.07)
Decrease/Increase in Inventories	-	-
Decrease/Increase in Long Term Provision	-	-
Decrease/Increase in Short Term Provision	-	-
Decrease/Increase in Other Current Assets	-	-
Decrease/Increase in Other Non- Current Assets	-	-
Direct Tax Paid (Net of Refunds)	(40.00)	(0.02)
<b>Net Cash Flow from/(Used in) Operating Activities (A)</b>	<b>2126.90</b>	<b>(425.61)</b>
<b><u>B CASH FLOW FROM INVESTING ACTIVITIES</u></b>		
Purchase of Fixed Assets incl. Intangible Assets, CWIP	(1314.48)	(381.56)
Capital Advances	-	-
Proceeds from Sale of Fixed Assets	-	-
Proceeds of Non- Current Investments	-	3645.30
Purchase of Non Current Investments	(5.00)	(2900.00)
Purchase of Current Investments	(75.75)	-
Proceeds from Sale/ Maturity of Current Investments	-	-
Investments in Bank Deposits (having Original Maturity of more than three months)	-	-
Redemtaion/Maturity of Bank Deposits (having original maturity of more than three months)	-	-
Interest Received	10.78	-
Dividend Received from Subsidiary Company	-	-
Dividend Received	-	-
<b>Net Cash Flow from/(Used in) Investing Activities (B)</b>	<b>(1384.45)</b>	<b>363.74</b>

**Standalone Cash Flow statement for the year ended 31st March, 2012**
**(₹ in Lacs)**

PARTICULARS	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
<b><u>C CASH FLOW FROM FINANCING ACTIVITIES</u></b>		
Proceeds from Issuance of Equity Share Capital	-	-
Proceeds from Issuance of Preference Share Capital	-	-
Proceeds from Long Term Borrowings	450.00	-
Repayment of Long Term Borrowings	(5.76)	-
Proceeds from Short Term Borrowings	-	226.09
Repayment of Short Term Borrowings	(652.91)	-
Interest Paid	(22.31)	(0.39)
Dividend Paid on Equity Shares	(186.13)	(155.11)
Dividend Paid on Preference Shares	-	-
Tax on Equity Dividend Paid	(30.19)	(25.76)
Tax on Preference Dividend Paid	-	-
<b>Net Cash Flow from/(Used in) Financing Activities (C)</b>	<b>(447.30)</b>	<b>44.84</b>
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	295.15	(17.03)
Cash & Cash Equivalents at the Beginning of the Year	<b>30.80</b>	47.82
<b>Cash &amp; Cash Equivalents at the End of the year</b>	<b>325.95</b>	<b>30.79</b>
<b><u>Components of Cash and Cash Equivalents</u></b>		
Cash in Hand	0.29	13.95
Cheque/Drafts on Hand	-	-
with Banks on -		
- Current Account	26.77	8.66
- Deposits Account	290.70	-
- Deposits Account (Margin)	8.19	8.19
<b>Total Cash and Cash Equivalents</b>	<b>325.95</b>	<b>30.80</b>

As per our Report of even date annexed

**For Gadgil & Co.**
**Firm Regn No :102876W**

(Chartered Accountants)

For and on behalf of the Board

sd/-

**Dushyant A. Gadgil**
**Proprietor**

M No. 17795

Place: Mumbai

Date: 29th May, 2012

sd/-

**Ketan Sheth**

Managing Director

sd/-

**Kishore Hegde**

Director

**NOTES FORMING PARTS OF ACCOUNTS AS ON 31st MARCH 2012****Note No.1****1. Corporate Information**

Commex Technology Limited is a Company promoting software products and solutions to the capital and commodities markets and IT Consulting Services and solutions to companies worldwide. The Company is listed at the Bombay Stock Exchange Limited (BSE).

Software products includes products, solutions and services division for the financial and capital markets addressing Stock and Commodities Exchange, intermediary Brokerage House, Merchant banking Operation and Financial services in India and Overseas.

**Incorporation and Registration**

“Commex Technology Limited” (formally known as IT People (India) Limited) was originally incorporated as a Private Limited Company with the name “Global e-Com (India) Limited” on 24th January 2000, under Companies Act, 1956, and was issued a certificate of incorporation bearing number 11-123796 of 2000 by the Registrar of Companies Maharashtra. The Company became a Public Limited Company on 8th February 2000 and the name of the Company was changed to “Global e-Com (India) Limited”, thereafter, on 11th April 2000 the name of the Company was again changed to “Balwas e-Com India Limited”.

The Company subsequently on 28th October 2003 changed its name to “Starmax Infomedia Limited” and was issued with a fresh with a certificate of Incorporation consequent upon change of name on its acquisition by “IT People Private Limited”.

The Company subsequently on 22nd November, 2004 changed its name to “IT People (India) Limited” and was issued a fresh certificate of Incorporation consequent upon change of name bearing number L72900MH2000PLC123796 by the registrar of Companies, Maharashtra. Further on 14th November, 2011 the name of the Company was again changed to “Commex Technology Limited”.

**Note No.2****Summary of Significant Accounting Policies****2.1 Change in Accounting policies**

During the year ended 31 March 2012, the revised Schedule VI notified under the companies act 1956, has become applicable to the company, for preparation & presentation of its financial statements. The adoption of revised schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. the company has also reclassified the previous year figure in accordance in the current year.

**2.2 Use of Estimates**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported

### NOTES FORMING PARTS OF ACCOUNTS AS ON 31st MARCH 2012

amounts of revenues, expense and liabilities and disclosures of contingent liabilities, at the end of the reporting Period. Although these estimates are based on the managements best knowledge of current events and actions, uncertainty about these assumptions and estimates could results in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

#### **2.3 Tangible Fixed Assets**

Fixed assets, are stteted at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises purchase price, borrowing costs if capitalization criteria met and directly attributable cost of bringing the assets to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Subsequent expenditure related to an items of fixed assets is added to its book value only of it increases the future benefits from the existing assets beyond its previously assessed standards of performance. All other expenses on existing fixed assets, including day- to day repair and maintenance expenditure and cost of replacing parts, are changed to the statement of profit & loss for the period during which such expenses are incurred.

