

Edelweiss Commodities Services Limited

Financial statements
together with the
Independent Auditor's Report
for the year ended 31 March 2016

Edelweiss Commodities Services Limited

Financial statements together with the Independent auditor's report
for the year ended 31 March 2016

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B S R & Associates LLP

Chartered Accountants

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Independent Auditor's Report

To the Members of Edelweiss Commodities Services Limited

Report on the financial statements

We have audited the accompanying financial statements of Edelweiss Commodities Services Limited (the "Company"), which comprise the Balance Sheet as at 31 March 2016, 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 the 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 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.

Auditor's responsibility

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

Edelweiss Commodities Services Limited

Annexure A to the Independent Auditor's Report-31 March 2016

The Annexure referred to in Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31 March 2016, 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.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. (a) With regards 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 physical verification of stock-in-trade followed by management are reasonable and adequate in relation to the size of the company and nature of 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, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- v. The Company has not accepted any deposits from the public.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any 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 records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, service tax, duty of customs, value added tax 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 employees' state insurance, sales tax, duty of excise and cess. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, service tax, duty of customs, value added tax and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.



Independent Auditor's Report (*Continued*)

Edelweiss Commodities Services Limited

Auditor's 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.

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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016, 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, 2016 (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, 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 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 Auditor's Report (*Continued*)

Edelweiss Commodities Services Limited

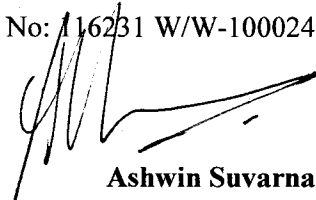
Report on other legal and regulatory requirements (Continued)

- e) On the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- g) 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 financial statements – Refer Note 2.32 to the financial statements;
 - ii. The Company has made provision as required under the applicable law or accounting standards, for material foreseeable losses, if any on long-term contracts including long term derivative contracts - Refer Note 2.47 to the financial statements; and
 - iii. There were no amounts 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: 116231 W/W-100024



Ashwin Suvarna

Partner

Membership No: 109503

Mumbai

11 May 2016

Edelweiss Commodities Services Limited

**Annexure A to the Independent Auditor's Report-31 March 2016
(Continued)**

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

Name of the statute	Nature of dues	Amount (Rs. In million)	Period to which the amount relates	Forum where dispute is pending
Gujrat Value Added Tax, 2013	Value Added Tax	123.43	A.Y. 2010-11	Joint Commissioner (Appeals),
Rajasthan Value Added Tax, 2013	Value Added Tax	26.63	A.Y. 2011-12	Tax Board
Maharashtra Value Added Tax, 2012	Value Added Tax	0.55	A.Y. 2012-13	Deputy Commissioner of Sales Tax
Kerala Value Added Tax, 2003	Value Added Tax	1.41	A.Y. 2012-13	Commercial tax officer
Madhya Pradesh Value Added Tax, 2012	Value Added Tax	2.74	A.Y. 2013-14	Additional Commissioner of Commercial Tax,
West Bengal Value Added Tax, 2003	Value Added Tax	3.02	A.Y. 2013-14	Joint Commissioner, Sales Tax
Tamil Nadu Value Added Tax, 2006	Value Added Tax	3.28	A.Y. 2014-15	Joint Commissioner (Appeals),
Income Tax Act, 1961	Income Tax	7.70	A.Y. 2008-09	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	59.28	A.Y. 2011-12	Commisioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	79.11	A.Y. 2012-13	Commisioner of Income Tax (Appeals)
The Bombay Stamp Act, 1958	Stamp Duty	0.98	F.Y. 2005-06	Maharashtra State Government
The Bombay Stamp Act, 1958	Stamp Duty	0.25	F.Y. 2006-07	Maharashtra State Government

- viii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not defaulted in the repayment of outstanding dues to financial institution, bank, government or debenture holder during the year.



Edelweiss Commodities Services Limited

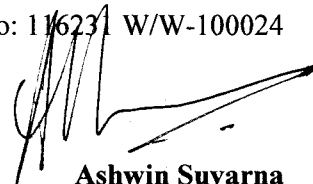
Annexure A to the Independent Auditor's Report-31 March 2016 (Continued)

- ix. According to the information and explanations given to us and based on our examination of records of the Company, the term loans taken by the Company have been applied for the purpose for which they were raised.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made private placement of Non-convertible debentures during the year in accordance with Section 42 of Companies Act 2013 and have been used for the purpose for which the funds were raised.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of Reserve Bank of India Act 1934.

For B S R & Associates LLP

Chartered Accountants

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



Ashwin Suvarna

Partner

Membership No: 109503

Mumbai
11 May 2016

Edelweiss Commodities Services Limited

Annexure B to the Independent Auditor's Report-31 March 2016

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

We have audited the internal financial controls over financial reporting of Edelweiss Commodities Services Limited (the "Company") as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information, as required under the Act.

Auditor's responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Edelweiss Commodities Services Limited

Annexure B to the Independent Auditor's Report-31 March 2016 (Continued)

Meaning of internal financial controls over financial reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent limitations of internal financial controls over financial reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

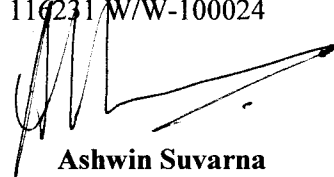
Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For B S R & Associates LLP

Chartered Accountants

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



Ashwin Suvarna
Partner

Membership No: 109503

Mumbai
11 May 2016

Edelweiss Commodities Services Limited

Balance Sheet

(Currency: Rupees in millions)

