

Edelweiss Commodities Services Limited

Financial Statements

together with Independent Auditors' Report
for the year ended 31 March 2015

Edelweiss Commodities Services Limited

Financial statements together with Independent Auditors' Report for the year ended 31 March 2015

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B S R & Associates LLP

Chartered Accountants

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Independent Auditors' Report

To the Members of Edelweiss Commodities Services Limited

Report on the standalone financial statements

We have audited the accompanying standalone financial statements of Edelweiss Commodities Service Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's responsibility for standalone financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



Independent Auditors' Report (Continued)

Edelweiss Commodities Services Limited

Auditors' responsibility (Continued)

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2015, and its profits and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 ('the Order') issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.

As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;



Independent Auditors' Report (Continued)

Edelweiss Commodities Services Limited

Report on Other Legal and Regulatory Requirements (Continued)

- e) On the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 2.32 to the financial statement.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

For B S R & Associates LLP

Chartered Accountants

Firm's Registration No: 116231W/W-100024



N Sampath Ganesh

Partner

Membership No: 042554

Mumbai
14 May 2015

Edelweiss Commodities Services Limited

Annexure to the Independent Auditors' Report - 31 March 2015

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2015, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- ii. (a) With regard to stock-in-trade, the Company has conducted at reasonable intervals during the year, physical verification of commodities on the basis of actual verification or on the basis of electronic accounting stock statements received from Commodity Exchange and in respect of securities, on the basis of electronic statements received from depository participants.
- (b) The procedures for the physical verification of stock-in-trade followed by management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of stock-in-trade. No material discrepancies have been noticed on physical verification of stock in trade.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act.
- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, with regard to the purchase of fixed assets and sale of services. In our opinion and according to the information and explanation given to us, there is no continuing failure to correct major weaknesses in internal control system.
- v. The Company has not accepted any deposits from public.
- vi. The Central Government has not prescribed the maintenance of cost records under sub-section 1 of Section 148 of the Act, for any of the activities conducted/ services rendered by the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, wealth tax, service tax, value added tax, duty of customs and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax, duty of excise, investor education and protection fund, cess and employees' state insurance as at 31 March 2015. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, wealth tax, service tax, value added tax, duty of customs and other material statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.

Edelweiss Commodities Services Limited

Annexure to the Independent Auditors' Report - 31 March 2015 (Continued)

- (b) According to the information and explanations given to us, the following dues have not been deposited by the Company on account of disputes.

Name of the statute	Nature of dues	Amount (Rs in million)	Period to which the amount relates	Forum where dispute is pending
Gujarat Value Added Tax Act, 2003	Value Added Tax	118.43	AY 2010-11	Joint Commissioner (Appeals)
Madhya Pradesh Value Added Tax Act, 2002	Value Added Tax	2.15	AY 2013-14	Additional Commissioner (Appeals)
Tamilnadu Value Added Tax Act, 2006	Value Added Tax	603.17	AY 2015-16	Joint Commissioner (Commercial Tax)
Income Tax Act, 1961	Income Tax	7.70	AY 2008-09	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	61.67	AY 2011-12	Commissioner of Income Tax (Appeals)
The Bombay Stamp Act, 1958	Stamp Duty	0.98	FY 2005-06	Maharashtra State Government
The Bombay Stamp Act, 1958	Stamp Duty	0.25	FY 2006-07	Maharashtra State Government

- (c) According to the information and explanations given to us, there are no dues of investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder which is required to be transferred.

- viii. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- ix. In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of due to any financial institution, bank or debenture holder during the year.
- x. In our opinion and according to the information and the explanations given to us, the terms and conditions on which the Company has given guarantees for loans taken by others from banks or financial institutions are not prejudicial to the interest of the Company.
- xi. In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.

Edelweiss Commodities Services Limited

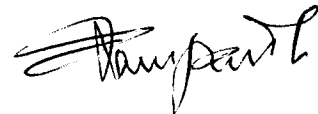
Annexure to the Independent Auditors' Report - 31 March 2015 (Continued)

- xii. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No: 116231 W/W-100024



N Sampath Ganesh

Partner

Membership No: 042554

Mumbai

14 May 2015

Edelweiss Commodities Services Limited

Balance Sheet

(Currency : Rupees in millions)

	Note No.	As at 31 March 2015	As at 31 March 2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	570.65	570.65
Reserves and surplus	2.2	4,755.33	4,358.08
Non-current liabilities			
Long-term borrowings	2.3	9,319.75	6,170.00
Deferred tax liabilities (net)	2.4	86.71	104.72
Other long term liabilities	2.5	323.84	323.84
Long-term provisions	2.6	22.99	1.54
Current liabilities			
Short-term borrowings	2.7	40,500.67	17,244.39
Trade payables	2.8	7,800.07	4,927.09
Other current liabilities	2.9	4,250.71	1,696.00
Short-term provisions	2.10	221.18	67.82
TOTAL		67,851.90	35,464.13
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	2.11	3,254.75	3,474.94
Intangible assets	2.11	192.96	253.98
Capital work-in-progress		55.84	34.45
Non-current investments	2.12	7,782.46	6,751.65
Long-term loans and advances	2.13	1,145.17	736.83
Other non-current assets	2.14	1,835.24	2.53
		14,266.42	11,254.38
Current assets			
Current investments	2.15	40.47	55.24
Stock-in-trade	2.16	28,532.92	5,328.21
Trade receivables	2.17	1,143.55	929.40
Cash and bank balances	2.18	5,357.59	3,787.80
Short-term loans and advances	2.19	17,540.31	12,877.57
Other current assets	2.20	970.64	1,231.53
		53,585.48	24,209.75
TOTAL		67,851.90	35,464.13

Significant accounting policies and notes to the financial statements 1 & 2

As per our report of even date attached.

For B S R & Associates LLP

Chartered Accountants

Firm Registration No. 116231W/W-100024

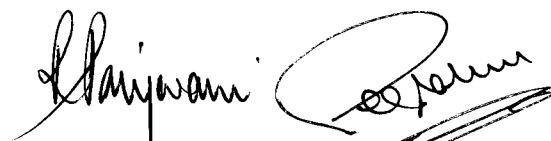


N Sampath Ganesh

Partner

Membership No: 042554

For and on behalf of the Board of Directors



Rujan Panjwani
Executive Director

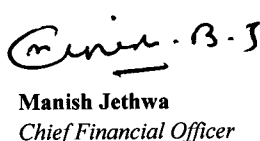
DIN No.: 00237366

Deepak Maheshwari
Director

DIN No.: 02601708



Swati Sharma
Company Secretary



Manish Jethwa
Chief Financial Officer

Mumbai
14 May 2015

Mumbai
14 May 2015

Edelweiss Commodities Services Limited

Statement of Profit and Loss

(Currency : Rupees in millions)

	Note No.	For the year ended 31 March 2015	For the year ended 31 March 2014
Revenue from operations			
Fee and commission income	2.21	115.89	1.02
Income from treasury operations and investments	2.22	1,750.46	1,500.89
Interest income	2.23	5,450.29	3,209.08
Sale of commodities		1,84,365.67	1,56,539.96
Sale of manufactured products		671.62	1,734.35
Other operating revenue	2.24	417.58	368.78
Other income	2.25	77.89	6.10
Total Revenue		1,92,849.40	1,63,360.18
Expenses			
Cost of materials consumed		886.24	1,735.18
Purchase of commodities		2,00,422.41	1,57,887.92
Changes in inventories of commodities		(16,394.94)	(1,472.04)
Employee benefit expenses	2.26	608.64	292.52
Finance costs	2.27	5,476.70	3,300.74
Depreciation and amortisation expense	2.11	407.24	330.77
Other expenses	2.28	656.46	526.62
Total expenses		1,92,062.75	1,62,601.71
Profit before tax		786.65	758.47
Tax expense:			
Current tax [includes excess provision of earlier years Rs. 0.60 million; (Previous year - Rs. 0.00 million - amount is less than Rs. 0.01 million)]		243.71	170.63
Minimum alternate tax credit entitlement		-	(136.77)
Deferred tax		(17.69)	(19.57)
Profit for the year		560.63	744.18
Earnings per equity share (face value of Rs. 10 each)			
Basic and diluted (in rupees)	2.35	17.28	24.07

Significant accounting policies and notes to the financial statements

1 & 2

As per our report of even date attached.

For B S R & Associates LLP

Chartered Accountants

Firm Registration No. 116231W/W-100024

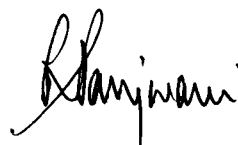


N Sampath Ganesh

Partner

Membership No: 042554

For and on behalf of the Board of Directors



Rujan Panjwani

Executive Director

DIN No.: 00237366



Deepak Maheshwari

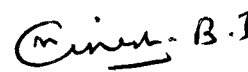
Director

DIN No.: 02601708



Swati Sharma

Company Secretary



Manish Jethwa

Chief Financial Officer

Mumbai

14 May 2015

Mumbai

14 May 2015

Edelweiss Commodities Services Limited

Cash Flow Statement

(Currency : Rupees in millions)

	For the year ended 31 March 2015	For the year ended 31 March 2014
A Cash flow from operating activities		
Profit before tax	786.65	758.47
Adjustments for		
Depreciation and amortisation	407.24	330.77
(Profit) / Loss on write-off of fixed assets (net)	(0.21)	0.02
Provision for doubtful debts	0.75	58.91
Discount on commercial paper	1,931.00	789.65
Provision for gratuity	(0.64)	0.23
Provision for compensated leave absences	0.44	(0.40)
Profit on sale of investments	(55.29)	-
Adjustment on account of accumulated depreciation	(0.63)	-
Interest expense	3,440.47	2,488.07
Operating cash flow before working capital changes	6,509.78	4,425.72
Add/(Less): adjustments for working capital changes		
(Increase) / decrease in trade receivables	(214.90)	1,470.13
Increase in stock-in-trade	(23,204.72)	(1,740.43)
(Increase) / decrease in loans and advances	(1,734.88)	9,573.96
Increase in other current assets	(1,802.99)	(125.98)
Increase / (decrease) in current liabilities and provisions	5,391.88	(247.29)
Cash (used in) / generated from operations	(15,055.83)	13,356.11
Income taxes paid	(140.12)	(146.10)
Net cash (used in) / generated from operating activities - A	(15,195.95)	13,210.01
B Cash flow from investing activities		
Purchase of fixed assets (including capital work-in progress)	(148.89)	(51.49)
Sale of fixed assets	1.37	0.83
Purchase of investments	(3,401.63)	(3,383.85)
Sale of investments	2,440.88	1,266.60
Loans given (net) (Refer note i)	(5,098.02)	(4,710.93)
Received / (Receivable) from Edel Commodities Limited on account of acquisition	231.17	(231.17)
Net cash used in investing activities - B	(5,975.12)	(7,110.01)
C Cash flow from financing activities		
Proceeds from issue of share capital including premium	-	379.35
Proceeds from / (repayment) of secured loans (net) (Refer note i)	10,466.91	(4,756.16)
Proceeds from / (repayment) of unsecured loans (net) (Refer note i)	6,923.14	(3,084.73)
Proceeds from issue of commercial paper (net) (Refer note i)	7,491.23	3,826.64
Interim dividend paid	(307.98)	(334.41)
Interest paid	(3,593.06)	(2,218.93)
Net cash generated from / (used in) financing activities - C	20,980.24	(6,188.24)
Net decrease in cash and cash equivalents (A+B+C)	(190.83)	(88.24)
Cash and cash equivalents as at the beginning of the year	283.51	371.75
Cash and cash equivalents as at the end of the year (Refer note 2.18)	92.68	283.51

Note:

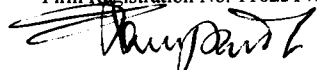
(i) Net figures have been reported on account of volume of transactions.