#### **2.4 Depreciation on Tangible Fixed Assets**

Till 31st March 2003 Depreciation on Fixed Assets has been provided on straight-line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. Depreciation on fixed assets is calculated on straight line basis using the rates arrived at based on useful lives estimates by the management or those prescribed under the schedule XIV to the companies act 1956, whichever is higher. The company has used the following rates to provide depreciation on its fixed assets.

**Keeping in view the wear and tear and the actual realizable value of the fixed assets, the Company has provided depreciation from 1st April,2004 on Straight Line Method at the higher rates than as prescribed by the Companies Act. The depreciation as per Act and as per books in respect of the fixed assets is as under.**

Particulars	Depreciation Rate as per Companies Act	Depreciation Rate as per Books	Depreciation as per Act	Depreciation as per Books
	%	%	(₹.)	(₹.)
Plant & Machinery	4.75	45.00	2,71,700/-	25,74,000/-
Furniture & Fittings	6.33	8.00	28,94,392/-	36,58,000/-
Office Equipment	4.75	25.00	12,851/-	67,639/-
Computer Accessories	16.21	50.00	11,389/-	35,130/-
<b>Total</b>			<b>31,90,332/-</b>	<b>63,34,769/-</b>

**NOTES FORMING PARTS OF ACCOUNTS AS ON 31st MARCH 2012**

As a result of the above, the Depreciation provision for the year is higher by ₹31,44,437/- and consequently the Profit for the year ended is lower by ₹31,44,437/-. This change was made w.e.f. 1st April, 2004 in case of the company and hence the Reserves to date of the company are lower by ₹9,30,59,128/-

Further the Management has written off the Fixed Assets at the Rates higher than prescribed under the Schedule XIV of the Companies Act, 1956, keeping in view their impairment due to the technological obsolescence prevalent in the Information Technology Sector, so as to make adequate provision for Impairment of the said Assets, as per the Accounting treatment prescribed under the Accounting Standard 26 on Impairment of Assets (AS 28) issued by the Institute of Chartered Accountants of India.

**2.5 Impairment of Tangible and Intangible Assets**

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating units (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money & risk specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the company's CGU to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of Five (5) Years. For longer periods a long term growth rate is calculated and applied to projects' future cash flows after the 5 (Five) Years.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit & loss, except for previously revalued tangible fixed assets where the revaluation reserves up to the amount of any previous revaluation.

**NOTES FORMING PARTS OF ACCOUNTS AS ON 31st MARCH 2012**

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

An assessment is made at each reporting dates as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the assets or CGU recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the assets recoverable amount since the last impairment loss was recognized. The reversal is limited so that would have been determined, net of depreciation had no impairment loss has been recognized for the assets in prior years. Such reversal is recognized in the statement of profit and loss unless the assets is carried at a revalued amount in which case the reversal is treated as a revaluation increase.

**2.6 Investments**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made are classified as current investments. All other investments are classified as long term investments.

On initial recognition all investments are matured at cost. The cost comprise purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired by the issue of shares or other securities the acquisition cost is the fair value of the securities issued if an investment is acquired in exchange for another assets the acquisition is determined by reference to the fair value of the assets given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investment are carried in the financial statement at lower cost and fair value determined on an individuals investment basis. Long term investment are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investment.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit & loss account.

**2.7 Revenue Recognized**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliable measured. The followings specific recognition criteria must also be met before revenue is recognized

**NOTES FORMING PARTS OF ACCOUNTS AS ON 31st MARCH 2012****Income from services**

Revenues from contract priced on a time and material basis are recognized when services are rendered and related costs are incurred.

Revenues from turnkey contracts, which are generally time bound fixed price contracts, are recognized over the life of the contracts using the proportionate completion method, with contract costs determining the degree of completion, foreseeable losses on such contracts are recognized when probable.

Revenues from sale of software licenses are recognized upon delivery where there is no customization required. In case of customization the same is recognized over the life of the contract using the proportionate completion method.

Revenues from maintenance contracts are recognized pro-rata over the period of the contract.

**Revenues are reported net of discounts****2.8 Foreign currency transaction**

The Company has the billing process whereby it bills its overseas clients in INR and the amount is remitted by the overseas clients by converting the equivalent local currency equivalent to the Billing made in INR.

**Conversion**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date Non monetary items which are measured in terms of historical cost denominated in foreign currency are reported using the exchange rate at the of the transaction. Non monetary items which are measures at fair value or other similar valuation denominated in foreign currency are transferred using the exchange rate at the date when such value was determined.

**2.9 Income Taxes**

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the income tax act, 1961, enacted in India and tax laws prevailing in the respective tax jurisdiction where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflects the impact of timing difference between taxable income and accounting income originating during the current year and reversal of timing

**NOTES FORMING PARTS OF ACCOUNTS AS ON 31st MARCH 2012**

difference for the earlier years. Deferred tax is measured using the tax rates and tax rates and tax laws enacted or substantially enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing difference only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses all deferred tax assets are recognized only if there is virtual certainly supporting evidence that they can be realized against future taxable profits.

In situation where the company is entitled to a tax holiday under the income tax act 1961 enacted in India or tax laws prevailing in the respective tax jurisdiction where it operates no deferred tax (assets or liabilities) is recognized in respect of timing difference which reverse during the tax holiday period to the extent the company's gross total income is subjected to the deduction during the tax holiday period. Deferred tax in respect of timing difference which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However the company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each reporting date, the company reassesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes- down the carrying amount of deferred tax assets to the extent that it is no longer reasonably certain or virtually as the case may be that sufficient future taxable income will be available against which deferred tax assets can be realized. Any such write down is reversed to the extent that it becomes reasonably certain or virtually certain as the case may be that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relates to the same taxable entity and the same taxation authority.