	Note No.	As at 31 March 2016	As at 31 March 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	570.65	570.65
Reserves and surplus	2.2	5,233.78	4,755.33
Non-current liabilities			
Long-term borrowings	2.3	11,913.50	9,319.75
Deferred tax liabilities (net)	2.12	-	86.71
Other long term liabilities	2.4	401.02	339.83
Long-term provisions	2.5	49.69	22.99
Current liabilities			
Short-term borrowings	2.6	49,568.71	40,500.67
Trade payables	2.7	2,754.64	7,800.07
Other current liabilities	2.8	4,787.64	4,244.87
Short-term provisions	2.9	127.10	221.18
TOTAL		75,406.73	67,862.05
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	2.10	3,090.23	3,254.75
Intangible assets	2.10	92.90	192.96
Capital work-in-progress		78.11	55.84
Non-current investments	2.11	7,825.80	7,782.46
Deferred tax assets (net)	2.12	32.14	-
Long-term loans and advances	2.13	1,069.66	1,145.17
Other non-current assets	2.14	1,560.98	1,835.24
		13,749.82	14,266.42
Current assets			
Current investments	2.15	-	40.47
Stock-in-trade	2.16	17,839.12	28,532.92
Trade receivables	2.17	377.75	1,143.55
Cash and bank balances	2.18	1,475.96	5,357.59
Short-term loans and advances	2.19	41,354.03	17,550.46
Other current assets	2.20	610.05	970.64
		61,656.91	53,595.63
TOTAL		75,406.73	67,862.05

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

The notes referred to above form an integral part of the financial statements
As per our report of even date attached.

For B S R & Associates LLP

Chartered Accountants

Firm Registration No. 116231W/W-100024

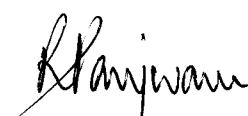


Ashwin Suvarna

Partner

Membership No: 109503

For and on behalf of the Board of Directors of
Edelweiss Commodities Services Limited



Rujan Panjwani

Executive Director

DIN No.: 00237366



Kalpana Maniar

Director

DIN No.: 00719180



Manish Jethwa

Chief Financial Officer



Kamlesh Gujar

Company Secretary

Mumbai

11 May 2016

Mumbai

11 May 2016

Edelweiss Commodities Services Limited

Statement of Profit and Loss

(Currency: Rupees in millions)

	Note No.	For the year ended 31 March 2016	For the year ended 31 March 2015
Revenue from operations			
Fee and commission income	2.21	86.33	115.89
Income from treasury operations and investments	2.22	366.32	1,805.75
Interest income	2.23	7,547.80	5,450.29
Sale of commodities		163,098.79	184,365.67
Sale of manufactured products		432.77	671.62
Other operating revenue	2.24	417.26	417.58
Other income	2.25	26.05	22.60
Total Revenue		171,975.32	192,849.40
Expenses			
Cost of materials consumed		246.12	886.24
Purchase of commodities		155,890.35	200,422.41
Changes in stock-in-trade of commodities		6,362.22	(16,394.94)
Employee benefit expenses	2.26	363.20	608.64
Finance costs	2.27	6,807.84	5,476.70
Depreciation and amortisation expense	2.10	358.36	407.24
Other expenses	2.28	997.97	656.46
Total expenses		171,026.06	192,062.75
Profit before tax		949.26	786.65
Tax expense:			
Current tax [includes short / (excess) provision of earlier years Rs. 36.90 million; (Previous year - (Rs. 0.60) million)]		432.25	243.71
Minimum alternate tax credit entitlement		(14.36)	-
Deferred tax		(118.85)	(17.69)
Profit for the year		650.22	560.63
Earnings per equity share (face value of Rs. 10 each)			
Basic and diluted (in rupees)	2.35	20.29	17.28

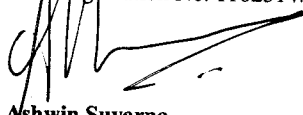
Significant accounting policies and notes to the financial statements 1 & 2

The notes referred to above form an integral part of the financial statements
As per our report of even date attached.

For B S R & Associates LLP

Chartered Accountants

Firm Registration No. 116231W/W-100024

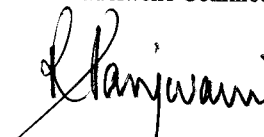


Ashwin Suvarna

Partner

Membership No: 109503

For and on behalf of the Board of Directors of
Edelweiss Commodities Services Limited



Rujan Panjwani

Executive Director

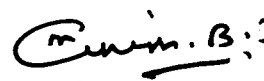
DIN No.: 00237366



Kalpana Maniar

Director

DIN No.: 00719180



Manish Jethwa

Chief Financial Officer



Kamlesh Gujar

Company Secretary

Mumbai

11 May 2016

Mumbai

11 May 2016

Edelweiss Commodities Services Limited

Cash Flow Statement

(Currency: Rupees in millions)