As per our report of even date attached.

For B S R & Associates LLP

Chartered Accountants

Firm Registration No. 116231W/W-100024

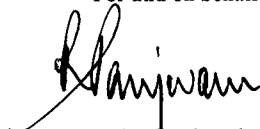


N Sampath Ganesh

Partner

Membership No: 042554

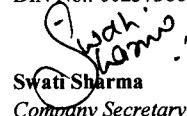
For and on behalf of the Board of Directors



Rujan Panjwani


Executive Director

DIN No.: 00237366



Swati Sharma

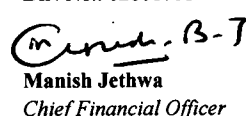
Company Secretary



Deepak Maheshwari

Director

DIN No.: 02601708



Manish Jethwa

Chief Financial Officer

Mumbai

14 May 2015

Mumbai

14 May 2015

Edelweiss Commodities Services Limited

Notes to the financial statements

1. Significant accounting policies

1.1 Basis of preparation of financial statements

The accompanying financial statements are prepared and presented in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention, on the accrual basis of accounting, unless otherwise stated, and comply with the Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) rules, 2014, the provisions of the Companies Act, 2013 (to the extent notified), provisions of the Companies Act, 1956 (to the extent applicable) (hereinafter together referred to as 'the Act') and the Schedule III to the Act. The financial statements are presented in Indian rupees in millions.

1.2 Use of estimates

The preparation of the financial statements in conformity with the GAAP requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of the financial statement. Actual results could differ from the estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

1.3 Current-non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An Asset is classified as current when it satisfies any of the following criteria:

- a) It is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
- b) It is held primarily for the purpose of being traded;
- c) It is expected to be realized within 12 months after the reporting date; or
- d) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current Assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

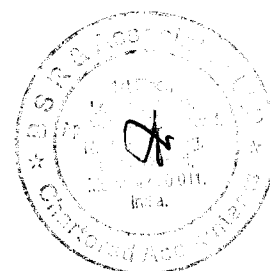
Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- a) It is expected to be settled in the company's normal operating cycle.
- b) It is held primarily for the purpose of being traded;
- c) It is due to be settled within 12 months after the reporting date; or
- d) The company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.



Edelweiss Commodities Services Limited

Notes to the financial statements (Continued)

1.4 Revenue recognition

- Brokerage income is recognised as per contracted rates at the execution of transactions on behalf of the customers on the trade date.
- Fee income is accounted on accrual basis in accordance with the terms and contracts entered into between the Company and the counterparty.
- Income from treasury operations comprises of profit/loss on sale of securities, profit/loss on commodity, equity and currency derivative instruments.
 - a) Profit/loss on sale of securities is determined based on the weighted average cost of the securities sold.
 - b) Realised profit/ loss on closed positions of derivative instruments are recognised on final settlement on squaring-up of the contracts. Outstanding derivative contracts in the nature of forwards / futures / options are measured at fair value as at the balance sheet date. Fair value is determined using quoted market prices in an actively traded market, for the instrument, wherever available, as the best evidence of fair value. In the absence of quoted market prices in an actively traded market, a valuation technique is used to determine the fair value. In most cases the valuation techniques use observable market data as input parameters in order to ensure reliability of the fair value measure.
 - c) In respect of currency forward contracts entered with banks, the premium or discount arising at the inception of the contract is amortised over the life of the contract in the Statement of Profit and Loss. The difference in the opening and closing exchange rates as on the Balance Sheet date (mark to market) is recognised in the Statement of Profit and Loss. Any profit or loss arising on cancellation or renewal of such contracts is recognised in the Statement of Profit and Loss.
- Commodity sales are accounted when property in goods is transferred to the buyer.
- Interest income is recognised on accrual basis.
- In case of commercial papers, deep discount bonds and certificate of deposits, the difference between the acquisition cost and redemption value are apportioned on time proportionate basis and recognised as interest income.
- Profit / loss from share in partnership firm is accounted for once the amount of the share of profit/ loss is ascertained and credited / debited to the company's account in the books of the partnership firm.
- Rental income and warehouse charges are recognised on accrual basis by reference to the agreements entered.



Edelweiss Commodities Services Limited

Notes to the financial statements (Continued)

1.5 Fixed assets and depreciation

Tangible fixed assets and Capital work in progress

Tangible fixed assets are stated at cost less accumulated depreciation and impairment, if any. The cost of fixed assets comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Capital work in progress comprises the cost of fixed assets that are not ready for its intended use at the reporting date.

Depreciation is provided on a written down value basis from the date the asset is ready for its intended use or put to use whichever is earlier. In respect of assets sold, depreciation is provided up to the date of disposal.

As per the requirement of Schedule II of the Companies Act, 2013, the Company has evaluated the estimated useful lives of the respective fixed assets which are as per the provisions of Part C of schedule II of the Act for calculating the depreciation. The estimated useful lives of the fixed assets are as follows:

Class of asset	Useful Life
Building (Other than Factory Building)	60 years
Plant and machinery	15 years
Furniture and fittings	10 years
Motor vehicle	8 years
Office Equipment	5 years
Computers and data processing units - Servers and networks	6 years
Computers and data processing units - End user devices, such as desktops, laptops, etc.	3 years

Leasehold improvements are amortised on a straight-line basis over the estimated useful lives of the assets or the period of lease, whichever is shorter.

Intangible fixed assets:

Intangible fixed assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any.

Goodwill is amortised over a period of 5 years.

Intangibles such as software is amortised over a period of 3 years based on its estimated useful life.

1.6 Borrowing costs

Borrowing costs that are directly attributable to the acquisition / construction of qualifying assets are capitalised. Other borrowing costs are recognised as an expense in the period in which they are incurred.



Edelweiss Commodities Services Limited

Notes to the financial statements (Continued)

1.7 Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of cash generating unit which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of the depreciable historical cost.

1.8 Stock-in-trade

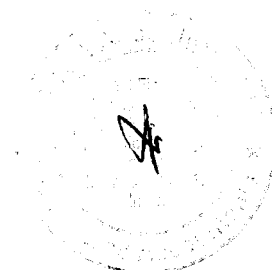
- a) The securities acquired with the intention of short-term holding and as trading positions are considered as stock-in-trade and disclosed as current assets.
- b) The securities held as stock-in-trade under current assets are valued at lower of weighted average cost or market value. In case of units of mutual funds, net asset value is considered as fair value.
- c) Purchase and sale of bullion is recorded at the price which is fixed between the buyer and the seller at the future date including the contracts where the price is fixed subsequent to the balance sheet date. In case of unfixed purchase/ sale contracts as at the reporting date, the price is recorded at the forward rate for the residual maturity period of the contract.
- d) The commodity stocks are valued at cost or net realisable value, whichever is lower.
- e) Debt instruments are valued at lower of cost or fair value. In case of debt instruments for which direct quotes are not available, fair value is the lowest of the quotes as on the valuation date as provided by market intermediaries.
- f) Commercial papers, certificate of deposits and treasury bills are valued at carrying cost.

1.9 Investments

Investments are classified into long term investments and current investments. Investments which are intended to be held for one year or more are classified as long term investments and investments which are intended to be held for less than one year are classified as current investments.

Long term investments are carried at cost less diminution in value which is other than temporary, determined separately for each investment.

Current investments are carried at lower of cost or fair value. The comparison of cost and fair value is done separately in respect of each category of investment. In case of investments in mutual funds, the net asset value of units declared by the mutual funds is considered as the fair value.



Edelweiss Commodities Services Limited

Notes to the financial statements (Continued)

1.10 Foreign currency transactions

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transaction. Exchange differences, if any arising out of transactions settled during the year are recognised in the statement of profit and loss of the year.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date. The resultant exchange differences, if any, are recognised in the statement of profit and loss and related assets and liabilities are accordingly restated in the balance sheet.

Non monetary assets and liabilities are carried at historical cost using exchange rate on the date of the transaction.

1.11 Employee benefits

The accounting policy followed by the Company in respect of its employee benefit schemes in accordance with Accounting Standard 15 (Revised 2005), is set out below:

Provident fund

The Company contributes to a recognised provident fund which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognised in the statement of profit and loss.

Gratuity

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted.

The present value of the obligation under such benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

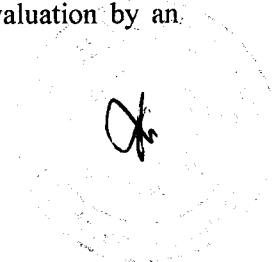
The obligation is measured at present values of estimated future cash flows. The discounted rates used for determining the present value are based on the market yields on Government Securities as at the balance sheet date.

Benefits in respect of gratuity are funded with an Insurance Company approved by Insurance Regulatory and Development Authority.

Actuarial gains and losses arising from experience adjustments and change in actuarial assumptions are recognised in the statement of profit and loss in the period in which they arise.

Compensated leave absences

The eligible employees of the Company are permitted to carry forward certain number of their annual leave entitlement to subsequent years, subject to a ceiling. The Company recognises the charge to the statement of profit and loss and corresponding liability on account of such non-vesting accumulated leave entitlement based on a valuation by an independent actuary.



Edelweiss Commodities Services Limited

Notes to the financial statements (Continued)

1.11 Employee benefits (continued)

Deferred Bonus

The Company has adopted a Deferred Bonus Plan under its Deferred Variable Compensation Plan. A pool of identified senior employees of the Company is entitled for benefits under this plan. Such deferred compensation will be paid in a phased manner over a future period of time. The measurement for the same has been based on actuarial assumptions and principles. These assumptions and principles are consistent with the requirements of Accounting Standard 15 (Revised 2005).

1.12 Earnings per share

The Company reports basic and diluted earnings per share in accordance with Accounting Standard 20 – “Earnings Per Share” as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. Basic earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by the weighted average number of equity shares considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all potential equity shares.

1.13 Taxation

Income-tax expense comprises of current tax (i.e. amount of tax for the year determined in accordance with the Income Tax Act, 1961), deferred tax charge or benefit (reflecting the tax effect of timing differences between accounting income and taxable income for the year).

Current tax

Provision for current tax is recognised based on estimated tax liability computed after adjusting for allowances, disallowances and exemptions in accordance with the Income Tax Act, 1961.

Deferred tax

The deferred tax charge or benefit and the corresponding deferred tax liabilities and assets are recognized using the tax rates that have been enacted or substantially enacted at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the asset can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of the assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain, as the case may be, to be realised.

Minimum alternative tax (MAT) Credit

MAT credit asset is recognised when there is convincing evidence that the asset can be realized in future. MAT credit assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably certain to be realised.

Edelweiss Commodities Services Limited

Notes to the financial statements (Continued)

1.14 Operating leases

Lease payments for assets taken on operating lease are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

1.15 Provisions and contingencies

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognised in the period in which the change occurs.

1.16 Presentation of financial assets and liabilities

Financial assets and liabilities are offset and the net amounts are presented in the Balance Sheet where the Company has a legal right to set off the recognised amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Such legal rights are by virtue of a binding legal contract or by an irrevocable undertaking executed by the Company. The aforesaid policy is generally applied to offset receivables from and payables to same counterparties; to offset fixed deposits specifically pledged with banks against the borrowings availed from them; to offset receivables against payables in the case of the same broking clients in multiple segments and other such similar qualifying arrangements.