**NOTES FORMING PARTS OF ACCOUNTS AS ON 31st MARCH 2012**

Minimum alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an assets only to the extend that there is convincing evidence that the company will pay normal income tax during the specified period I.e. the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an assets in accordance with the Guidance Note on Accounting for credit available of minimum alternate tax under income tax act 1961. the said assets is created by way of credit to the statement of profit and loss and shown as "MAT credit Entitlement". The company reviews the MAT credit entitlement assets at each reporting date and writes down the assets to extent the company does not have convincing evidence that it will pay normal tax during the specified period.

**2.10 Earnings Per share.**

Basics earnings per share are calculated by dividing the net profit and loss for the period attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted age number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity shares to the extent that they are entitled to participate in dividend related to fully paid equity shares during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issues bonus element in a right shares, split issue and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a correspondence change in resources.

**2.11 Employment Benefits**

The Company's contribution to provident fund is accounted on accrual basis and is charged to the profit and loss account.

No provision has been considered necessary towards gratuity since none of the employees have put in the qualified number of years of service with the Company.

**2.12 Provisions**

provisions is recognized when the company has present obligation as a results of past events. It is possible that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

**NOTES FORMING PARTS OF ACCOUNTS AS ON 31st MARCH 2012**

Where the company expects some or all of a provision to be reimbursed for example under Insurance Contract, the re-imburement is recognized as a separate asset but only when the reimbursement is virtually certain. The expenses relating to any provision is presented in the statement of profit and loss net of any reimbursement.

**Warranty provisions**

Provisions for warranty related costs are recognized when the products is sold or service provided. Provision is based on historical experience. The estimate of such warranty related costs is revised annually.

**2.13 Contingent liabilities**

A contingent liability possible obligation that arises from past events whose existence will be confirmed by the occurrence or non- occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statement.

**2.14 Cash & cash equivalents**

Cash and cash equivalents for the purpose of cash flow statement comprises cash at bank and in hand and short term investments with an original maturity of three months or less.

**2.15 Measurement of EBITDA**

As permitted by the guidance notes on the revised schedule vi to the companies act 1956. the company has elected to present earnings before interest tax depreciation and amortization as per a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit/(Loss) from continuing operations. In its measurement the company does not include depreciation and amortization expenses finance costs and tax expenses.

**NOTES FORMING PARTS OF ACCOUNTS AS ON 31st MARCH 2012**
**NOTE NO. 3. SHARE CAPITAL**
**(₹ in Lacs)**

Particulars	Figure as at the end of current reporting period		Figure as at the end of previous reporting period	
	No. (in Lacs)	₹ (In Lacs)	No. (in Lacs)	₹ (In Lacs)
<b>Note A'</b>				
<b>Share Capital Authorised</b>				
26,25,00,000 Equity Shares Of ₹ 2/- each and ₹ 7,50,00,000 unclassified shares (P.Y. 75,00,000 Equity Shares of ₹ 2/- each) and ₹ 10,00,00,000 unclassified shares		6000.00		6000.00
<b>Issued, Subscribed and Paid - up</b>				
10,47,72,490 Equity Shares of ₹ 2/- each Fully paid up (Out of above shares 4,50,05,000 equity shares of ₹2/- each fully paid up upon conversion of 9,00,100 GDR @ 50 equity shares per GDR (P.Y. 5,32,77,500 Equity Shares of ₹ 2/- each fully paid up	2095.45		2095.45	
<b>Global Depository Receipts (GDR)</b>				
10,06,690 GDR each representing 50 equity shares of ₹2/- each fully paid up (P.Y.19,06,790 GDR representing 50 Equity shares of ₹2/- each fully paid up	1006.69		1006.69	
		3102.14		3102.14
<b>Total Share Capital</b>		<b>3102.14</b>		<b>3102.14</b>

**a. Reconciliation of the shares outstanding at the beginning and at the end of the period**  
**Equity Shares**

Particulars	Figure as at the end of current reporting period		Figure as at the end of previous reporting period	
	No. (in Lacs)	₹ (In Lacs)	No. (in Lacs)	₹ (In Lacs)
<b>At the beginning of the period</b>	1047.72	2095.45	597.67	1195.35
issued during the period - On conversion of GDR	-	-	450.05	900.10
issued during the period - Bonus Issue	-	-	-	-
issued during the period - ESOP	-	-	-	-
<b>outsanding at the end of the period</b>	<b>1047.72</b>	<b>2095.45</b>	<b>1047.72</b>	<b>2095.45</b>

**Reconciliation of the Global Depository Receipt outstanding at the beginning and at the end of the period**
**Global Depository Receipt (GDR)**

Particulars	Figure as at the end of current reporting period		Figure as at the end of previous reporting period	
	No. (in Lacs)	₹ (In Lacs)	No. (in Lacs)	₹ (In Lacs)
<b>At the beginning of the period</b>	10.07	1006.69	19.07	1906.79
issued during the period -	-	-	-	-
Less :converted into Equity Shares during the period	-	-	(9.00)	(900.10)
<b>outsanding at the end of the period</b>	<b>10.07</b>	<b>1006.69</b>	<b>10.07</b>	<b>1006.69</b>

**NOTES FORMING PARTS OF ACCOUNTS AS ON 31st MARCH 2012**
**NOTE NO. 3. SHARE CAPITAL**
**b Terms/rights attached to equity shares**

The company has only one class of the shares having a par value of ₹2/- per shares. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c Terms/rights attached to Global Depository Receipt (GDR)**