	For the year ended 31 March 2016	For the year ended 31 March 2015
A Cash flow from operating activities		
Profit before tax	949.26	786.65
Adjustments for		
Depreciation and amortisation expense	358.36	407.24
Diminution in value of non-current investments	28.51	-
Loss/(profit) on write-off of fixed assets (net)	0.39	(0.21)
Provision for doubtful debts	8.84	0.75
Unrealised foreign exchange loss / (gain)	56.70	132.78
Dividend on non-current investment	(0.18)	-
Provision for compensated leave absences	1.46	0.44
Profit on sale of investments	-	(55.29)
Share of loss / (profit) from partnership firm	11.55	(40.47)
Adjustment on account of accumulated depreciation	-	(0.63)
Interest expense	3,756.41	3,440.47
Operating cash flow before working capital changes	5,171.30	4,671.73
Adjustments for working capital changes		
Decrease / (increase) in trade receivables	756.96	(214.90)
Decrease / (increase) in stock-in-trade	10,693.80	(23,204.72)
Decrease / (increase) in loans and advances	3,741.37	(1,734.88)
Decrease / (increase) in other current assets	633.59	(1,802.99)
(Decrease) / increase in current liabilities and provisions	(6,675.46)	5,258.46
Cash generated from / (used in) operations	14,321.56	(17,027.30)
Income taxes paid	(410.82)	(140.12)
Net cash generated from / (used in) operating activities - A	13,910.74	(17,167.42)
B Cash flow from investing activities		
Purchase of fixed assets (including capital work-in progress)	(117.40)	(148.89)
Proceeds from sale of fixed assets	0.96	1.37
Dividend on non-current investment	0.18	-
Purchase of investments	(34.81)	(3,361.16)
Proceeds from sale of investments	-	2,440.88
Loans given (net) (Refer note 1)	(23,665.47)	(5,098.02)
Received from Edel Commodities Limited on account of acquisition	-	231.17
Net cash used in investing activities - B	(23,816.54)	(5,934.65)
C Cash flow from financing activities		
Proceeds from borrowing of secured loans (net) (Refer note 1)	4,526.41	10,466.91
(Repayment of) / proceeds from unsecured loans (net) (Refer note 1)	(13,005.19)	6,923.14
Proceeds from issuance of commercial paper (net) (Refer note 1)	21,755.57	9,422.23
Dividend and dividend distribution tax paid	(171.63)	(307.98)
Interest paid	(3,132.07)	(3,593.06)
Net cash generated from financing activities - C	9,973.09	22,911.24
Net increase / (decrease) in cash and cash equivalents (A+B+C)	67.29	(190.83)
Cash and cash equivalents as at the beginning of the year	92.68	283.51
Cash and cash equivalents as at the end of the year (Refer note 2.18)	159.97	92.68

Note:

1 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



Ashwin Suvarna

Partner

Membership No: 109503

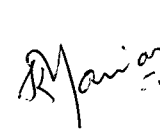
For and on behalf of the Board of Directors of
Edelweiss Commodities Services Limited



Rujan Panjwani

Executive Director

DIN No.: 00237366



Kalpana Maniar

Director

DIN No.: 00719180



Manish Jethwa

Chief Financial Officer

Mumbai

11 May 2016



Kamlesh Gujar

Company Secretary

Mumbai

11 May 2016

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 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), (hereinafter referred to as 'the Act') and 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 management to make certain estimates and assumptions that affect the reported amount of assets, liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenue and expenses during the reporting period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as on the date of the financial statements. 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

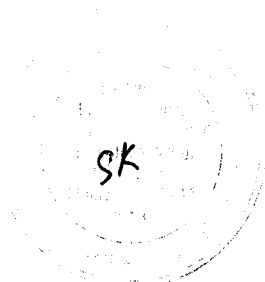
All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle or it is held primarily for the purpose of being traded or it is expected to be realized within twelve months after the reporting date or it is cash or cash equivalent unless it is restricted from being exchanged or expected to be used to settle a liability for at least twelve months after the reporting date. Current assets include the current portion of non-current assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it is expected to be settled in the Company's normal operating cycle or it is held primarily for the purpose of being traded or it is due to be settled within twelve months after the reporting date or the Company does not have an unconditional right to defer settlement of the liability for at least twelve 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 liabilities. All other liabilities are classified as non-current.

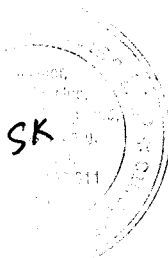


Edelweiss Commodities Services Limited

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 comprises of profit/loss on sale of securities and commodities and profit/loss on 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 is 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, market intermediary quotes, valuation techniques are 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.
- Commodity's sales are accounted when all obligations connected with the transfer of risks and rewards to the buyer have been fulfilled after the price has been determined and collection of the receivable is reasonably certain.
- Revenue from sale of processed goods is recognized net of returns, on transfer of significant risks and rewards in respect of ownership to the buyer. Sales exclude sales tax and value added tax.
- Sale during the course of import by transfer of documents of title i.e. high seas sale is booked upon transfer of documents of title to the goods in favor of buyer before the goods cross the custom frontiers of India.
- Interest income is recognised on accrual basis.
- Interests on delayed payments, warehousing charges and rental income are recognised on accrual basis by reference to the agreements entered.
- 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.
- Dividend income is recognised when the right to receive payment is established.



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 of acquisition or construction, less accumulated depreciation and impairment losses, 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 upto 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	Estimated useful life
Building (Other than Factory Building)	60 years
Plant and equipments	15 years
Furniture and fixtures	10 years
Vehicles	8 years
Office equipments	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:

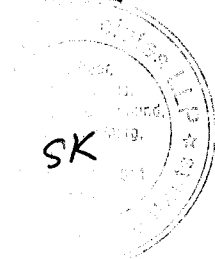
Intangible fixed assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any.

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. The recoverable amount is the greater of the net selling price and the value in use of those assets. Value in use is arrived at by discounting the estimated future cash flows to their present value based on an appropriate discount factor. If such recoverable amount of the asset or the recoverable amount of cash generating unit to which the asset belongs 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

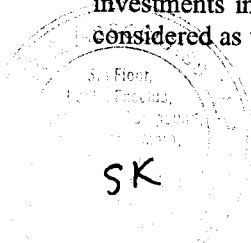
- a) The securities acquired with the intention of short-term holding and trading positions are considered as stock-in-trade and disclosed as current assets.
- b) The securities held as stock-in-trade are valued at lower of weighted average cost or market value.
- c) In case of units of mutual funds held as stock-in-trade, net asset value is considered as fair value.
- d) 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.
- e) Inventories in the form of commodities are valued at cost or net realisable value, whichever is lower.
- f) Debt instruments are valued at cost or realizable value whichever is lower. In case of debt instruments for which direct quotes are not available, they are valued at the lowest of the quotes as on valuation date as provided by market intermediaries.
- g) Commercial papers, certificate of deposits and treasury bills are valued at carrying cost.