Edelweiss Commodities Services Limited

Notes to the financial statements (Continued)

(Currency : Rupees in millions)

	As at 31 March 2015	As at 31 March 2014
2.1 Share capital		
(i) Authorised:		
30,000,000 (Previous year : 30,000,000) equity shares of Rs. 10 each	300.00	300.00
72,000,000 (Previous year : 72,000,000) preference shares of Rs. 10 each	720.00	720.00
	1,020.00	1,020.00
(ii) Issued, Subscribed and Paid up:		
29,775,368 (Previous year : 29,775,368) equity shares of Rs. 10 each, fully paid up	297.75	297.75
2,000,000 (Previous year : 2,000,000) 7% non-cumulative non-convertible redeemable preference shares of Rs. 10 each, fully paid up	20.00	20.00
25,290,000 (Previous year : 25,290,000) 14.625% cumulative non-convertible redeemable preference shares of Rs. 10 each, fully paid up	252.90	252.90
	570.65	570.65

(The entire paid up equity share capital is held by Edelweiss Financial Services Limited, the holding company and its nominees).

(iii) Movement in share capital:

	31 March 2015		31 March 2014	
	Number of shares	Amount	Number of Shares	Amount
Equity shares of Rs. 10 each fully paid				
Outstanding at the beginning of the year	2,97,75,368	297.75	2,97,75,368	297.75
Issued during the year (Refer note 1 of 2.1)	-	-	-	-
Outstanding at the end of the year	2,97,75,368	297.75	2,97,75,368	297.75
7% Non-cumulative non-convertible redeemable preference shares of Rs. 10 each fully paid				
Outstanding at the beginning of the year	20,00,000	20.00	20,00,000	20.00
Issued during the year (Refer note 1 of 2.1)	-	-	-	-
Outstanding at the end of the year	20,00,000	20.00	20,00,000	20.00
14.625% Cumulative non-convertible redeemable preference shares of Rs. 10 each fully paid				
Outstanding at the beginning of the year	2,52,90,000	252.90	-	-
Issued during the year	-	-	2,52,90,000	252.90
Outstanding at the end of the year	2,52,90,000	252.90	2,52,90,000	252.90

(iv) Shares held by holding / ultimate holding company and / or their subsidiaries / associates:

	31 March 2015		31 March 2014	
	Number of shares	Percentage Shareholding	Number of shares	Percentage Shareholding
(a) Equity shares				
Edelweiss Financial Services Limited, the holding company and its nominees	2,97,75,368	100%	2,97,75,368	100%
(b) Preference shares				
7% Non-cumulative non-convertible redeemable preference shares of Rs. 10 each fully paid				
Edelweiss Securities Limited, the subsidiary of the holding company	10,00,000	50%	10,00,000	50%
ECL Finance Limited, the subsidiary of the holding company	10,00,000	50%	10,00,000	50%
	20,00,000	100%	20,00,000	100%
14.625% Cumulative non-convertible redeemable preference shares of Rs. 10 each fully paid				
ECL Finance Limited, the subsidiary of the holding company	-	-	52,40,000	20.72%

Edelweiss Commodities Services Limited

Notes to the financial statements (Continued)

(Currency : Rupees in millions)

2.1 Share capital (continued)

(v) Details of shareholders holding more than 5% shares in the Company:

	31 March 2015		31 March 2014	
	Number of shares	Percentage Shareholding	Number of shares	Percentage Shareholding
Equity shares of Rs 10 each fully paid up				
Edelweiss Financial Services Limited, the holding company and its nominees	2,97,75,368	100%	2,97,75,368	100%
7% Non-cumulative non-convertible redeemable preference shares of Rs. 10 each fully paid up				
Edelweiss Securities Limited, the subsidiary of the holding company	10,00,000	50%	10,00,000	50%
ECL Finance Limited, the subsidiary of the holding company	10,00,000	50%	10,00,000	50%
14.625% Cumulative non-convertible redeemable preference shares of Rs. 10 each fully paid up				
ECL Finance Limited, the subsidiary of the holding Company	-	-	52,40,000	20.72%
Lalita Omkarnath Malpani	33,40,000	13.21%	33,40,000	13.21%
Balagopal Chandrasekhar	21,00,000	8.30%	21,00,000	8.30%
HB Esmech Private Limited	16,60,000	6.56%	16,60,000	6.56%
The Bombay Oil Industries Private Limited	13,40,000	5.30%	13,40,000	5.30%
Kishore V Mariwala	13,30,000	5.26%	13,30,000	5.26%
Indu Devendra Kothari	13,34,000	5.27%	-	-

Terms/rights attached to equity shares:

The Company has only one class of equity shares having a par value of Rs 10 each. Each holder of equity shares is entitled to one vote per share held. 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.

Terms/rights attached to 7% non-cumulative non-convertible redeemable preference shares:

1,000,000 preference shares held by Edelweiss Securities Limited:

The preference shares of the face value of Rs. 10 each were issued at the rate of Rs. 1,000 per share. The preference shares were allotted on March 29, 2012. The preference shares are non-cumulative and non-convertible. The preference shares carry a non-cumulative dividend of 7%. The preference shares will be redeemed at Rs. 1,000 per share at the end of 5 years from the date of allotment with an option to redeem the shares at any time after a period of 3 months from the date of allotment.

1,000,000 preference shares held by ECL Finance Limited:

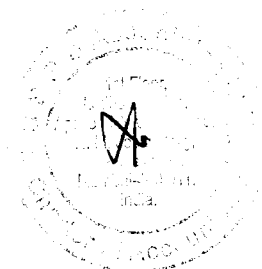
The preference shares of the face value of Rs. 10 each were issued at the rate of Rs. 1,000 per share. The preference shares were allotted on August 14, 2012. The preference shares are non-cumulative and non-convertible. The preference shares carry a non-cumulative dividend of 7%. The preference shares will be redeemed at Rs. 1,000 per share at the end of 5 years from the date of allotment.

Terms/rights attached to 14.625% cumulative non-convertible redeemable preference shares

The preference shares of the face value of Rs. 10 each were issued at the rate of Rs. 15 per share. The preference shares were allotted on July 19, 2013. The preference shares are cumulative and redeemable. The preference shares carry a cumulative dividend of 14.625%. The Company and the preference shares holder can seek early redemption of the preference shares after 5 years from the date of allotment of the preference shares. The preference shares will be compulsorily redeemed at the end of 10 years from the date of allotment at a premium of Rs. 5 per preference share over the face value together with the unpaid dividend till the date of redemption.

Note 1:

During the financial year 2011-12, in accordance with the scheme of arrangement approved by the Hon'ble High Court of Andhra Pradesh at Hyderabad ('the Order'), Edelweiss Trading & Holdings Limited ('ETHL'), erstwhile wholly owned subsidiary of Edelweiss Financial Services Limited ('EFSL'), had demerged its securities business and transferred it to Edelweiss Securities Limited ('ESL'), a wholly owned subsidiary of EFSL and amalgamated its remaining business with the Company. Pursuant to the Scheme of Amalgamation of ETHL with the Company during the financial year 2011-12, the Company has issued 29,775,368 equity shares of Rs. 10 each to EFSL at a premium of Rs. 34 per share, and 1,000,000 7% Non-cumulative non-convertible redeemable preference shares of Rs. 10 each at a premium of Rs. 990 per share to ESL.



Edelweiss Commodities Services Limited

Notes to the financial statements (Continued)

(Currency : Rupees in millions)

	As at 31 March 2015	As at 31 March 2014
2.2 Reserves and surplus		
Securities premium account		
Opening balance	3,146.31	3,019.86
Add : Additions during the year (Refer note 2.1)	-	126.45
	3,146.31	3,146.31
Debenture Redemption Reserve		
Opening balance	-	-
Add : Additions during the year	18.00	-
	18.00	-
General reserve		
Opening balance	125.62	51.20
Add : Additions during the year	56.06	74.42
	181.68	125.62
Surplus in the statement of profit and loss		
Opening balance	1,086.15	812.42
Add : Adjustment on account of accumulated depreciation (net of tax)	(0.62)	-
Add : Profit for the year	560.63	744.18
Amount available for appropriation	1,646.16	1,556.60
Appropriations:		
Transfer to debenture redemption reserve	18.00	-
Interim dividend on equity shares	99.75	311.16
Dividend distribution tax	24.63	57.53
Transfer to general reserve	56.06	74.42
Dividend on preference shares	38.38	27.34
	1,409.34	1,086.15
	4,755.33	4,358.08
2.3 Long-term borrowings		
Secured (Refer note 2.42)		
Loans		
Non-convertible debentures	3,750.00	-
(The debentures are secured by a first mortgage and charge over the immovable property and a pari passu charge on the receivables and stock-in-trade to the extent equal to the principal and interest amount i.e. redemption value of debentures)		
From a bank (Secured by charge on immovable property with banks)	2,843.75	-
From related parties (Secured by way of floating charge on trade receivables, stock-in-trade and loans and advances)	1,900.00	-
	8,493.75	-
Unsecured (Refer note 2.42)		
Loans from related parties	700.50	3,270.00
Loans from others	125.50	2,900.00
	826.00	6,170.00
	9,319.75	6,170.00



Edelweiss Commodities Services Limited

Notes to the financial statements (Continued)

(Currency : Rupees in millions)

	As at 31 March 2015	As at 31 March 2014
2.4 Deferred tax		
Deferred tax liabilities		
Tax effect of the timing differences on account of:		
Difference between book and tax depreciation	99.80	118.98
Others	29.96	21.53
	<u>129.76</u>	<u>140.51</u>
Deferred tax assets		
Provision for doubtful debts	21.21	20.58
Disallowances under section 43B of the Income Tax Act, 1961	20.85	13.71
Others	0.99	1.50
	<u>43.05</u>	<u>35.79</u>
Deferred tax liabilities (net)	<u>86.71</u>	<u>104.72</u>
2.5 Other long term liabilities		
Others		
Rental deposits	323.84	323.84
	<u>323.84</u>	<u>323.84</u>
2.6 Long-term provisions		
Provision for employee benefits		
Gratuity	-	0.55
Compensated leave absences	1.35	0.99
Deferred bonus	21.64	-
	<u>22.99</u>	<u>1.54</u>



Edelweiss Commodities Services Limited

Notes to the financial statements (Continued)

(Currency : Rupees in millions)

	As at 31 March 2015	As at 31 March 2014
2.7 Short-term borrowings		
Secured		
Loans repayable on demand		
Overdraft from banks	435.11	2,042.97
(Secured by pledge of stock-in-trade with banks)		
Term Loans		
from banks	3,144.77	-
(Secured by pledge of stock-in-trade)		
from others	530.00	500.00
(Secured by way of floating charge on trade receivables, stock-in-trade and loans and advances)		
	4,109.88	2,542.97
Unsecured		
Loans repayable on demand		
Overdraft from banks	-	88.45
Loans and advances from related parties*	13,391.90	743.35
Inter-corporate deposits*	41.00	116.25
Commercial paper	22,200.00	12,500.00
Less: Unamortised discount on commercial paper	(476.03)	(198.26)
	21,723.97	12,301.74
Loans and advances from others*	1,233.92	1,451.63
	36,390.79	14,701.42
	40,500.67	17,244.39
(*Loans are repayable at variable rates of interest)		
2.8 Trade payables		
Trade payables	7,800.07	4,927.09
(includes sundry creditors and provision for expenses)		
	7,800.07	4,927.09

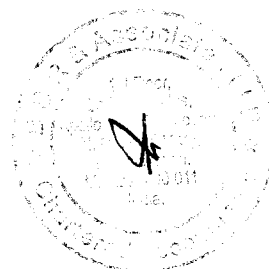


Edelweiss Commodities Services Limited

Notes to the financial statements (Continued)

(Currency : Rupees in millions)