The Global Depository Receipts ("GDRs") represented by this certificate are each issued in respect of 50 equity Shares of par value ₹ 2/- each (the "Shares") in Commex Technology Limited (Formerly known as IT People (India) Limited (the "Company") pursuant to and subject to a depository agreement dated 18th May, 2009, and made between the Company and Deutsche Bank Trust Company Americas as depository and/or any other depository which may from time to time be appointed under the agreement (the "Depository") (such agreement, as amended from time to time, being hereinafter referred to as the "Deposit Agreement")

**D Details of shareholders holding more than 5% shares in the company**

	Particulars	Figure as at the end of current reporting period		Figure as at the end of Previous reporting period	
		No. (In Lacs)	% holding in the class	No. (In Lacs)	% holding in the class
	<b>Equity shares of ₹ 2/- each fully paid</b>				
1	Skyline Capital Pvt. Ltd.	570.08	36.75	493.07	31.78

As per records of the company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares

**NOTES FORMING PARTS OF ACCOUNTS AS ON 31st MARCH 2012**
**NOTE NO. 4. RESERVES & SURPLUS**
**(₹ in Lacs)**

Particulars	Figure as at the end of current		Figure as at the end of Previous	
	reporting period		reporting period	
<b>Securities premium account (Equity Shares)</b>				
Balance as per the last financial statements	6288.20		6288.20	
<b>Add:-</b> Premium on Equity Shares	-		-	
<b>Less:-</b> amounts utilized towards issue of fully paid up bonus shares	-		-	
<b>Securities premium Equity Shares Closing Balance</b>		<b>6288.20</b>		<b>6288.20</b>
<b>Securities premium account (GDR)</b>				
Balance as per the last financial statements	3146.20		3146.20	
<b>Add:-</b> Premium on GDR	-		-	
<b>Less:-</b> amounts utilized towards issue of fully paid up bonus shares	-		-	
<b>Securities premium GDR Closing Balance</b>		<b>3146.20</b>		<b>3146.20</b>
<b>General Reserve</b>				
Balance as per the last financial statements	1721.10		1721.10	
<b>Add:-</b> amounts transferred from surplus balance in the statement of profit & loss	-		-	
<b>General Reserve Closing Balance</b>		<b>1721.10</b>		<b>1721.10</b>
<b>Forfeited Equity Shares</b>				
Balance as per the last financial statements	278.63		278.63	
<b>Add:-</b> amounts transferred	-		-	
<b>Forfeited Equity Shares Closing Balance</b>		<b>278.63</b>		<b>278.63</b>
<b>Surplus/(deficit) in the statement of P&amp;L</b>				
Balance as per the last financial statements	(675.02)		(774.23)	
Provision made earlier years written back	4.21		-	
Profit/(Loss) for the year	606.48		280.08	
	(64.32)		(494.15)	
<b>Less :- Appropriation</b>				
Proposed final equity dividend	186.13		155.11	
Provision for Dividend Distribution Tax	30.19		25.76	
Prior period Expenses	8.82		-	
	225.14		180.87	
<b>Surplus/(deficit) in the statement of P&amp;L</b>		<b>(289.46)</b>		<b>(675.02)</b>
<b>Provision for diminution of value of investment</b>		<b>(3108.14)</b>		<b>(3108.14)</b>
<b>Total Reserves &amp; Surplus</b>		<b>8036.52</b>		<b>7650.97</b>

**NOTES FORMING PARTS OF ACCOUNTS AS ON 31st MARCH 2012**
**NOTE NO.5. LONG TERM BORROWINGS**

(₹ in Lacs)

Particulars	Non- Current Portion		Current Maturities	
	31.03.12	31.03.11	31.03.12	31.03.11
<b>LONG- TERM BORROWINGS</b>				
<u>Term Loans</u> (Secured against Property Lease Rent Receivable)	444.24	-	-	-
<b>Total Long- term borrowings</b>	<b>444.24</b>	<b>-</b>	<b>-</b>	<b>-</b>

**NOTE NO.6. SHORT TERM BORROWINGS**

Particulars	Figure as at the end of current reporting period		Figure as at the end of Previous reporting period	
<b>SHORT- TERM BORROWINGS</b>				
Principal	-	-	-	652.91
Interest	-	-	-	-
<b>Total Short- term borrowings</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>652.91</b>

**NOTE NO. 7. OTHER CURRENT LIABILITIES**

Particulars	Figure as at the end of current reporting period		Figure as at the end of Previous reporting period	
<b>Other Liabilities</b>				
a Interest free Security Deposits from Lessees	86.00		75.00	
b Employees Profession Tax Payable	0.01		0.02	
c Employers ESIC Payable	0.39		-	
d Employees PF Payable	0.01		-	
e TDS Payable	1.18		0.83	
f Service Tax Payable	-		50.57	
g Others	5.00		11.51	
		92.59		137.92
<b>Total Other Current Liabilities</b>		<b>92.59</b>		<b>137.92</b>

**NOTE NO. 8. Provisions**

Particulars	Long - Term		Short - Term	
	31.03.12	31.03.11	31.03.12	31.03.11
<b>Provision for employee benefits</b>				
Provision for Gratuity	-	-	8.40	11.00
Provision for Leave Encashment	-	-	2.39	4.00
	-	-	<b>10.79</b>	<b>15.00</b>
<b>Others Provisions</b>				
Provisions for Expenses	-	-	96.05	192.14
Provision for MAT	-	-	40.00	-
Provision for Dividend Distribution Tax	-	-	30.19	25.76
Provision for Proposed Div. 2010-11	-	-	1.26	155.11
Provision for Proposed Div. 2010-11	-	-	186.13	-
	-	-	<b>353.63</b>	<b>373.01</b>
<b>Total Provisions</b>	<b>-</b>	<b>-</b>	<b>364.42</b>	<b>388.01</b>