1.9 Investments

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

Non-current (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.



Notes to the financial statements (Continued)

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

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”. Basic earnings per share is computed by dividing the net profit after tax attributable to equity shareholders 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

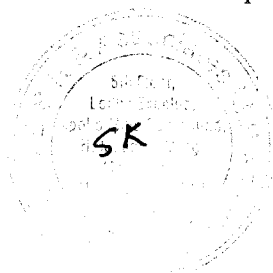
Provision for current tax is recognised based on estimated tax liability computed after adjusting for allowances, disallowances and exemptions in accordance with the Income Tax Act, 1961.

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 these assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonable/virtually certain (as the case may be) to be realised.

Minimum alternative tax (MAT) Credit

MAT credit asset is recognized where 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

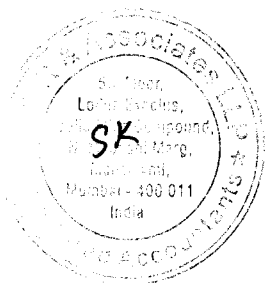
The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present 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. 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 and other such similar qualifying arrangements.



Edelweiss Commodities Services Limited

Notes to the financial statements (Continued)

(Currency: Rupees in millions)

	As at 31 March 2016	As at 31 March 2015
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) Reconciliation of shares outstanding at the beginning and at the end of the year:

	31 March 2016		31 March 2015	
	Number of shares	Amount	Number of Shares	Amount
Equity shares of Rs. 10 each fully paid				
Outstanding at the beginning of the year	29,775,368	297.75	29,775,368	297.75
Issued during the year	-	-	-	-
Outstanding at the end of the year	29,775,368	297.75	29,775,368	297.75
7% Non-cumulative non-convertible redeemable preference shares of Rs. 10 each fully paid				
Outstanding at the beginning of the year	2,000,000	20.00	2,000,000	20.00
Issued during the year	-	-	-	-
Outstanding at the end of the year	2,000,000	20.00	2,000,000	20.00
14.625% Cumulative non-convertible redeemable preference shares of Rs. 10 each fully paid				
Outstanding at the beginning of the year	25,290,000	252.90	25,290,000	252.90
Issued during the year	-	-	-	-
Outstanding at the end of the year	25,290,000	252.90	25,290,000	252.90

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

	31 March 2016		31 March 2015	
	Number of shares	Percentage Shareholding	Number of shares	Percentage Shareholding
(a) Equity shares				
Edelweiss Financial Services Limited, the holding company and its nominees	29,775,368	100%	29,775,368	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	1,000,000	50%	1,000,000	50%
ECL Finance Limited, the subsidiary of the holding company	1,000,000	50%	1,000,000	50%
	2,000,000	100%	2,000,000	100%



Edelweiss Commodities Services Limited

Notes to the financial statements (Continued)

(Currency: Rupees in millions)

2.1 Share capital (continued)

(v) Details of shares in the Company held by each shareholder holding more than 5 percent shares:

	31 March 2016		31 March 2015	
	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	29,775,368	100%	29,775,368	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	1,000,000	50%	1,000,000	50%
ECL Finance Limited, the subsidiary of the holding company	1,000,000	50%	1,000,000	50%
14.625% Cumulative non-convertible redeemable preference shares of Rs. 10 each fully paid up				
Lalita Omkarnath Malpani	3,340,000	13.21%	3,340,000	13.21%
Balagopal Chandrasekhar	2,100,000	8.30%	2,100,000	8.30%
HB Esmech Private Limited	1,560,000	6.17%	1,660,000	6.56%
The Bombay Oil Industries Private Limited	1,340,000	5.30%	1,340,000	5.30%
Indu Devendra Kothari	1,334,000	5.27%	1,334,000	5.27%
Kishore V Mariwala	1,330,000	5.26%	1,330,000	5.26%

Rights, preferences and restrictions 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.

Rights, preferences and restrictions 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.

Rights, preferences and restrictions 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 preference shares will be redeemed at a premium of Rs. 5 per preference share over the face value together with the unpaid dividend till the date of redemption. The preference share will be compulsorily redeemed at the end of 10 years from the date of allotment.

Note 1:

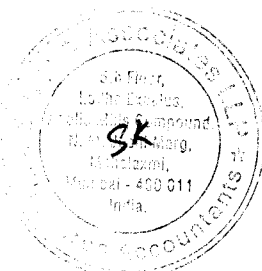
During the financial year 2011-12, in accordance with the scheme of arrangement approved by the Hon'ble High Court of Andhra Pradesh at Hyderabad ('the Order'), Edelweiss Trading & Holdings Limited ('ETHL'), erstwhile wholly owned subsidiary of Edelweiss Financial Services Limited ('EFSL'), had demerged 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.

Note 2:

No share allotted as fully paid up by way of bonus shares by the Company during the period of five years immediately preceding the balance sheet date.

Note 3:

No shares bought back by the Company during the period of five years immediately preceding the balance sheet date.