	As at 31 March 2015	As at 31 March 2014
2.9 Other current liabilities		
Current maturities of long term debts		
Term loan from a bank (Refer note 2.42)	406.25	-
Interest accrued but not due on borrowings	62.13	3.51
Interest accrued and due on borrowings / margin	99.77	310.98
Other Payables		
Accrued salaries and benefits	355.05	200.06
Payable to exchange / clearing house (net)	-	74.58
Withholding tax, service tax and other taxes payable	206.45	60.29
Payable towards exchange trades settlement	1,111.01	541.28
Advances from customers	1,378.32	249.57
Book overdrafts	593.96	57.37
Retention money payable	3.52	4.13
Dividend payable on equity shares	-	159.29
Others	34.25	34.94
	4,250.71	1,696.00
2.10 Short-term provisions		
Provision for employee benefits		
Gratuity	-	0.10
Compensated leave absences	0.32	0.24
Deferred bonus	36.93	-
Others		
Proposed dividend on preference shares	38.39	27.34
Provision for dividend distribution tax	7.67	4.65
Provision for taxation	137.87	35.49
[Net of advance tax Rs. 397.13 million (Previous year: Rs. 245.19 million)]		
	221.18	67.82



Edelweiss Commodities Services Limited

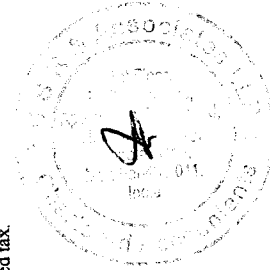
Notes to the financial statements (Continued)

(Currency : Rupees in millions)

2.11 Fixed Assets

Description of Assets	Gross Block			Depreciation and amortisation				Net Block	
	As at 1 April 2014	Additions during the year	Deductions during the year	As at 31 March 2015	Adjustment in Opening Reserve (Refer note below)	Charge for the year	Deductions during the year	As at 31 March 2015	As at 31 March 2014
Tangible assets									
Land	189.11	-	-	189.11	-	-	-	189.11	189.11
Building	3,443.70	3.76	-	3,447.46	402.54	152.18	-	2,892.74	3,041.16
Plant and machinery	0.33	0.11	-	0.44	0.01	0.07	-	0.36	0.32
Furniture and fixtures	86.86	9.07	-	95.93	32.93	16.59	-	46.41	53.93
Vehicles	9.17	2.45	1.14	10.48	3.33	1.88	0.62	5.89	5.84
Office equipment	199.06	10.66	0.02	209.70	59.57	91.42	0.01	58.72	139.49
Computers and networking	154.70	31.92	-	186.62	112.08	28.21	-	45.39	42.62
Leasehold improvements	3.00	16.39	-	19.39	0.53	2.73	-	16.13	2.47
Total : A	4,085.93	74.36	1.16	4,159.13	610.99	293.08	0.63	3,254.75	3,474.94
Intangible assets									
Goodwill	531.84	-	-	531.84	281.73	106.37	-	143.74	250.11
Computer Software	6.63	53.14	-	59.77	2.76	7.79	-	49.22	3.87
Total : B	538.47	53.14	-	591.61	284.49	114.16	-	192.96	253.98
Grand Total [A+B]	4,624.40	127.50	1.16	4,750.74	895.48	407.24	0.63	3,447.71	3,728.92
Previous year	4,505.01	120.78	1.37	4,624.41	565.23	330.77	0.52	3,728.92	

Note:
As per the requirement of the Companies Act, 2013, the Company has evaluated the useful lives of its fixed assets and has computed depreciation according to the provisions of Schedule II of the Act. Consequently, in the Statement of profit and loss of the Company, the depreciation charge for the year ended 31 March 2015 is higher by Rs. 81.88 and an amount of Rs. 0.94 has been charged to the opening balance of the retained earnings in respect of assets whose remaining useful life has expired as at 1 April 2014, net of deferred tax.

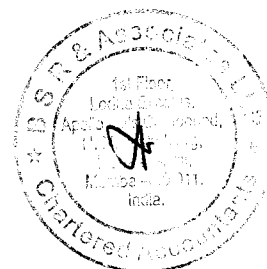


Edelweiss Commodities Services Limited

Notes to the financial statements (Continued)

(Currency : Rupees in millions)

	As at 31 March 2015			As at 31 March 2014		
	Face value*	Quantity	Amount	Face value*	Quantity	Amount
2.12 Non-current investments						
Others (unquoted)						
Investments in equity instruments of subsidiaries (fully paid up)						
Edelweiss Housing Finance Limited	10	38,300,000	2,829.00	10	27,300,000	1,729.00
Edel Commodities Limited	10	50,000	0.50	10	50,000	0.50
Edelweiss Capital Markets Limited	10	300,000	8.20	10	180,000	7.00
EFSL Comtrade Limited	10	650,000	6.50	-	-	-
Edelweiss Metals Limited	10	5,010,000	250.50	10	10,000	0.50
Edelweiss Integrated Commodity Management Limited	10	100,050,000	1,000.50	-	-	-
Eternity Business Centre Limited	10	19,160,500	191.61	-	-	-
Serenity Business Park Limited	10	19,160,500	191.61	-	-	-
			<u>4,478.42</u>			<u>1,737.00</u>
Investments in equity instruments of associate companies (fully paid up)						
Allium Finance Private Limited	10	800,000	21.18	10	800,000	21.18
Investments in equity instruments of other companies (fully paid up)						
Health Care Global Enterprise Private Limited	10	1,159,926	100.45	10	1,159,926	100.45
The Catholic Syrian Bank Limited	10	177,748	40.09	10	177,748	40.09
Metropolitan Stock Exchange of India Limited	1	49,120,000	73.68	-	-	-
Edelweiss Finance and Investments Limited	0	-	-	10	600,000	840.00
ECL Finance Limited	1	146,976,650	862.84	1	146,976,650	862.84
			<u>1,077.06</u>			<u>1,843.38</u>
Investments in preference shares of other companies (fully paid up)						
Non cumulative non convertible redeemable						
7% Edelweiss Securities Limited	10	260,000	260.00	10	260,000	260.00
7% Edelweiss Broking Limited	10	-	-	10	250,000	250.00
0.01% Edelweiss Investment Advisors Limited	10	160,000	160.00	10	160,000	160.00
1% Edelweiss Investment Advisors Limited	10	45,000	45.00	10	45,000	45.00
0.01% Edel Land Limited	10	125,000	125.11	10	125,000	125.11
Non cumulative optionally convertible redeemable						
11% Edelweiss Broking Limited	10	667,000	667.00	10	1,267,000	1,267.00
Non cumulative compulsory convertible redeemable						
0.01% Arum Investments Private Limited	10	1,327,486	188.37	10	2,244,228	302.97
			<u>1,445.48</u>			<u>2,410.08</u>
Application money paid for rights issue of equity shares of The Catholic Syrian Bank Limited pending allotment of shares	-	-	52.28	-	-	-
Investments in debentures (fully paid up)						
ECL Finance Limited	5,000	100,000	500.00	-	-	-
Arum Investments Private Limited	-	-	-	1,000,000	532	532.00
Goldenlife Financial Services Private Limited	5,000	20,000	100.00	5,000	20,000	100.00
AT Invofin India Private Limited	1,000	108,000	108.00	1,000	108,000	108.00
			<u>708.00</u>			<u>740.00</u>
Investments in partnership firm, Capital account						
Edelvalue Partners			0.01			0.01
Other Investments						
Forefront Wealth Advisors LLP			0.03			-
			<u>7,782.46</u>			<u>6,751.65</u>
Aggregate of unquoted investment						
At carrying value			7,782.46			6,751.65
*Amount in rupees						

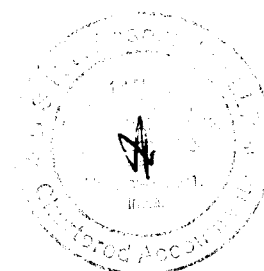


Edelweiss Commodities Services Limited

Notes to the financial statements (Continued)

(Currency : Rupees in millions)

	As at 31 March 2015	As at 31 March 2014
2.13 Long-term loans and advances (Unsecured, considered good)		
Loans and advances to a related party (Refer note 2.30)	552.93	339.88
Other loans and advances		
Advance income tax	592.24	396.95
[Net of provision Rs. 508.92 million (Previous year: Rs. 467.54 million)]		
	1,145.17	736.83
2.14 Other non-current assets		
Long term deposits with banks		
Held as margin money or security against borrowings, guarantees (Refer note 2.33)	1,835.06	2.41
Accrued interest on fixed deposits	0.18	0.12
	1,835.24	2.53
2.15 Current investments		
Others (Unquoted)		
Investment in debentures and bonds		
Current maturity of non-current investment		
Nil (Previous year : 49) 10% redeemable debentures of Sindhu Trade links Limited of Rs. 1,000,000 each fully paid up	-	49.00
Investments in current account with partnership firms (Refer note 2.31)		
Edelvalue Partners	40.48	6.24
Investments in current account with LLP (Refer note 2.31)		
Forefront Wealth Advisors LLP	(0.01)	-
	40.47	55.24
Aggregate of unquoted current investment	40.47	55.24



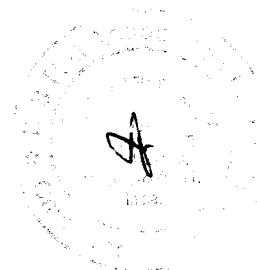
Edelweiss Commodities Services Limited

Notes to the financial statements (Continued)

(Currency : Rupees in millions)

	As at 31 March 2015			As at 31 March 2014		
	Face value*	Quantity	Amount	Face value*	Quantity	Amount
2.16 Stock-in-trade (Refer note 2.36)						
Equity shares (Unquoted)						
Inox Wind Limited IPO	10	263,616	85.68	-	-	-
Debentures and bonds (quoted)						
12.00% Future Corporate Resources Limited 29.01.2020 NCD (SR-I)	10,000,000	80	800.00	-	-	-
12.00% Future Corporate Resources Limited 29.01.2020 NCD (SR-II)	10,000,000	125	1,250.00	-	-	-
11.25% Srei Infrastructure Finance Limited 12.11.2019 Bonds	1,000	275	0.27	-	-	-
20.00% Soni Infratech Private Limited 31.12.2015 NCD	625,000	450	281.25	-	-	-
9.85% Shriram Transport Finance Company Limited 15.07.2017 NCD	1,000	30	0.03	-	-	-
14.00% Skil Shipyard Holdings Private Limited 22.01.2019 NCD	10,000,000	200	2,000.00	-	-	-
9.50% Blue Dart Express Limited 20.11.2019 NCD	10	21	-	-	-	-
8.49% National Thermal Power Corporation Limited 25.03.2025 NCD	13	10,573,854	132.77	-	-	-
10.75% Tata Bluescope Steel Limited 27.9.2019 NCD	1,000,000	2	2.14	1,000,000	1,383	1,480.36
11.52% India Infoline Housing Finance Limited 26.12.2018 NCD	-	-	-	1,000	1,000	0.97
11.60% ECL Finance Limited 28.01.2017 NCD	1,000	7,521	7.49	1,000	1,691	1.66
11.60% ECL Finance Limited Cumulative 28.01.2017 NCD	1,000	9,951	9.90	1,000	5,621	5.59
11.85% ECL Finance Limited 28.01.2019 NCD	1,000	7,557	7.52	1,000	329	0.32
11.85% ECL Finance Limited Cumulative 28.01.2019 NCD	1,000	49,062	48.77	1,000	10,689	10.48
12.00% ECL Finance Limited 26.04.2020 NCD Monthly	1,000	12,280	12.65	-	-	-
12.00% ECL Finance Limited 26.04.2020 NCD Cumulative	1,000	12,628	12.97	-	-	-
10.00% ECL Finance Limited 11.03.2018 NCD	1,000	15	0.01	-	-	-
10.45% ECL Finance Limited 11.03.2018 NCD Monthly	1,000	14,155	13.91	-	-	-
10.45% ECL Finance Limited 11.03.2018 NCD Cumulative	1,000	647	0.64	-	-	-
10.15% ECL Finance Limited 11.03.2020 NCD	1,000	3,172	3.13	-	-	-
10.60% ECL Finance Limited 11.03.2020 NCD	1,000	108	0.11	-	-	-
10.60% ECL Finance Limited 11.03.2020 NCD Cumulative	1,000	4,644	4.57	-	-	-
ECL Finance Limited 15.02.2016 CP	500,000	2,500	1,152.37	-	-	-
Edelweiss Financial Services Limited 12.02.2016 CP	500,000	2,500	1,153.23	-	-	-
Edelweiss Financial Services Limited 04.06.2015 CP	500,000	700	344.46	-	-	-
Edelweiss Financial Services Limited 25.05.2015 CP	500,000	2,000	988.28	-	-	-
10.05% Yes Bank Limited 27.12.2027 Bonds	-	-	-	1,000,000	3	3.00
			8,226.47			1,502.38
Commodities						
Agricultural products			19,049.57			3,739.87
Bullion			1,171.00			85.76
Other metals			0.20			0.20
			20,220.77			3,825.83
			28,532.92			5,328.21