**NOTES FORMING PARTS OF CONSOLIDATED ACCOUNTS AS 31st MARCH 2012**
**(₹ in Lacs)**
**NOTE NO. 9 - TANGIBLE ASSETS**

Sl. No.	PARTICULARS	Land	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Others (Computers)	Total
<b>A</b>	<u>Cost or Valuation</u>								
	<u>Gross Block</u>								
	<u>At 1 April 2010</u>	-	850.71	2613.20	489.63	19.36	46.35	103.00	4122.25
	Additions	-	-	-	-	-	-	-	-
	Disposals	-	-	-	-	-	-	-	-
<u>At 31 March 2011</u>	-	<b>850.71</b>	<b>2613.20</b>	<b>489.63</b>	<b>19.36</b>	<b>46.35</b>	<b>103.00</b>	<b>4122.25</b>	
<b>B</b>	Additions	-	-	0.02	-	-	0.55	0.49	1.06
	Disposals	-	-	-	-	-	-	-	-
	<u>At 31 March 2012</u>	-	<b>850.71</b>	<b>2613.22</b>	<b>489.63</b>	<b>19.36</b>	<b>46.90</b>	<b>103.49</b>	<b>4123.31</b>
	<u>Depreciation</u>								
	At 1 April 2010	-	267.18	2587.07	236.54	17.46	44.19	101.68	3254.12
charge for the year	-	28.41	25.74	36.58	1.84	0.68	0.35	93.60	
Disposals	-	-	-	-	-	-	-	-	
<u>At 31 March 2011</u>	-	<b>295.59</b>	<b>2612.81</b>	<b>273.12</b>	<b>19.30</b>	<b>44.87</b>	<b>102.04</b>	<b>3347.72</b>	
charge for the year	-	28.41	-	39.17	0.06	0.18	0.07	67.90	
Disposals	-	-	-	-	-	-	-	-	
<u>At 31 March 2012</u>	-	<b>324.00</b>	<b>2612.81</b>	<b>312.29</b>	<b>19.36</b>	<b>45.05</b>	<b>102.11</b>	<b>3415.62</b>	
<b>C</b>	<u>Impairment Loss</u>								
	At 1 April 2010	-	-	-	-	-	-	-	-
	At 31 March 2011	-	-	-	-	-	-	-	-
	charge for the year	-	-	-	-	-	-	-	-
	<u>At 31 March 2012</u>	-	-	-	-	-	-	-	-
<b>D</b>	<u>Net Block</u>								
	At 31 March 2011	-	555.12	0.39	216.51	0.06	1.48	0.97	774.53
	At 31 March 2012	-	526.70	0.41	177.34	(-)	1.85	1.39	707.69

**NOTES FORMING PARTS OF CONSOLIDATED ACCOUNTS AS 31st MARCH 2012**

(₹ in Lacs)

**NOTE NO. 9 - TANGIBLE ASSETS**

Sl. No.	PARTICULARS	Goodwill	Brands/ Trademarks	Patents and IPR	Technical Know how	Computer Software	Internet Portal	Others	Total
	<b>Gross Block</b>								
	<u>At 1 April 2010</u>	138.66	-	-	-	198.33	1738.64	-	2075.64
	Purchase	-	-	-	-	-	-	-	-
	Internal Development	-	-	-	-	-	-	-	-
	Disposal	-	-	-	-	-	-	-	-
	<u>At 31 March 2011</u>	138.66	-	-	-	198.33	1738.64	-	2075.64
	Purchase	-	-	-	-	-	-	-	-
	Internal Development	-	-	-	-	-	-	-	-
	Disposal	-	-	-	-	-	-	-	-
	<u>At 31 March 2012</u>	138.66	-	-	-	198.33	1738.64	-	2075.64
	<b>Amortization</b>								
	<u>At 1 April 2010</u>	-	-	-	-	198.33	656.32	-	854.65
	charge for the year	-	-	-	-	-	-	-	-
	Disposal	-	-	-	-	-	-	-	-
	<u>At 31 March 2011</u>	-	-	-	-	198.33	656.32	-	854.65
	charge for the year	-	-	-	-	-	216.47	-	216.47
	Disposals	-	-	-	-	-	-	-	-
	<u>At 31 March 2012</u>	-	-	-	-	198.33	872.78	-	1071.11
	<b>Net Block</b>								
	<u>At 31 March 2011</u>	138.66	-	-	-	-	1082.33	-	1220.99
	<u>At 31 March 2012</u>	138.66	-	-	-	-	865.86	-	1004.53



**NOTES FORMING PARTS OF ACCOUNTS AS ON 31st MARCH 2012**
**NOTE NO. 10 - INVESTMENTS**
**(₹ in Lacs)**

Particulars	Non- Current		Current	
	31.03.12	31.03.11	31.03.12	31.03.11
<b>A Investments</b> (Valued at Cost unless stated otherwise)				
<b>Unquoted equity instruments</b>				
<b>Investment in Subsidiaries</b>				
<b>Overseas Subsidiaries</b>				
<b>Orient Information Technology FZLLC-UAE</b> (60 Shares of AED Dirhams 1,00,000 each) (P.Y. 60 Shares of AED Dirhams 1,00,000 each)	791.04	791.04	-	-
<b>Indian Subsidiaries</b>				
<b>IT Capital Services Private Limited</b> (10,10,000 Shares of ₹ 10/- each (Face Value ₹ 10/-)  (Out of which 10,00,000 shares are issued at premium of ₹ 190/- each) (P.Y. 10,10,000 Shares of ₹ 10/- each (Face Value ₹ 10/-))	2001.00	2001.00	-	-
<b>Universal Commodity Exchange Ltd *</b> (3,00,00,000 Shares of ₹ 10/- each (Face Value ₹ 10/-) (P.Y. 29950000 Shares of ₹ 10/- each Face Value ₹ 10/-) * During the year ceased to be the subsidiary of the Company	3000.00	2995.00	-	-
	<b>5792.04</b>	<b>5787.04</b>	-	-
<b>B Investment in Gold</b>				
2765 GMS (Previous Years GMS NIL) (Market Value ₹ 77,53,060/- Previous Year NIL)	-	-	75.75	-
<b>Total Investments</b>	<b>5792.04</b>	<b>5787.04</b>	<b>75.75</b>	<b>-</b>