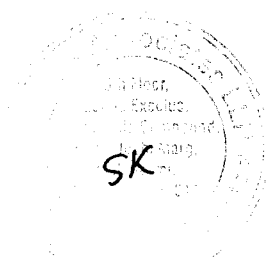


Edelweiss Commodities Services Limited

Notes to the financial statements (Continued)

(Currency: Rupees in millions)

	As at 31 March 2016	As at 31 March 2015
2.2 Reserves and surplus		
Securities premium account		
Opening balance	3,146.31	3,146.31
Add : Additions during the year	-	-
	<u>3,146.31</u>	<u>3,146.31</u>
Debenture redemption reserve		
Opening balance	18.00	-
Add : Additions during the year	973.32	18.00
	<u>991.32</u>	<u>18.00</u>
General reserve		
Opening balance	181.68	125.62
Add : Additions during the year	-	56.06
	<u>181.68</u>	<u>181.68</u>
Surplus in the statement of profit and loss		
Opening balance	1,409.34	1,086.15
Add : Adjustment on account of accumulated depreciation (net of tax)	-	(0.62)
Add : Profit for the year	650.22	560.63
Amount available for appropriation	<u>2,059.56</u>	<u>1,646.16</u>
Appropriations:		
Transfer to debenture redemption reserve	973.32	18.00
Interim dividend on equity shares	104.21	99.75
Dividend distribution tax	29.17	24.62
Transfer to general reserve	-	56.06
Dividend on preference shares	38.39	38.39
Net surplus in the statement of profit and loss	<u>914.47</u>	<u>1,409.34</u>
	<u>5,233.78</u>	<u>4,755.33</u>
2.3 Long-term borrowings		
Secured (Refer note 2.42)		
Non-convertible debentures	9,350.00	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)		
Term Loans from a bank	2,437.50	2,843.75
(Secured by charge on immovable property with bank)		
Loans from related parties	-	1,900.00
(Secured by way of floating charge on trade receivables, stock-in-trade and loans and advances)		
	<u>11,787.50</u>	<u>8,493.75</u>
Unsecured (Refer note 2.42)		
Loans from related parties	0.50	700.50
Loans from others	125.50	125.50
	<u>126.00</u>	<u>826.00</u>
	<u>11,913.50</u>	<u>9,319.75</u>



Edelweiss Commodities Services Limited

Notes to the financial statements (Continued)

(Currency: Rupees in millions)

Long-term borrowings

Secured

Repayment terms of secured non convertible debentures (NCD) are as follows:

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

Description of Secured Redeemable Non-Convertible Debentures (NCD)	Issue date	Redemption date	No. of NCDs	As at 31 March 2016	No. of NCDs	As at 31 March 2015
Franklin Templeton Mutual Fund	19-08-2015	17-04-2020	2,000	2,000.00	-	-
Deutsche Mutual Fund	10-07-2015	04-10-2018	35	35.00	-	-
Deutsche Mutual Fund	10-07-2015	13-07-2018	20	20.00	-	-
Axis Mutual Fund	10-07-2015	28-06-2018	500	500.00	-	-
Deutsche Mutual Fund	10-07-2015	20-06-2018	135	135.00	-	-
Deutsche Mutual Fund	10-07-2015	10-04-2018	45	45.00	-	-
Birla Mutual Fund	24-03-2015	03-04-2018	2,500	2,500.00	2,500.00	2,500.00
Deutsche Mutual Fund	10-07-2015	15-03-2018	55	55.00	-	-
Deutsche Mutual Fund	10-07-2015	06-02-2018	60	60.00	-	-
Deutsche Mutual Fund	10-07-2015	05-12-2017	50	50.00	-	-
Deutsche Mutual Fund	10-07-2015	08-08-2017	220	220.00	-	-
Religare Invesco Mutual Fund	15-07-2015	14-07-2017	250	250.00	-	-
Deutsche Mutual Fund	10-07-2015	04-07-2017	80	80.00	-	-
Baroda Pioneer Mutual Fund	24-07-2015	08-06-2017	100	100.00	-	-
Franklin Templeton Mutual Fund	19-08-2015	19-04-2017	3,250	3,250.00	-	-
Deutsche Mutual Fund	10-07-2015	10-04-2017	50	50.00	-	-
Deutsche Mutual Fund	27-03-2015	27-09-2016	1,250	1,250.00	1,250.00	1,250.00
Deutsche Mutual Fund	06-08-2015	26-04-2016	365	365.00	-	-
Total				10,965.00		3,750.00
Current maturities classified under other current liabilities (refer note no. 2.9)				1,615.00		-
Long Term Borrowings				9,350.00		3,750.00

Note : Coupon rate of NCDs outstanding as on 31 March 2016 varies from 8.90% to 10.65%

Repayment terms of term loans from banks are as follows:

Term Loans from banks	Issue date	Redemption date	As at 31 March 2016	Redemption date	As at 31 March 2015
Kotak Mahindra Bank	26-09-2014	25-09-2019	1,625.00	25-09-2019	1,625.00
	26-09-2014	25-09-2018	406.25	25-09-2018	406.25
	26-09-2014	25-09-2017	406.25	25-09-2017	406.25
	26-09-2014	25-09-2016	406.25	25-09-2016	406.25
	26-09-2014		-	25-09-2015	406.25
Total			2,843.75		3,250.00
Of which Current maturities have been classified under other Current liabilities (refer note no. 2.9)					
			406.25		406.25
Long Term Borrowings					2,843.75

Note : Coupon rate of Term loans from Banks outstanding as on 31 March 2016 varies from 9.51% to 10.81%

Repayment terms of loans from related parties are as follows:

Term Loans from related parties	Issue date	Redemption date	As at 31 March 2016	Redemption date	As at 31 March 2015
ECL Finance Limited	19-03-2014	26-08-2015	-	19-03-2017	1,500.00
Edelweiss Finance and Investments Limited	29-03-2014	26-02-2016	-	29-03-2017	400.00
Total			-		1,900.00

Note : Coupon rate of Term loans from related parties are outstanding as on 31 March 2016 varies from 10.25% to 12%

Unsecured

Repayment terms of loans from related parties and other parties are as follows:

Particulars	Issue date	Redemption date	As at 31 March 2016	Redemption date	As at 31 March 2015
Loans from related parties					
Edelweiss Insurance Brokers Limited	26-02-2014	24-03-2019	0.50	26-02-2017	0.50
Edelweiss Financial Services Limited	29-03-2014	17-03-2016	-	29-03-2017	700.00
Loans from others					
Lichen Metals Private Limited	27-03-2014	24-03-2019	100.00	27-03-2017	100.00
Styrax Commodities Limited	30-03-2013	24-03-2019	25.50	30-03-2016	25.50
Total			126.00		826.00