*Amount in rupees



Edelweiss Commodities Services Limited

Notes to the financial statements (Continued)

(Currency : Rupees in millions)

	As at 31 March 2015	As at 31 March 2014
2.17 Trade receivables		
Outstanding for a period exceeding six months		
Unsecured, considered doubtful	61.30	60.55
	61.30	60.55
Less: Provision for doubtful debts	61.30	60.55
	-	-
Other debts		
Unsecured, considered good	1,143.55	929.40
	1,143.55	929.40
	1,143.55	929.40
2.18 Cash and bank balances		
Cash and cash equivalents		
Balances with banks		
in current accounts	92.60	283.47
Cash on hand	0.08	0.04
	92.68	283.51
Other balances with banks		
Short term deposits with banks:		
To the extent held as margin money or security against borrowings, guarantees (Refer note 2.33)	5,264.91	3,504.29
	5,357.59	3,787.80



Edelweiss Commodities Services Limited

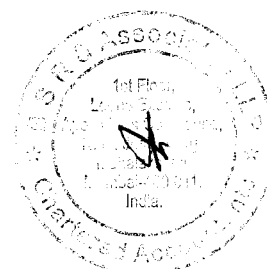
Notes to the financial statements (Continued)

(Currency : Rupees in millions)

	As at 31 March 2015	As at 31 March 2014
2.19 Short-term loans and advances		
Secured, considered good	68.52	233.87
Unsecured, considered good		
Loans and advances to related parties (Refer note 2.30)	9,941.86	10,275.34
Other loans and advances		
Loans given	6,237.13	853.35
Deposits placed with exchanges	14.01	46.85
Advances to others	1.49	4.02
Security deposits	48.60	12.59
Prepaid expenses	0.89	1.38
Loans and advances to employees	2.65	126.10
Vendor advances	700.73	607.28
Inter corporate deposits placed	100.00	100.00
Input tax credit	8.64	-
Advance income tax [Net of provision for taxation Rs. 170.19 million, (Previous year: Rs. 136.77 million)]	1.04	197.53
MAT credit entitlement	101.70	189.16
Advance customs duty paid	313.05	230.10
	17,540.31	12,877.57

2.20 Other current assets

Accrued interest on fixed deposits	172.29	37.82
Accrued interest on inter corporate deposits	11.95	7.91
Accrued interest on debt instruments	69.82	154.51
Accrued interest on loans	102.43	38.95
Accrued interest on margin	-	0.01
Receivable from exchange / clearing house (net)	397.61	0.01
Mark to mark on derivatives	105.45	467.95
Currency options premium paid	2.66	-
Contribution to gratuity fund (net) (Refer note 2.41)	1.27	0.05
Margin placed with broker	107.16	116.19
Receivable on account of acquisition of business	-	408.13
	970.64	1,231.53

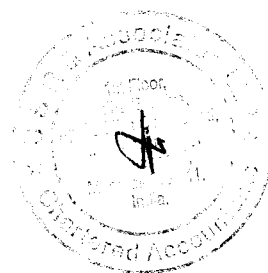


Edelweiss Commodities Services Limited

Notes to the financial statements (Continued)

(Currency : Rupees in millions)

	For the year ended 31 March 2015	For the year ended 31 March 2014
2.21 Fee and commission income		
Advisory, other fees and commodities broking income	115.89	1.02
	115.89	1.02
2.22 Income from treasury operations and investments		
Loss on trading of securities (net)	(10.31)	(53.52)
Profit/ (Loss) on trading in equity derivative instruments (net)	0.22	(82.02)
Profit on trading in commodity derivative instruments (net)	1,650.24	2,284.31
Profit on trading in currency derivative instruments (net)	382.80	1,478.03
Loss due to foreign exchange movement on trade	(312.96)	(2,132.14)
Share of profit in partnership firm	40.47	6.23
	1,750.46	1,500.89
2.23 Interest income		
Interest income on margin with suppliers	-	21.66
Interest income on loan	2,317.24	728.08
Interest income on loan to subsidiary companies	709.49	100.55
Interest income on intercorporate deposits	11.00	13.44
Interest income on fixed deposits	1,098.51	1,476.65
Interest income on debt instrument	457.46	577.08
Interest income on margin with brokers	4.28	35.56
Interest income on overdue accounts	790.94	171.42
Interest income on debentures	61.37	84.64
	5,450.29	3,209.08
2.24 Other operating revenue		
Rental income (Refer note 2.43)	417.58	368.78
	417.58	368.78
2.25 Other income		
Profit on sale of long term investment	55.29	-
Profit on sale of fixed assets (net)	0.21	-
Miscellaneous income	22.39	6.10
	77.89	6.10

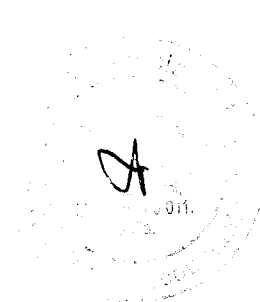


Edelweiss Commodities Services Limited

Notes to the financial statements (Continued)

(Currency : Rupees in millions)

	For the year ended 31 March 2015	For the year ended 31 March 2014
2.26 Employee benefit expenses		
Salaries and wages (Refer notes 2.41 and 2.43)	580.38	275.09
Contribution to provident and other funds (Refer note 2.41)	3.85	2.30
Staff welfare expenses	24.41	15.13
	608.64	292.52
2.27 Finance costs		
Interest on debentures	7.63	-
Interest on inter-corporate deposits	58.88	256.29
Interest on term loan	183.88	-
Interest on bank overdraft	56.34	242.99
Interest on loan from holding company	1,669.02	825.50
Interest on loan from fellow subsidiaries	514.43	200.35
Interest on loan from others	811.73	819.76
Interest - others	54.59	40.74
Interest on margin	30.28	27.81
Discount on commercial paper	1,931.00	789.65
Financial and bank charges	105.23	23.02
Interest on buyer's credit	53.69	74.63
	5,476.70	3,300.74



Edelweiss Commodities Services Limited

Notes to the financial statements (Continued)

(Currency : Rupees in millions)

	For the year ended 31 March 2015	For the year ended 31 March 2014
2.28 Other expenses		
Advertisement and business promotion	3.68	5.18
Auditors' remuneration (Refer note below)	1.18	1.02
Bad debts written off	-	0.11
Commission to non-executive director	-	1.25
Commission and brokerage	21.63	5.19
Communication	5.09	4.73
Commodity transaction tax	11.94	13.18
Computer expenses	13.27	7.34
Contribution towards CSR	0.10	-
Dematerialisation charges	1.59	0.69
Electricity charges (net) (Refer note 2.43)	29.80	27.82
Insurance	8.93	8.96
Legal and professional fees	66.57	28.04
Membership and subscription	5.32	1.43
Office expenses	64.35	59.08
Postage and courier	10.35	5.68
Printing and stationery	4.17	1.37
Provision for doubtful debts	0.75	58.91
Rates and taxes	21.78	49.53
Rating support fees	31.00	88.05
Rent (Refer note 2.39)	33.82	15.58
Repairs and maintenance - others	11.16	12.46
ROC expenses	0.02	3.50
Service tax expenses	50.29	2.70
Stamp duty	2.33	1.51
Stock exchange expenses	13.34	12.73
Transportation charges	67.58	41.01
Travelling and conveyance	20.65	15.95
Warehousing charges (net of recoveries)	146.69	9.19
Miscellaneous expenses	9.08	44.43
	656.46	526.62
Auditors' remuneration:		
As auditor	0.99	0.90
For other services	0.12	0.06
For reimbursement of expenses	0.07	0.06
	1.18	1.02

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Edelweiss Commodities Services Limited

Notes to the financial statements (continued)

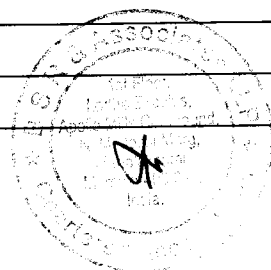
(Currency: Rupees in millions)

2.29 Segment reporting:

The Company has operated only in one business segment during the year viz. capital based business comprising of trading and investment activities. Therefore, the Company has only one reportable business segment, the results of which are disclosed in the financial statements. Since business operations of the Company are concentrated in India, the Company is considered to operate only in domestic segment and therefore there is no reportable geographic segment.

2.30 Disclosure as required by Accounting Standard 18 – “Related Party Disclosure” as prescribed under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014:

S. No	Particulars
A.	Names of related parties by whom control is exercised
	Edelweiss Financial Services Limited, Holding company
B.	Subsidiaries which are controlled by the Company
	Edelweiss Integrated Commodity Management Limited (w.e.f. 24 July 2014)
	Edelweiss Capital Markets Limited
	Edelweiss Housing Finance Limited
	Edelweiss Metals Limited
	Edel Commodities Limited
	Edel Commodities Trading Limited
	EFSL Comtrade Limited (w.e.f. 8 September 2014)
	EFSL Commodities Limited
	Edelweiss Commodities Pte Limited
	Edelweiss Commodities Nigeria Limited
	Edelweiss Commodities (CHAD) SARL (w.e.f. 23 October 2014)
	Auris Corporate Centre Limited (w.e.f. 31 October 2014)
	Eternity Business Centre Limited (w.e.f. 31 October 2014)
	Serenity Business Park Limited (w.e.f. 3 November 2014)
C.	Fellow Subsidiaries with whom the Company has transactions
	EC Commodity Limited
	Edelweiss Securities Limited
	Edelweiss Finance & Investments Limited
	ECL Finance Limited



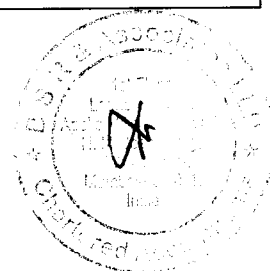
Edelweiss Commodities Services Limited

Notes to the financial statements (continued)

(Currency: Rupees in millions)

2.30 Disclosure as required by Accounting Standard 18 – “Related Party Disclosure” as prescribed under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 (continued):