**NOTE NO. 11 - DEFERRED TAX**

Particulars	Figure as at the end of current reporting period		Figure as at the end of Previous reporting period	
<b>Deferred Tax Liabilities</b>				
Fixed Assets : impact of differences between tax depreciation and depreciation/amortization charged for the financial reporting		-		-
<b>Gross Deferred tax liabilities</b>				
<b>Deferred Tax Assets</b>				
Carried Forward Losses under Income Tax Act, 1961		71.23		71.23
<b>Gross deferred tax assets</b>		71.23		71.23
<b>Net Deferred Tax (Assets)</b>		71.23		71.23

**NOTES FORMING PARTS OF ACCOUNTS AS ON 31st MARCH 2012**
**NOTE NO. 12 - TRADE RECEIVABLES**

(₹ in Lacs)

Particulars	Non- Current Portion		Current Maturities	
	31.03.12	31.03.11	31.03.12	31.03.11
<b>Outstanding for a period of exceeding Six months from the date. they are due for payment</b>				
secured considered good	-	-	-	-
unsecured, considered good	-	-	-	782.10
Provision for doubtful receivables	-	-	-	-
<b>(A)</b>	-	-	-	<b>782.10</b>
<b>other receivables</b>				
secured considered good	-	-	-	-
unsecured, considered good	-	-	696.21	-
Provision for doubtful receivables	-	-	-	-
<b>(B)</b>	-	-	<b>696.21</b>	-
<b>Total (A+B)</b>	-	-	<b>696.21</b>	<b>782.10</b>

**NOTE NO. 13 - CASH & CASH EQUIVELENTS**

Particulars	Non-Current Portion		Current Maturities	
	31.03.12	31.03.11	31.03.12	31.03.11
<b>Cash and cash equivalents</b>				
<b>Balance with Bank</b>				
On Current accounts	-	-	26.77	8.66
Deposits with original maturity of less the three months	-	-	290.70	-
	-	-	<b>317.47</b>	<b>8.66</b>
<b>Cash on hand</b>	-	-	<b>0.29</b>	<b>13.95</b>
<b>Other bank balance</b>				
Margin Money deposit	-	-	8.19	8.19
	-	-	<b>8.19</b>	<b>8.19</b>
Amount Disclosed under Other Current Assets	-	-	<b>325.95</b>	<b>30.80</b>
	-	-	<b>8.19</b>	<b>8.19</b>
	-	-	<b>317.76</b>	<b>22.61</b>

**NOTE NO. 14 - LOANS & ADVANCES**

Particulars	Non-Current Portion		Current Maturities	
	31.03.12	31.03.11	31.03.12	31.03.11
<b>A Capital advances</b>				
secured considered good	-	-	-	-
Unsecured considered good	-	-	-	-
<b>B Security Deposits</b>				
secured considered good	-	-	3.19	3.14
Unsecured considered good	-	-	-	-
	-	-	<b>3.19</b>	<b>3.14</b>
<b>C Loans and advances to related parties</b>				
secured considered good	-	-	-	-
unsecured, considered good	-	-	233.21	2520.87
	-	-	<b>233.21</b>	<b>2520.87</b>
<b>D Advances recoverable in cash or kind</b>				
secured considered good	-	-	-	-
Unsecured considered good	-	-	1173.12	162.65
	-	-	<b>1173.12</b>	<b>162.65</b>
<b>E Other loans &amp; advances (Unsecured considered good)</b>				
Advance to employees	-	-	0.20	-
Others	-	-	225.53	225.53
	-	-	<b>225.73</b>	<b>225.53</b>
<b>Total (A+B+C+D+E)</b>	-	-	<b>1635.25</b>	<b>2912.18</b>

**NOTES FORMING PARTS OF ACCOUNTS AS ON 31st MARCH 2012**
**NOTE NO. 15 - Other Current Assets**
**(₹ in Lacs)**

	Particulars	Non-Current Portion		Current Maturities	
		31.03.12	31.03.11	31.03.12	31.03.11
	<b><u>Unsecured considered good unless stated otherwise</u></b>				
A	Non-Current bank balances	-	-	8.19	8.19
B	<b><u>Others</u></b>	-	-	8.19	8.19
	Interest accrued on fixed deposits	-	-	-	-
		-	-	-	-
	<b>Total (A+B)</b>	-	-	8.19	8.19

**NOTE NO. 16. Revenue From Operations**

Particulars	Figures for the current reporting period		Figures for the Previous reporting period	
<b><u>Revenue from Operations</u></b>				
Sale of services		1414.41		953.03
<b><u>Revenue from Operation (net)</u></b>		<b>1414.41</b>		<b>953.03</b>

**NOTE NO. 17. Other Income**

Particulars	Figure as at the end of current reporting period		Figure for the previous reporting period	
<b><u>Interest Income on</u></b>				
Interest on Bank Fixed Deposit	0.77		-	
Other Interest	10.01		-	
		10.78		-
<b><u>Other Non Operating Income</u></b>				
Rent	77.81		74.10	
Other Non Operating Income	0.03		171.61	
		77.84		245.71
<b>Total Other Income</b>		<b>88.62</b>		<b>245.71</b>

**NOTE NO. 18. Employee Benefit Expenses**

Particulars	Figures for the current reporting period		Figures for the Previous reporting period	
<b><u>Employee Benefit Expenses</u></b>				
Salary & Wages and Bonus		13.70		46.01
Software Product Development, Implementation & Maint Cost		476.39		184.88
Contribution to provident & other fund		0.17		0.06
Gratuity expenses		-		11.00
Leave Enchashment expenses		-		-
Staff welfare expenses		0.24		0.22
<b>Total Employee Benefit Expenses</b>		<b>490.51</b>		<b>242.18</b>