Note : Coupon rate of Term loans from related parties are outstanding as on 31 March 2016 varies from 12% to 18%

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Edelweiss Commodities Services Limited

Notes to the financial statements (Continued)

(Currency: Rupees in millions)

	As at 31 March 2016	As at 31 March 2015
2.4 Other long term liabilities		
Others		
Rental deposits	34.66	333.99
Interest accrued but not due on borrowings	366.36	5.84
	401.02	339.83
2.5 Long-term provisions		
Provision for employee benefits		
Compensated leave absences	2.57	1.35
Deferred bonus	47.12	21.64
	49.69	22.99
2.6 Short-term borrowings		
Secured		
Loans repayable on demand		
Overdraft from banks	1,989.98	435.11
(Secured by pledge of Current assets of the Company with bank)		
Term Loans		
from banks	1,737.56	3,144.77
(Secured by pledge of warehouse receipts of stock-in-trade)		
from others	-	530.00
(Secured by way of floating charge on trade receivables, stock-in-trade and loans and advances)		
	3,727.54	4,109.88
Unsecured		
Loans and advances from related parties*	562.56	13,391.90
Inter-corporate deposits*	248.00	41.00
(Repayable on demand, at variable rates of interest)		
Commercial paper	44,410.00	22,200.00
Less: Unamortised discount on commercial paper	(930.45)	(476.03)
	43,479.55	21,723.97
Loans and advances from others*	1,551.06	1,233.92
	45,841.17	36,390.79
	49,568.71	40,500.67
(*Repayable at variable rates of interest)		
2.7 Trade payables		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,754.64	7,800.07
(includes sundry creditors and provision for expenses)		
	2,754.64	7,800.07



Edelweiss Commodities Services Limited

Notes to the financial statements (Continued)

(Currency: Rupees in millions)

	As at 31 March 2016	As at 31 March 2015
2.8 Other current liabilities		
Current maturities of long term debts		
Non-convertible debentures (Refer note 2.42)	1,615.00	-
(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)		
Term loan from a bank (Refer note 2.42)	406.25	406.25
(Secured by charge on immovable property with banks)		
Interest accrued but not due on borrowings	348.71	56.29
Interest accrued and due on borrowings / margin	71.18	99.77
Other payables		
Accrued salaries and benefits	140.79	355.05
Withholding tax, service tax and other taxes payable	166.49	206.45
Payable towards exchange trades settlement	693.28	1,111.01
Advances from customers	1,283.23	1,378.32
Book overdrafts	8.25	593.96
Retention money payable	2.98	3.52
Others	51.48	34.25
	4,787.64	4,244.87
2.9 Short-term provisions		
Provision for employee benefits		
Gratuity	0.26	-
Compensated leave absences	0.56	0.32
Deferred bonus	80.08	36.93
Others		
Proposed dividend on preference shares	38.39	38.39
Provision for dividend distribution tax	7.81	7.67
Provision for taxation	-	137.87
[Net of advance tax Rs. Nil (Previous year: Rs. 397.13 million)]		
	127.10	221.18



Edelweiss Commodities Services Limited

Notes to the financial statements (Continued)

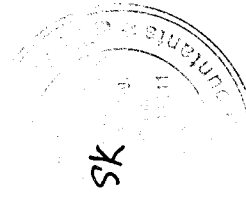
(Currency: Rupees in millions)

2.10 Fixed Assets

Description of Assets	Gross Block			Depreciation and amortisation				Net Block	
	As at 1 April 2015	Additions during the year	Deductions during the year	As at 31 March 2016	Adjustment in Opening Reserve (Refer note below)	Charge for the year	Deductions during the year	As at 31 March 2016	As at 31 March 2015
Tangible assets									
Land	189.11	-	-	189.11	-	-	-	189.11	189.11
Building	3,447.46	-	-	3,447.46	-	144.64	-	2,748.10	2,892.74
Plant and equipment	0.44	0.18	-	0.62	0.08	0.11	-	0.43	0.36
Furniture and fixtures	95.93	6.92	3.27	99.58	49.52	13.30	2.13	38.89	46.41
Vehicles	10.48	1.69	0.55	11.62	4.59	2.03	0.38	5.38	5.89
Office equipments	209.70	3.69	0.01	213.38	150.98	36.51	-	25.89	58.72
Computers and networking	186.62	51.24	0.07	237.79	141.23	26.36	0.04	70.24	45.39
Leasehold improvements	19.39	0.25	-	19.64	3.26	4.19	-	12.19	16.13
Total : A	4,159.13	65.97	3.90	4,219.20	904.38	227.14	2.55	3,090.23	3,254.75
Intangible assets									
Goodwill	531.84	-	-	531.84	388.10	106.41	-	37.33	143.74
Computer software	59.77	31.16	-	90.93	10.55	24.81	-	55.57	49.22
Total : B	591.61	31.16	-	622.77	398.65	131.22	-	92.90	192.96
Grand Total (A+B)	4,750.74	95.13	3.90	4,841.97	1,303.03	358.36	2.55	3,183.13	3,447.71
Previous year	4,624.40	127.50	1.16	4,750.74	895.48	407.24	0.63	3,447.71	