C.	Fellow Subsidiaries with whom the Company has transactions (continued)
	Edelweiss Web Services Limited
	Edelweiss Custodial Services Limited
	Edelweiss Trustee Services Limited
	Edelweiss Asset Management Limited
	Edelcap Securities Limited
	ECap Equities Limited
	Edelweiss Broking Limited
	Edelweiss Investment Advisor Limited
	Edel Land Limited
	Edelweiss Global Wealth Management Limited
	Edelweiss Comtrade Limited
	Edel Finance Company Limited
	Edelweiss Insurance Brokers Limited
	Edelweiss Tokio Life Insurance Company Limited
	Edelweiss Alternative Asset Advisors Limited
	Edel Investments Limited
	Edelgive Foundation
	EC International Limited
	Aster Commodities DMCC
	Forefront Capital Management Private Limited (w.e.f. 30 April 2014)
	ECap International Limited (till 3 April 2014)
	Edelweiss Financial Advisors Limited (till 9 December 2014)
D.	Key Management Personnel with whom transactions have taken place
	Mr. Shyam Kedia (Executive Director) (till 25 February 2015)
	Mr. Rujan Panjwani (Executive Director)
	Venkat Ramaswamy (from July 1, 2013 to October 29, 2013)



Edelweiss Commodities Services Limited

Note to financial statements (Continued)

(Currency : Rupees in millions)

2.30 Related Parties (Continued)

(E) Transactions with related party during the reporting year

Particulars	Name of related parties	2014-2015	2013-2014
Capital account transactions during the year			
Preference share capital issued to	ECL Finance Limited	-	66.70
Securities premium received from	ECL Finance Limited	-	33.35
Dividend paid	Edelweiss Financial Services Limited	105.12	311.16
	Others - Subsidiary Company	1.40	1.40
Current account transactions during the year			
Inter-corporate deposits taken from	Edelweiss Asset Management Limited	400.00	400.00
	Others - Fellow subsidiary Company	-	42.00
Inter-corporate deposits repaid to	Edelweiss Asset Management Limited	470.00	463.00
	Others - Fellow subsidiary Company	-	1,032.00
Short term loans taken from (Refer note 1)	Edelweiss Financial Services Limited	35,873.35	35,799.02
	Others - Subsidiary Company	1,119.90	550.91
	Others - Fellow subsidiary Company	1,680.68	1,127.14
Long term loans taken from (Refer note 1)	ECL Finance Limited	-	1,400.00
	Edelweiss Finance and Investments Limited	-	400.00
	Edelweiss Financial Services Limited	-	700.00
	Others - Fellow subsidiary Company	-	70.00
Short term loans repaid to (Refer note 1)	Edelweiss Financial Services Limited	23,587.65	36,016.15
	Others - Subsidiary Company	481.83	517.88
	Others - Fellow subsidiary Company	1,954.06	926.95
Long term loans repaid to (Refer note 1)	ECL Finance Limited	600.00	-
	Edelweiss Insurance Brokers Limited	69.50	-
Short term loans given to (Refer note 1)	ECap Equities Limited	9,526.55	5,073.39
	Edel Commodities Limited	3,354.38	3,270.84
	Others - Subsidiary Company	8,107.71	4,868.70
	Others - Fellow subsidiary Company	2,679.80	7,645.50
Long term loans given to (Refer note 1)	Edelweiss Metals Limited	339.24	139.89
Short term loans repaid by (Refer note 1)	ECap Equities Limited	10,502.76	3,308.50
	Edelcap Securities Limited	2,547.85	813.95
	Others - Subsidiary Company	7,154.64	5,333.60
	Others - Fellow subsidiary Company	4,158.90	1,357.50
Long term loans repaid by (Refer note 1)	Edelweiss Metals Limited	126.19	-



Edelweiss Commodities Services Limited

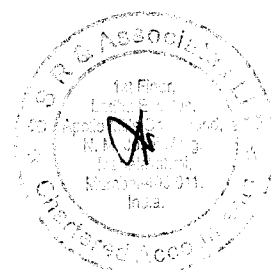
Note to financial statements (Continued)

(Currency : Rupees in millions)

2.30 Related Parties (Continued)

(E) Transactions with related party during the reporting year

Particulars	Name of related parties	2014-2015	2013-2014
Commercial paper subscribed by	ECL Finance Limited	41,000.00	33,700.00
	Edelweiss Financial Services Limited	119,000.00	120,500.00
	Edelweiss Securities Limited	59,000.00	54,500.00
Investments in equity shares of	Edelweiss Housing Finance Limited	1,100.00	850.00
	Edelweiss Integrated Commodity Management Limited	1,000.50	-
	Others - Holding Company	-	840.50
	Others - Subsidiary Company	-	0.40
	Others - Fellow subsidiary Company	640.91	40.09
Investments in equity shares sold to	Edelweiss Broking Limited	-	1,266.60
	Edelweiss Financial Services Limited	840.00	-
Investments in preference shares of	Edelweiss Broking Limited	-	1,267.00
Investments in preference shares sold to	ECL Finance Limited	600.00	-
	Edelweiss Integrated Commodity Management Limited	250.00	-
Investments in debentures of	ECL Finance Limited	500.00	-
Secondary market transactions (acting as broker)			
Margin placed with (Refer note 1)	Edelweiss Securities Limited	85.44	614.06
Margin withdrawn from (Refer note 1)	Edelweiss Securities Limited	41.67	2,923.32
Margin received from (Refer note 1)	EC Commodity Limited	645.73	438.74
	Others - Subsidiary Company	20.79	113.02
	Others - Fellow subsidiary Company	-	142.13
Margin repaid to (Refer note 1)	EC Commodity Limited	8,472.55	3,977.67
	Others - Subsidiary Company	31.58	69.88
	Others - Fellow subsidiary Company	0.43	620.85
Purchase of commodities from	Aster Commodities DMCC	15,311.14	30,044.27
	Others - Subsidiary Company	1,223.40	3,228.76
	Others - Fellow subsidiary Company	1,038.04	17.22
Sale of commodities to	Edel Commodities Limited	9,510.15	57.41
	Edelweiss Capital Markets Limited	1,874.52	1,020.12
	ECap Equities Limited	1,540.78	-
	Others - Subsidiary Company	19.84	1,987.31
	Others - Fellow subsidiary Company	767.49	-
Purchase/subscription of debentures from	ECL Finance Limited	40,884.55	31,011.71
	Edelweiss Securities Limited	53,619.23	49,160.73
	Edelweiss Financial Services Limited	108,235.33	110,752.73
	Others - Fellow subsidiary Company	534.44	0.81



Edelweiss Commodities Services Limited

Note to financial statements (Continued)

(Currency : Rupees in millions)

2.30 Related Parties (Continued)

(E) Transactions with related-party during the reporting year

Particulars	Name of related parties	2014-2015	2013-2014
Sale/redemption of debentures to	Edelweiss Finance & Investments Limited	4,987.27	10.08
	Edelweiss Financial Services Limited	7,400.00	28,750.00
	ECL Finance Limited	2,957.29	18,953.19
	Others - Fellow subsidiary Company	692.59	15,379.41
Reimbursements paid to	Edelweiss Financial Services Limited	379.59	232.38
	Others - Subsidiary Company	0.70	-
	Others - Fellow subsidiary Company	-	33.63
Reimbursement recovered from	Edelweiss Tokio Life Insurance Company Limited	1.23	1.58
	Others - Holding Company	-	0.11
	Others - Subsidiary Company	0.01	3.48
	Others - Fellow subsidiary Company	-	2.50
Remuneration paid to	Rujan Panjwani	40.42	17.65
	Shyam Kedia	7.43	55.22
	Venkat Ramaswamy	-	1.10
Income			
Interest income on debentures from	ECL Finance Limited	59.65	86.47
	Edelweiss Financial Services Limited	136.37	192.22
	Edelweiss Securities Limited	69.51	109.39
	Others - Fellow subsidiary Company	0.20	-
Interest income on loan from	ECap Equities Limited	496.06	156.21
	Edel Commodities Limited	405.73	13.54
	Edelweiss Investment Advisors Limited	161.45	119.71
	Others - Subsidiary Company	338.34	142.55
	Others - Fellow subsidiary Company	91.05	70.32
Interest income on margin placed with	Edelweiss Securities Limited	4.28	35.56
Rental income from	Edelweiss Securities Limited	97.61	71.81
	Edelweiss Tokio Life Insurance Company Limited	97.56	89.46
	Others - Holding Company	25.37	18.97
	Others - Subsidiary Company	26.16	18.94
	Others - Fellow subsidiary Company	87.51	99.64
Brokerage received from	Edel Commodities Limited	0.05	0.12
	EFSL Comtrade Limited	0.13	0.02
	Others - Subsidiary Company	-	0.06
	Others - Fellow subsidiary Company	-	0.43
Financial charges from	EC Commodity Limited	15.78	-
	ECap Equities Limited	43.24	-
	Edelweiss Capital Markets Limited	66.34	-
	Others - Subsidiary Company	10.51	-
Warehousing income from	EC Commodity Limited	2.98	-
	ECap Equities Limited	6.33	-
	Edelweiss Capital Markets Limited	11.81	-



Edelweiss Commodities Services Limited

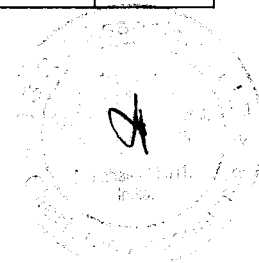
Note to financial statements (Continued)

(Currency : Rupees in millions)

2.30 Related Parties (Continued)

(E) Transactions with related party during the reporting year

Particulars	Name of related parties	2014-2015	2013-2014
Cost reimbursements recovered from	ECL Finance Limited	5.59	4.49
	Edelweiss Broking Limited	6.02	4.57
	Edelweiss Securities Limited	17.95	12.67
	Others - Holding Company	2.84	1.45
	Others - Subsidiary Company	3.60	1.71
	Others - Fellow subsidiary Company	8.31	7.64
Trade cancellation charges recovered from	Edel Commodities Trading Limited	2.50	-
Expenses			
Clearing expenses to	Edelweiss Securities Limited	0.20	0.23
Contribution towards CSR	EdelGive Foundation	0.10	-
Cost reimbursement to	Edelweiss Broking Limited	2.16	6.79
	Edelweiss Financial Services Limited	9.67	9.20
	Edelweiss Integrated Commodity Management Limited	1.84	-
	Edelweiss Securities Limited	1.77	3.06
	Others - Fellow subsidiary Company	0.13	0.03
Interest expense on inter-corporate deposits from	Edelweiss Asset Management Limited	58.28	58.44
	Others - Fellow subsidiary Company	-	92.79
Interest expenses on loans from	Edelweiss Financial Services Limited	1,669.07	825.50
	Others - Subsidiary Company	32.56	30.80
	Others - Fellow subsidiary Company	305.01	159.61
Interest expenses on margin placed by	EC Commodity Limited	30.09	25.45
	Others - Subsidiary Company	0.19	0.14
	Others - Fellow subsidiary Company	0.01	2.07
Interest expenses on security deposits from	Edelweiss Tokio Life Insurance Company Limited	35.25	35.25
Rating fees to	Edelweiss Financial Services Limited	31.00	88.05
Warehouse expenses to	Edelweiss Securities Limited	68.33	10.38
	Edelweiss Integrated Commodity Management Limited	47.76	-
	Others - Fellow subsidiary Company	2.39	0.13
Discount on commercial paper subscribed by	Edelweiss Financial Services Limited	-	0.51
Net amount incurred on settlement of forward contracts	ECL Finance Limited	57.96	-
	Others - Subsidiary Company	-	74.70
	Others - Fellow subsidiary Company	5.88	40.05
Financial charges to	Edel Investments Limited	13.92	-
Off balance sheet item			
Corporate guarantee given for	Edelweiss Housing Finance Limited	2,850.00	2,350.00
Corporate guarantee given by	Edelweiss Financial Services Limited	4,750.00	2,400.00



Edelweiss Commodities Services Limited

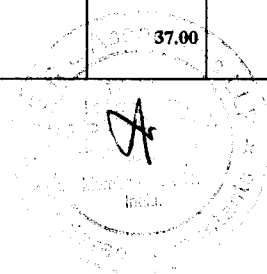
Note to financial statements (Continued)