**NOTES FORMING PARTS OF ACCOUNTS AS ON 31st MARCH 2012**
**NOTE NO. 19. Finance Cost**
**(₹ in Lacs)**

Particulars	Figure as at the end of current reporting period		Figure for the Previous reporting period	
<b>Finance Cost</b>				
Interest on Secured Loan		14.20		-
Other Interest		-		-
Bank charges		0.18		0.39
Other Finance Cost		7.92		-
<b>Total Financial Exps.</b>		<b>22.31</b>		<b>0.39</b>

**NOTE NO. 20. Depreciation and amortization expenses**

Particulars	Figure as at the end of current reporting period		Figure for the Previous reporting period	
<b>Depreciation and amortization expenses</b>				
Depreciation of tangible fixed assets		93.60		-
Depreciation of intangible fixed assets		216.47		-
		<b>310.07</b>		<b>-</b>

**NOTE NO.21. Other Expenses**

Particulars	Figures for the current reporting period		Figures for the previous reporting period	
Power and Fuel		2.15		4.73
Rent		-		-
Repairs to Building		0.87		3.45
Repairs to Machinery		0.19		6.52
Repairs - Others		0.05		3.66
Repairs - Vehicle		-		0.17
Insurance		0.41		0.38
Rates & Taxes		6.29		1.34
Auditors Remuneration		3.74		3.74
Communication Expenses		2.80		3.21
Company Secretarial Expenses		8.13		8.22
Office Expenses		6.59		5.99
Postage & Courier Charges		1.11		0.29
Printing & Stationary		1.39		1.21
Professional Charges		19.90		22.67
Net loss on foreign currency translation and transaction		-		443.78
Miscellaneous Expenses		5.73		16.05
		<b>59.36</b>		<b>525.41</b>

**NOTES FORMING PARTS OF ACCOUNTS AS ON 31st MARCH 2012**

<u>Payment to auditor</u>	Figures for the current reporting period		Figures for the Previous reporting period	
	<u>As auditor</u>			
Audit fees	2.40		2.40	
Tax audit fees	0.40		0.40	
Limited review	-		-	
		2.80		2.80
<u>In other capacity</u>				
Taxation matter	-		-	
Company law matters	0.35		0.35	
Management services	-		-	
Other services (certification fees)	0.59		0.59	
Reimbursement of expenses	-		-	
		0.94		0.94
<b>Payment to Auditors</b>		<b>3.74</b>		<b>3.74</b>

**Note NO. 22**

- The Company is engaged in the Information Technology Solutions Services, which cannot be expressed in any generic unit. Hence it is not possible to give quantitative details of sales and certain information as required under paragraphs 3, 4C and 4D of part II of Schedule VI to the Companies Act, 1956.
- Earnings in Foreign Exchange during the year:**

Particulars	<u>2011-12</u> ₹	<u>2010-11</u> ₹
Information Technology Solutions Services	14,14,40,967/-	9,46,05,691/-
<b>TOTAL</b>	<b>14,14,40,967/-</b>	<b>9,46,05,691/-</b>

- Expenditure in Foreign Currency: Nil (Previous Year Nil)
- In the opinion of the management, Current Assets, Loans and advances are realizable at the values represented in accounts.
- The balance of Sundry Debtors, Creditors, Loans & advances, Deposits, etc are subject to confirmation.
- As per the information available with the Company, there are no small-scale industrial undertakings to whom an amount of Rupees one lakh or more was outstanding for more than 30 days.

**NOTES FORMING PARTS OF ACCOUNTS AS ON 31st MARCH 2012**
**7. Related Party Disclosures :**
**A. Particulars of Related parties :**

Sr. No.	Name of Related Party	Nature of Relationship
<b>I</b>	Skyline Capital Pvt. Ltd.	Associate Company – Share Holding
<b>II</b>	Mr. Ketan Sheth	Key Managerial Person
<b>III</b>	Mr. Kishore Hegde	Independent Director
	Mr. Madhukar Chaturvedi	Independent Director
<b>IV</b>	<b>Subsidiaries</b>	As under
	IT Capital Services Pvt. Ltd.	Wholly Owned Subsidiary
	Orient Information Technology FZ LLC	Wholly Owned Subsidiary
	Orient Information Technology INC	Wholly Owned Subsidiary
	Orient Infotech Limited UK	Wholly Owned Subsidiary
	Information Technology People WLL	Wholly Owned Subsidiary

**B. Transactions with Related Parties**

Sr. No.	Name of Related Party	Relationship	Nature of Transaction	Transactions during Year	Outstanding Balance as on 31.03.12	Outstanding Balance as on 31.03.11
				Amt. ₹.	Amt. ₹.	Amt. ₹.
1	Skyline Capital Private Ltd. (Formerly IT People Pvt. Ltd.)	Associate Company – Share Holding	Unsecured Loan Loan taken  Loan Repaid	3,17,00,000/-	NIL	3,17,00,000/-
2	Ketan Sheth	Chairman & Managing Director	Unsecured Loan Loan taken  Loan Repaid	3,35,90,956/-	NIL	3,35,90,956/-
3	Orient Information Technology FZ LLC	Wholly Owned Subsidiary	Loan Given  Loan Given Loan Repaid	22,68,59,500/-	2,33,11,187/-	25,01,70,687/-
4	IT Capital Service Pvt. Ltd	Wholly Owned Subsidiary	Unsecured Loan  Loan Given Loan Repaid	2,16,080/-	NIL	2,16,080/-
5	Universal Commodity Exchange Ltd	Associate Company – Share Holding * (Previous Year was the Subsidiary of the Company)	Loan Given  Loan Given Loan Repaid	17,00,000/-	NIL	17,00,000/-

**NOTES FORMING PARTS OF ACCOUNTS AS ON 31st MARCH 2012****8. Earning per shares:**

<b>Particulars</b>	<b>31st March, 2012</b>	<b>31st March, 2011</b>
Net Profit attributable to Equity Share Holders	0.39	0.27
Nominal Value of Equity Share	₹ 2/-	₹ 2/-

**9. Contingent Liabilities:**

Value of unexpired Bank Guarantee issued by the Bankers in favour of the Commissioner of Customs and Excise, Government of India is ₹ 1,70,000/- (Previous Year ₹1,70,000/-).