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 2016 is higher by Rs. Nil (Previous year Rs. 81.88) and an amount of Rs. Nil (Previous year 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 2016			As at 31 March 2015		
	Face value*	Quantity	Amount	Face value*	Quantity	Amount
2.11 Non-current investments						
Others (quoted)						
Investments in equity instruments						
Health Care Global Enterprise Limited	10	1,159,926	100.45	-	-	-
Others (unquoted)						
Investments in equity instruments of subsidiaries (fully paid up)						
Edelweiss Housing Finance Limited	10	38,300,000	2,829.00	10	38,300,000	2,829.00
Edel Commodities Limited	10	50,000	0.50	10	50,000	0.50
Edelweiss Capital Markets Limited	10	6,300,000	68.20	10	300,000	8.20
EFSL Comtrade Limited	10	170,000	6.50	10	170,000	6.50
Edelweiss Metals Limited	10	5,010,000	250.50	10	5,010,000	250.50
Edelweiss Agri Value Chain Limited (Earlier known as Edelweiss Integrated Commodity Management Limited)	10	100,050,000	1,000.50	10	100,050,000	1,000.50
Eternity Business Centre Limited	10	19,160,500	191.61	10	19,160,500	191.61
Serenity Business Park Limited	10	19,160,500	191.61	10	19,160,500	191.61
			4,538.42			4,478.42
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 group companies (fully paid up)						
ECL Finance Limited	1	146,976,650	862.84	1	146,976,650	862.84
Investments in equity instruments of other companies (fully paid up)						
Health Care Global Enterprise Limited	-	-	-	10	1,159,926	100.45
The Catholic Syrian Bank Limited	10	874,814	92.37	10	177,748	40.09
Metropolitan Stock Exchange of India Limited	1	57,020,000	85.53	1	49,120,000	73.68
Less : Diminution in value of investments			(28.51)			-
			149.39			214.22
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
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	667,000	667.00
Non cumulative compulsory convertible redeemable						
0.01% Arum Investments Private Limited	10	1,327,486	188.37	10	1,327,486	188.37
			1,445.48			1,445.48
Application money paid for rights issue of equity shares of The Catholic Syrian Bank Limited pending allotment of the shares	-	-	-	-	-	52.28
Investments in debentures (fully paid up)						
ECL Finance Limited	5,000	100,000	500.00	5,000	100,000	500.00
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
			708.00			708.00
Investments in partnership firm, Capital account						
Edelvalue Partners			0.01			0.01
Other Investments						
Forefront Wealth Advisors LLP			0.03			0.03
			7,825.80			7,782.46
Aggregate value of quoted investments						
At carrying value			100.45			-
At market value			207.10			-
Aggregate value of unquoted investment						
At carrying value			7,725.35			7,782.46

*Amount in rupees



Edelweiss Commodities Services Limited

Notes to the financial statements (Continued)

(Currency: Rupees in millions)

	As at 31 March 2016	As at 31 March 2015
2.12 Deferred tax		
Deferred tax liabilities		
Tax effect of the timing differences on account of:		
Difference between book and tax depreciation	85.45	99.80
Unrealised gain on derivatives	40.97	-
Others	38.11	29.96
	164.53	129.76
Deferred tax assets		
Tax effect of the timing differences on account of:		
Provision for doubtful debts	141.02	21.21
Disallowances under section 43B of the Income Tax Act, 1961	45.11	20.85
Others	10.54	0.99
	196.67	43.05
Deferred tax liabilities (net)	-	86.71
Deferred tax assets (net)	32.14	-
2.13 Long-term loans and advances (Unsecured, considered good)		
Loans and advances to a related party (Refer note 2.30)	552.93	552.93
Capital advances	0.79	-
Other loans and advances		
Advance income tax [net of provision Rs. 1,283.09 million (Previous year: Rs. 508.92 million)]	515.94	592.24
	1,069.66	1,145.17
2.14 Other non-current assets		
Long term deposits with banks		
Held as margin money or security against borrowings, guarantees (Refer note 2.33)	1,560.92	1,835.06
Accrued interest on fixed deposits	0.06	0.18
	1,560.98	1,835.24
2.15 Current investments		
Others (Unquoted)		
Investments in current account with partnership firms (Refer note 2.31)		
Edelvalue Partners	-	40.48
Investments in current account with LLP (Refer note 2.31)		
Forefront Wealth Advisors LLP	-	(0.01)
	-	40.47
Aggregate amount of unquoted current investment	-	40.47



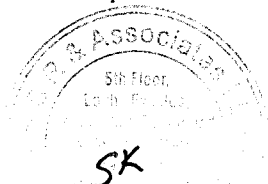
Edelweiss Commodities Services Limited

Notes to the financial statements (Continued)

(Currency: Rupees in millions)