(Currency : Rupees in millions)

2.30 Related Parties (Continued)

(E) Transactions with related party during the reporting year

Particulars	Name of related parties	2014-2015	2013-2014
Balances with related parties (Assets) as on 31 March 2015			
Accrued interest income on loans given to	Edel Commodities Limited	20.23	4.88
	Edelweiss Investment Advisors Limited	19.73	2.07
	EFSL Commodities Limited	9.51	0.77
	Others - Subsidiary Company	21.24	1.69
	Others - Fellow subsidiary Company	2.01	21.73
Accrued interest income on margin placed	Edelweiss Securities Limited	0.04	0.04
Advances recoverable from	Edelweiss Broking Limited	-	5.05
Investments in debentures of	ECL Finance Limited	500.00	-
Investments in equity shares in	ECL Finance Limited	862.84	862.84
	Edelweiss Housing Finance Limited	2,829.00	1,729.00
	Edelweiss Integrated Commodity Management Limited	1,000.50	-
	Others - Subsidiary Company	648.91	8.00
	Others - Fellow subsidiary Company	-	840.00
Investments in preference shares in	Edel Land Limited	125.11	125.11
	Edelweiss Broking Limited	667.00	1,517.00
	Edelweiss Securities Limited	260.00	260.00
	Edelweiss Investment Advisors Limited	205.00	205.00
Margin receivable from	Edelweiss Securities Limited	107.11	116.18
Nomination deposits receivables from	Edel Commodities Limited	0.20	-
	Edelweiss Capital Markets Limited	0.20	-
	Edelweiss Housing Finance Limited	0.10	-
	Edelweiss Metals Limited	0.10	-
Trade receivables from	Edelweiss Capital Markets Limited	96.19	-
	Others - Subsidiary Company	12.67	91.79
	Others - Fellow subsidiary Company	44.99	15.34
Short term loans receivables given to	Edel Commodities Limited	5,919.05	2,688.52
	Edelweiss Investment Advisors Limited	1,335.82	1,475.50
	Others - Subsidiary Company	1,785.07	350.31
	Others - Fellow subsidiary Company	901.92	5,761.01
Long term loans receivables given to	Edelweiss Metals Limited	552.94	339.88
Receivable on acquisition of securities business	Edel Commodities Limited	-	408.12
Investments in debentures of	ECL Finance Limited	1,274.04	18.05
	Edelweiss Financial Services Limited	2,485.97	-
Balances with related parties (Liabilities) as on 31 March 2015			
Dividend payable to	ECL Finance Limited	0.70	6.07
	Edelweiss Securities Limited	0.70	0.70
	Edelweiss Financial Services Limited	-	159.30
Inter-corporate deposits taken from	Edelweiss Asset Management Limited	37.00	107.00



Edelweiss Commodities Services Limited

Note to financial statements (Continued)

(Currency : Rupees in millions)

2.30 Related Parties (Continued)

(E) Transactions with related party during the reporting year

Particulars	Name of related parties	2014-2015	2013-2014
Accrued interest expense on loans taken from	Edelweiss Financial Services Limited	57.11	7.55
	ECL Finance Limited	9.55	5.48
	Others - Subsidiary Company	4.75	75.03
	Others - Fellow subsidiary Company	8.70	2.85
Other payable to	Edelweiss Metals Limited	1.32	-
	Others - Holding Company	0.10	-
	Others - Subsidiary Company	-	200.00
	Others - Fellow subsidiary Company	0.01	541.22
Rental deposits payable to	Edelweiss Tokio Life Insurance Company Limited	300.00	300.00
Trade payables to	Aster Commodities DMCC	1,641.28	2,847.32
	EC Commodity Limited	597.33	-
	Edelweiss Comtrade Limited	513.87	391.56
	Others - Holding Company	9.95	9.35
	Others - Subsidiary Company	50.05	372.14
	Others - Fellow subsidiary Company	35.38	85.26
Short term loan payable taken from	Edelweiss Financial Services Limited	12,794.00	508.30
	Others - Subsidiary Company	1.60	33.03
	Others - Fellow subsidiary Company	596.30	200.19
Long term loan payable taken from	ECL Finance Limited	1,500.00	2,100.00
	Edelweiss Finance & Investments Limited	400.00	400.00
	Edelweiss Financial Services Limited	700.00	700.00
	Others	0.50	70.00
Accrued salaries and benefits	Rujan Panjwani	33.00	-

Note 1:

Loan given / taken to / from parties and margin money placed / refund received with / from related parties are disclosed based on the maximum incremental amount given / taken and placed / refund received during the reporting period.



Edelweiss Commodities Services Limited

Notes to the financial statements (continued)

(Currency: Rupees in millions)

2.31 Investments in partnership firms:

Name of Partnership Firm	Edelvalue Partners	
	As at 31 March 2015	As at 31 March 2014
Total capital of partnership firm	Rs. 404.88 million	Rs. 62.48 million
Name of partners	Share in capital and share in profit/loss	
Dahlia Commodities Services Private Limited	40%	40%
Magnolia Commodities Services Private Limited	41%	41%
Edelweiss Commodities Services Limited	10%	10%
ECap Equities Limited	9%	2%
Edelcap Securities Limited	-	7%

Name of Partnership Firm	Forefront Wealth Advisors LLP (w.e.f. 30 April 2014)	
	As at 31 March 2015	
Total Capital of Partnership firm	Rs. 0.08 million	
Name of partners	Share in capital and share in profit/loss	
Edelweiss Commodities Services Limited	34%	
Edelweiss Capital Markets Limited	33%	
ECap Equities Limited	33%	



Edelweiss Commodities Services Limited

Notes to the financial statements (continued)

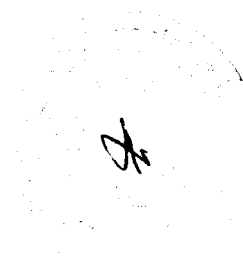
(Currency: Rupees in millions)

2.32 Contingent liabilities (to the extent not provided for):

(a)	Taxation matters in respect of which appeal is pending Rs.770.26 million (Previous year: Rs. 208.28 million).The Company has paid Rs.39.09 million under protest against these cases.
(b)	Corporate Guarantee given by the company to bank for Rs. 2,850.00 million (Previous year: Rs. 2,350.00 million) for availing Fund based Banking facilities by its subsidiary company Edelweiss Housing Finance Limited.

2.33 Encumbrances' on fixed deposits held by the Company:

i)	Fixed deposits aggregating to Rs. 3,329.73 million (Previous year: Rs. 1,451.63 million) have been pledged with exchanges for meeting margin requirements.
ii)	Fixed deposits aggregating to Rs. 3,357.90 million (Previous year: Rs. 1,746.55 million) have been pledged with banks for securing bank overdrafts and buyer's credit.
iii)	Fixed deposits aggregating to Rs. 20.00 million (Previous year: Rs. 1.00 million) have been pledged with bank for meeting margin requirements for buying bullion.
iv)	Fixed deposits aggregating to Rs. 0.44 million (Previous year: Rs. 0.41 million) have been pledged with sales tax authorities for meeting deposit requirements.
v)	Fixed deposits aggregating to Rs. 250.00 million (Previous year: Rs. 250.00 million) have been pledged with bank for obtaining the bank guarantee provided to The Multi Commodity Exchange of India Limited for meeting margin requirements.
vi)	Fixed deposits aggregating to Rs. 10.20 million (Previous year: Rs. 0.20 million) have been pledged with banks for obtaining the bank guarantee provided to VAT authorities for meeting statutory requirements.
vii)	Fixed deposits aggregating to Rs. 119.90 million (Previous year: Rs. 49.90 million) have been pledged with bank for obtaining the bank guarantee provided to Customs authorities for meeting statutory requirements.
viii)	Fixed deposits aggregating to Rs. 3.71 (Previous year: Rs. 3.71 million) have been pledged with bank for obtaining the bank guarantee provided to Reliance Infra Limited.
ix)	Fixed deposits aggregating to Rs. 8.10 million (Previous year: Rs. 3.20 million) have been pledged with bank for obtaining the bank guarantee provided to various mandies for margin and license requirements.

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Edelweiss Commodities Services Limited

Notes to the financial statements (continued)

(Currency: Rupees in millions)

2.34 Derivative transactions

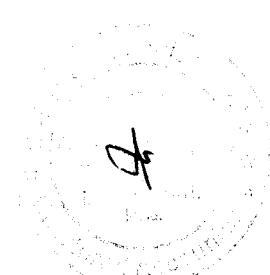
The Company uses forward exchange contracts and futures and options to hedge its exposure in foreign currency. The information on open derivative instrument is as follows.

Open interest in commodity futures as at 31 March 2015

Sr. No.	Name of commodity future	Expiry Month	No. of contracts	Number of units involved*
1	Long Position (*In Kgs)	April 2015	40,357	15,197,680
		May 2015	535,210	32,183,150
		June 2015	22,920	57,217,130
		Aug 2015	2,400	2,400
2	Short Position (*In Kgs)	April 2015	54,084	409,620,305
		May 2015	22,608	221,959,240
		June 2015	21,510	6,102,090
		July 2015	161	4,830
3	Short Position (*In mmbtu)	April 2015	76,320	152,640
4	Short Position (*In barrels)	April 2015	2,232	2,790,000

Open interest in currency futures as at 31 March 2015

Sr. No.	Name of currency future	Expiry month	No.of contracts	Number of units involved*
1	Long Position – *USDINR	April 2015	20,000	20,000,000
2	Long Position – *8.40% Central Government Security	April 2015	9,750	19,500,000
3	Short Position – *USDINR	April 2015	171	1,71,000
		May 2015	5,500	5,500,000





Edelweiss Commodities Services Limited

Notes to the financial statements (continued)

(Currency: Rupees in millions)

2.35 Earnings per share:

In accordance with Accounting Standard 20 on Earnings per share as prescribed under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014, the computation of earnings per share is set out below:			
	Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
(a)	Profit after tax (as per statement of profit and loss)	560.63	744.18
	Less: dividend on preference share capital	46.06	27.34
	Net profit for the year attributable to equity shareholders	514.57	716.84
(b)	Calculation of weighted average number of equity Shares of Rs. 10 each		
	Number of shares outstanding at the beginning of the year	29,775,368	29,775,368
	Number of Shares issued during the year	-	-
	Total number of equity shares outstanding at the end of the year	29,775,368	29,775,368
	Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	29,775,368	29,775,368
(c)	Basic and diluted earnings per share (in rupees) (a)/(b)	17.28	24.07



Edelweiss Commodities Services Limited

Notes to the financial statements (continued)

(Currency: Rupees in millions)

2.36 Details of stock-in-trade:

Securities:

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
Opening stock		
Equity	-	-
Debentures and bonds	1,502.38	1,233.98
Certificate of deposits / commercial papers	-	-
Other	-	-
Subtotal (a)	1,502.38	1,233.98
Purchase		
Equity	85.68	-
Debentures and bonds	56,521.43	1,385.07
Certificate of deposits / commercial papers	706,102.44	714,413.18
Other	50.00	-
Subtotal (b)	762,759.55	715,798.25
Sales		
Equity	-	-
Debentures and bonds	53,492.06	1,072.27
Certificate of deposits / commercial papers	702,396.42	714,404.06
Other	50.99	-
Subtotal (c)	755,939.47	715,476.33
Closing stock		
Equity	85.68	-
Debentures and bonds	4,588.13	1,502.38
Certificate of deposits / commercial papers	3,638.34	-
Other	-	-
Subtotal (d)	8,312.15	1,502.38
Loss on sale of securities (c+d-a-b)	(10.31)	(53.52)



Edelweiss Commodities Services Limited

Notes to the financial statements (continued)

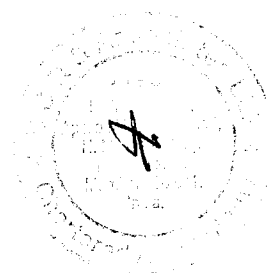
(Currency: Rupees in millions)

2.36 Details of stock-in-trade (continued)

Commodities:

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
Opening Stock		
Agricultural products	3,739.87	655.38
Bullion	85.76	1,698.21
Other metals	0.20	0.20
Subtotal (a)	3,825.83	2,353.79
Purchase		
Agricultural products	39,524.82	9,784.88
Bullion	161,783.83	149,838.22
Other metals	-	-
Subtotal (b)	201,308.65	159,623.10
Sales		
Agricultural products	23,970.05	6,779.52
Bullion	161,067.24	151,494.79
Other metals	-	-
Subtotal (c)	185,037.29	158,274.31
Closing Stock		
Agricultural products	19,049.57	3,739.87
Bullion	1,171.00	85.76
Other metals	0.20	0.20
Subtotal (d)	20,220.77	3,825.83
Profit on sale of commodities (c+d-a-b)	123.58	123.25

Note: Quantitative details of commodities are not given due to the varied nature of products and measurement units.