10. Previous Year's figures are regrouped/ restated wherever necessary to confirm with this year's classification.

**Signature to Note Nos "1 To 22"**

As per our Report of even date annexed

**For Gadgil & Co.**

**Firm Regn No :102876W**

(Chartered Accountants)

For and on behalf of the Board

sd/-

**Dushyant A. Gadgil**

**Proprietor**

M No. 17795

Place: Mumbai

Date: 29th May, 2012

sd/-

**Ketan Sheth**

Managing Director

sd/-

**Kishore Hegde**

Director

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**
**Information pursuant to Part IV of Schedule VI of the Companies Act, 1956**
**Registration Details**

Registration No.	11-123796
State Code	11
Balance Sheet Date	31.03.2012

**Capital Raised During the year (Rs in thousands)**

Public Issue	NIL	Rights issue	NIL
Bonus Issue	NIL	Private Placement	NIL

**Position of the mobilisation and development of Funds (₹ In Lacs)**

Total Liabilities	12039.99	Total Assets	12039.99
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**Sources of Funds**

Paid up Capital	3102.14	Reserves and Surplus	8036.52
Secured Loans	444.24	Unsecured Loans	NIL

**Application of Funds**

Net fixed Assets	3443.56	Investments	5867.79
Net Current Assets	2200.32	Miscellaneous Exp	NIL
Accumulated Losses	289.46		

**Performance of the Company (Rs in thousand)**

Turnover	1414.41	Total Expenditure	856.54
Profit Before tax	646.48	Profit after tax	606.48

Earning per Share Rs.	0.39	Dividend Rate%	6%
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**Generic Names of three principal products of the Company**

Computer and computer software services

**Date: 29th May, 2012**

sd/-  
**Ketan Sheth**  
**Managing Director**

sd/-  
**Kishore Hegde**  
**Director**



**FINANCIAL INFORMATION OF SUBSIDIARIES PURSUANT TO SEC 212 (8) OF THE COMPANIES ACT, 1956 FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2012**

Sr No.	Name of Subsidiary Company	Reporting Currency	Exchange Rate	Capital	Reserves	Total Assets	Total Liabilities	Details of investment	Turnover	Profit/ Loss before taxation	Provision for Tax	Proposed Dividend
				₹	₹	₹	₹	₹	₹	₹	₹	₹
1.	IT Capital Services Pvt Ltd	INR	1.00	101.00	1897.21	3237.41	3237.41	NIL	NIL	0.80	0.06	NIL
2.	Orient Infotech Ltd UK	GBP	82.8975	470.21	(468.79)	1.42	1.42	NIL	0.58	0.12	NIL	NIL
3.	Orient Information Technology INC. USA	USD	51.8521	518.52	(524.41)	3.44	3.44	NIL	0.91	0.31	NIL	NIL
4.	Orient Information Technology FZ LLC - UAE	AED	14.1144	848.15	NIL	1544.97	1544.97	NIL	5.07	1.34	NIL	NIL
5.	Information Technology People WLL - Bahrain	BHD	136.896	555.74	(549.55)	6.19	6.19	NIL	6.22	1.36	NIL	NIL

As per our Report of even date annexed

**For Gadgil & Co.**

**Firm Regn No :102876W**

(Chartered Accountants)

For and on behalf of the Board

sd/-

**Dushyant A. Gadgil**

**Proprietor**

M No. 17795

Place: Mumbai

Date: 29th May, 2012

sd/-

**Ketan Sheth**

**Managing Director**

sd/-

**Kishore Hegde**

**Director**

**COMMEX TECHNOLOGY LIMITED  
(FORMERLY KNOWN AS IT PEOPLE (INDIA) LTD.)  
Regd. Office: Exchange House, Millennium Business Park,  
Mahape, Navi Mumbai 400 710.**

**ATTENDENCE SLIP**

**I/ We hereby record my/ our presence at the 12<sup>th</sup> Annual General Meeting held at Event Banquet, Near Filmistan Studio, S.V.Road, Goregaon (West), Mumbai: 400062 on**

DP ID No.*:	L. F. No.:
Client ID No.*:	No. of Shares held:
Name and address of the Shareholder( s)	
If Shareholder(s), Please sign here	If Proxy, Please sign here

**PROXY FORM**

DP ID No.*:	L. F. No.:
Client ID No.*:	No. of Shares held:

I/We \_\_\_\_\_ of \_\_\_\_\_ being a Member/Members of Commex Technology Limited hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing him \_\_\_\_\_ of \_\_\_\_\_ or failing him \_\_\_\_\_ of \_\_\_\_\_ as my/ our proxy to attend and vote for me /us and on my/our behalf at the Annual General Meeting of the Company scheduled to be held on \_\_\_\_\_, the \_\_\_\_\_ and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2012.

<p>Affix 1 Rupee Revenue Stamp</p>
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**NOTES:**

1. The form should be signed across the stamp as per specimen signature(s) registered with the Company.
2. The proxy form must be deposited at the registered office of the company at registered office of the Company not less than forty-eight hours before the commencement of the meeting.
3. A proxy need not be a member.

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BOOK - POST

To,

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(Formerly known as IT People (India) Ltd.)

Exchange House, Millennium Business Park  
Mahape, Navi Mumbai 400 710