Edelweiss Commodities Services Limited

Notes to the financial statements (continued)

(Currency: Rupees in millions)

2.37 Earnings and expenditure in foreign currency:

Earning in foreign exchange received in India:

Sr. No	Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
(a)	F.O.B. value of Export	671.13	1,734.34

Value of import on C.I.F. basis:

Sr. No	Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
(a)	Value of Import on C.I.F. Basis		
	- Commodities	125,079.15	100,846.23
	- Capital goods	27.19	2.32

Expenditure in foreign currency from India:

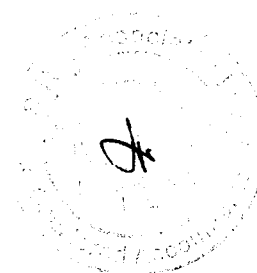
Sr. No	Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
(a)	Foreign Travels	0.97	8.51
(b)	Interest on buyer's credit	53.69	74.63

2.38 Capital commitments (to the extent not provided for):

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is Rs. 64.20 million (Previous year: Rs. 33.70 million).

2.39 Operating leases:

The Company had taken office premises under operating lease agreements, for which lease term has expired during the year. Gross rental expenses for the year ended 31 March 2015 aggregated to Rs. 33.82 million (Previous year: Rs. 15.58 million) (Refer note 2.28) which has been included under the head other expenses – Rent in the statement of profit and loss. There are no future minimum lease payments for the non-cancellable operating lease.



Edelweiss Commodities Services Limited

Notes to the financial statements (continued)

(Currency: Rupees in millions)

2.39 Operating leases (continued)

The Company has given certain portion of the building on cancellable and non cancellable operating lease for periods ranging from 12 months to 60 months, the details of which are given below:

Particulars	As at 31 March 2015	As at 31 March 2014
Gross block	2,139.29	2,139.29
Accumulated depreciation	330.39	235.18
Net block	1,808.90	1,904.11
Depreciation for the year	95.21	100.22

Lease payments received and recognized in the Statement of Profit and loss during the year ended 31 March 2015 is Rs. 417.58 million (Previous year: Rs. 368.78 million).

The future minimum lease payments receivable under non cancellable operating leases are as follows:

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
Not later than one year	26.31	71.93
Later than one year and not later than five years	20.40	46.70
Later than five years	-	-

2.40 Details of dues to micro, small and medium enterprises:

Trade Payables includes Rs. Nil (Previous year: Rs. Nil) payable to "Suppliers" registered under the Micro, Small and Medium Enterprises Development Act, 2006. No interest has been paid / is payable by the Company during the year to "Suppliers" registered under this act. The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said act.

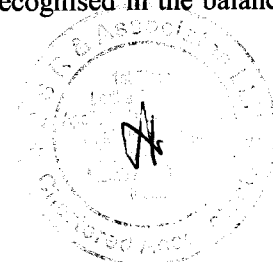
2.41 Disclosure pursuant to Accounting Standard 15 (Revised) - Employee Benefits:

A) Defined contribution plan (Provident fund):

An amount of Rs. 5.22 million (Previous year: Rs. 2.15 million) is recognised as expense and included in "Employee benefit expenses" – Note 2.26 in the statement of profit and loss.

B) Defined benefit plan (Gratuity):

The following tables summarize the components of the net benefit expenses recognised in the statement of profit and loss, the funded status and amount recognised in the balance sheet for the gratuity benefit plan



Edelweiss Commodities Services Limited

Notes to the financial statements (continued)

(Currency: Rupees in millions)

2.41 Disclosure pursuant to Accounting Standard 15 (Revised) - Employee Benefits (continued)

Statement of profit and loss:

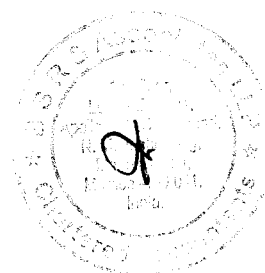
Net employee benefit expenses

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
Current service cost	1.06	1.16
Interest on defined benefit obligation	0.52	0.48
Expected return on plan assets	(0.50)	(0.36)
Net actuarial losses recognized in the year	(1.81)	(1.37)
Total included in 'Employee Benefit Expenses'	(0.73)	(0.09)

Balance Sheet:

Amount recognised in the Balance Sheet:

Particulars	As at 31 March 2015	As at 31 March 2014
Liability at the end of the year	6.43	6.38
Fair value of plan assets at the end of the year	7.70	6.43
Amount in Balance Sheet	1.27	0.05



Edelweiss Commodities Services Limited

Notes to the financial statements (continued)

(Currency: Rupees in millions)

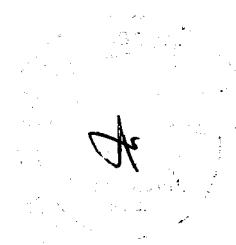
2.41 Disclosure pursuant to Accounting Standard 15 (Revised) - Employee Benefits (continued)

Changes in the present value of the defined benefit obligation are as follows:

Particulars	As at 31 March 2015	As at 31 March 2014
Liability at the beginning of the year	6.38	6.06
Transfer In/(Out)	(0.49)	0.04
Interest cost	0.52	0.48
Current service cost	1.06	1.16
Benefits Paid	(0.27)	(0.32)
Actuarial (gain)/loss on obligations:		
- Difference due to change in assumptions	-	-
- Experience Adjustment of Plan Asset [(Gain)/ Loss]	(0.77)	(1.04)
Liability at the end of the year	6.43	6.38

Changes in the fair value of the plan assets are as follows:

Particulars	As at 31 March 2015	As at 31 March 2014
Fair value of the plan asset at the beginning of the year	6.43	2.47
Expected Return on Plan Assets	0.50	0.36
Contributions	-	3.59
Benefits Paid	(0.27)	(0.32)
Actuarial (loss)/gain on Plan Assets	-	-
- Difference due to change in assumptions	-	-
- Experience Adjustment of Plan Asset [Loss/(Gain)]	1.04	0.33
Fair value of the plan asset at the end of the year	7.70	6.43

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Edelweiss Commodities Services Limited

Notes to the financial statements (continued)

(Currency: Rupees in millions)

2.41 Disclosure pursuant to Accounting Standard 15 (Revised) - Employee Benefits (continued)

Experience Adjustment:

Particulars	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Obligation at year end	6.43	6.38	6.06	2.29	-
Plan assets at year end	7.70	6.43	2.47	2.57	-
On Plan Liabilities: (Gain)/Loss	(1.23)	(0.77)	3.12	(1.98)	-
On Plan Assets: Loss/(Gain)	1.04	0.33	(0.10)	0.06	-
Estimated contribution for the next year	(2.28)	(1.09)	3.50	0.03	-

Principal actuarial assumptions at the balance sheet date:

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
Discount rate	7.8%	8.9%
Salary escalation	8%	6%
Employee attrition rate	13% to 25%	13% to 25%

2.42 Details of long term borrowings and current maturity of long term borrowings:

Interest Rate Range	> 3 years	2-3 years	1-2 years	< 1 year	Total
10-11%	2,031.25	4,406.25 (2,100.00)	1,656.25	406.25	8,500.00
11-12%	-	1,200.50 (4,070.00)	-	-	1,200.50
above 12%	-	25.50	-	-	25.50

Note: Figures in bracket are in respect of previous year.



Edelweiss Commodities Services Limited

Notes to the financial statements (continued)

(Currency: Rupees in millions)

2.43 Cost sharing and other recoveries:

Cost sharing:

Edelweiss Financial Services Limited, being the holding company along with fellow subsidiaries incurs expenditure like common senior management compensation cost, rent expenditure, etc. which is for the common benefit of itself and its certain subsidiaries including the Company. This cost so expended is reimbursed by the Company on the basis of number of employees, area occupied, time spent by employees of other companies, actual identifications etc. On the same lines, costs like rent, electricity charges incurred by the Company for the benefit of fellow subsidiaries and associate companies are recovered as reimbursement by the Company from the subsidiaries and associate companies on similar basis. Accordingly, and as identified by the management, the expenditure heads in note 2.26 and 2.28 include reimbursements paid and are net of the reimbursements received based on the management's best estimate.

Other recoveries:

The income head in note 2.24 relates to amount charged from group companies and other external parties for occupying office premises in the Company's building.

2.44 Disclosure of loans and advances pursuant to clause 29 of the debt listing agreement

Name of Subsidiary	31 March 2015		31 March 2014	
	Amount outstanding	Maximum Amount o/s during the year	Amount outstanding	Maximum Amount o/s during the year
<i>Short term loans</i>				
Edelweiss Capital Markets Limited	521.75	2,040.14	3,358.48	-
Edelweiss Housing Finance Limited	0.53	755.93	1,318.50	49.70
Edel Commodities Limited	5,912.76	6,318.89	3,270.84	2,964.51
Edel Commodities Trading Limited	267.82	1,657.88	50.00	-
EFSL Commodities Limited	202.44	2,243.58	563.65	263.65
EFSL Comtrade Limited	649.52	1,050.78	86.95	36.95
Edelweiss Metals Limited	67.45	709.70	-	-
<i>Long term loans</i>				
Edelweiss Metals Limited	552.93	679.12	339.88	339.88



Edelweiss Commodities Services Limited

Notes to the financial statements (continued)

(Currency: Rupees in millions)

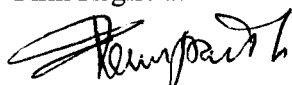
- 2.45** The Company has received demand notices from tax authorities on account of disallowance of expenditure for earning exempt income under section 14A of Income Tax Act 1961 read with Rule 8D of the Income Tax Rules, 1962. The company has filed appeal and is defending its position. Due to the lack of clarity on legal position relating to the application of Rule 8D, the outcome and quantification of the eventual tax liability on the company, if any, at this stage cannot be estimated. The Company has been advised by its tax counsel that it has a good chance in sustaining its position.

As per our report of even date attached.

For B S R & Associates LLP

Chartered Accountants

Firm Registration No. 116231W/W-100024



N Sampath Ganesh

Partner

Membership No: 042554

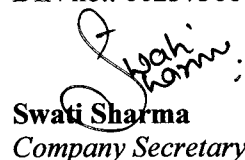
For and on behalf of the Board of Directors



Rujan Panjwani

Executive Director

DIN no.: 00237366



Swati Sharma

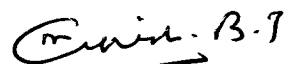
Company Secretary



Deepak Maheshwari

Director

DIN no:02601708



Manish Jethwa

Chief Financial Officer

Mumbai

14 May 2015

Mumbai

14 May 2015