	As at 31 March 2016			As at 31 March 2015		
	Face value*	Quantity	Amount	Face value*	Quantity	Amount
2.16 Stock-in-trade						
(Refer note 2.36)						
Equity shares (quoted)						
Inox Wind Limited	-	-	-	10	263,616	85.68
Debentures bonds and Commercial papers (CP) (quoted)						
12.00% Future Corporate Resources Limited 29.01.2020 NCD (SR-I)	10,000,000	5	50.00	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
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
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	2.01	1,000,000	2	2.14
11.60% ECL Finance Limited 28.01.2017 NCD	1,000	52	0.05	1,000	7,521	7.49
11.60% ECL Finance Limited Cumulative 28.01.2017 NCD (Cumulative)	1,000	18,767	18.66	1,000	9,951	9.90
11.85% ECL Finance Limited 28.01.2019 NCD	1,000	6,725	6.99	1,000	7,557	7.52
11.85% ECL Finance Limited Cumulative 28.01.2019 NCD	1,000	3,136	3.21	1,000	49,062	48.77
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	54,238	58.06	1,000	12,628	12.97
10.00% ECL Finance Limited 11.03.2018 NCD	1,000	150	0.15	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	1,818	1.80	1,000	647	0.64
10.15% ECL Finance Limited 11.03.2020 NCD Monthly	1,000	12,436	12.40	1,000	3,172	3.13
10.60% ECL Finance Limited 11.03.2020 NCD	1,000	11,701	11.78	1,000	108	0.11
10.60% ECL Finance Limited 11.03.2020 NCD Cumulative	1,000	7,436	7.33	1,000	4,644	4.57
10.45% ECL Finance Limited 11.03.2018 NCD	1,000	1,976	1.98	-	-	-
0.00% Edelweiss Financial Services Limited 12.09.2017 NCD	1,000,000	25	29.76	-	-	-
0.00% Edelweiss Financial Services Limited 10.04.2018 NCD	1,000,000	20	21.55	-	-	-
12.25% Sprit Textiles Private Limited 21.09.2018 NCD	10,000,000	18	180.00	-	-	-
11.25% SREI Infrastructure Finance Limited 12.11.2019 Bonds	-	-	-	1,000	275	0.27
5.00% New Media Broadcasting Private Limited 18.02.2021 NCD	1,000,000	1,160	1,160.00	-	-	-
7.39% National Highways Authority of India 09.03.2031 NCD	1,000	496	0.50	-	-	-
7.35% National Bank for Agriculture and Rural Development 23.03.2031 Bonds	1,000	45,177	45.56	-	-	-
7.64% National Bank for Agriculture and Rural Development 23.03.2031 Bonds	1,000	10,200	10.15	-	-	-
7.35% National Highway Authority of India 11.01.2031 Bonds	1,000	1,170	1.18	-	-	-
6.00% Zee Entertainment Enterprises Limited 05.03.2022 Preference Shares	1	118,739	0.11	-	-	-
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
			1,623.23			8,226.47
Debentures and Commercial papers (CP) (unquoted)						
Menara Developers & Infrastructure Private Limited CCD	10,000,000	25	250.00	-	-	-
Edelweiss Financial Services Limited 03.05.2016 CP	500,000	700	347.34	-	-	-
19.00% Modella Textiles Industries Limited 29.11.2017 NCD	1,000,000	1,760	1,760.00	-	-	-
			2,357.34			-
Commodities						
Agricultural products			8,539.96			19,049.57
Bullion			5,318.39			1,171.00
Other metals			0.20			0.20
			13,858.55			20,220.77
			17,839.12			28,532.92

* Amounts in rupees



Edelweiss Commodities Services Limited

Notes to the financial statements (Continued)

(Currency: Rupees in millions)

	As at 31 March 2016	As at 31 March 2015
2.17 Trade receivables		
Outstanding for a period exceeding six months		
Unsecured, considered good	3.34	-
Unsecured, considered doubtful	70.13	61.30
Less: Provision for doubtful debts	70.13	61.30
	3.34	-
Other debts		
Unsecured, considered good	374.41	1,143.55
	374.41	1,143.55
	377.75	1,143.55
2.18 Cash and bank balances		
Cash and cash equivalents		
Balances with banks		
in current accounts	66.61	92.60
in fixed deposits with original maturity less than 3 months	93.30	-
Cash on hand	0.06	0.08
	159.97	92.68
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)	1,315.99	5,264.91
	1,475.96	5,357.59



Edelweiss Commodities Services Limited

Notes to the financial statements (Continued)

(Currency: Rupees in millions)

	As at 31 March 2016	As at 31 March 2015
2.19 Short-term loans and advances		
Secured, considered good		
Loans given*	41.57	68.52
Unsecured, considered good		
Loans and advances to related parties (Refer note 2.30)	26,848.63	9,941.86
Other loans and advances		
Loans given*	13,022.78	6,237.13
Deposits placed with exchanges	6.75	14.01
Advances to others	0.43	1.49
Security deposits	51.18	58.75
Prepaid expenses	7.72	0.89
Loans and advances to employees	2.36	2.65
Vendor advances	887.97	700.73
Inter corporate deposits placed	100.00	100.00
Input tax credit	346.75	8.64
Advance income tax [net of provision for taxation Rs. 281.21 million, (Previous year: Rs. 170.19 million)]	34.09	1.04
MAT credit entitlement	-	101.70
Advances recoverable in cash or in kind or for value to be received	3.80	-
Advance customs duty paid	-	313.05
	41,354.03	17,550.46

*Loans have been given for the general corporate business.

2.20 Other current assets

Accrued interest on fixed deposits	4.31	172.29
Accrued interest on inter corporate deposits	21.64	11.95
Accrued interest on debt instruments	51.05	69.82
Accrued interest on loans	246.11	102.43
Accrued interest on margin	0.04	-
Receivable from exchange / clearing house (net)	7.02	397.61
Mark to mark on derivatives	188.65	105.45
Currency options premium paid	-	2.66
Contribution to gratuity fund (net) (Refer note 2.41)	-	1.27
Margin placed with broker	91.23	107.16
	610.05	970.64

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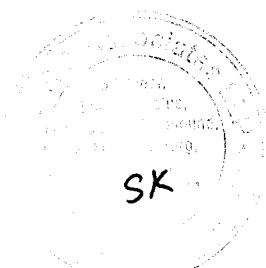


Edelweiss Commodities Services Limited

Notes to the financial statements (Continued)

(Currency: Rupees in millions)

	For the year ended 31 March 2016	For the year ended 31 March 2015
2.21 Fee and commission income		
Advisory, other fees and commodities broking income	86.33	115.89
	86.33	115.89
2.22 Income from treasury operations and investments		
Loss on trading of securities (net)	(54.01)	(10.31)
Profit on trading in equity derivative instruments (net)	-	0.22
Profit on trading in commodity derivative instruments (net)	940.79	1,650.24
Profit on trading in currency derivative instruments (net)	42.46	376.35
(Loss) / profit on trading in interest rate derivative (net)	(7.13)	6.45
Loss due to foreign exchange movement on trade	(613.53)	(312.96)
Dividend on stock-in-trade	69.11	-
Dividend on long term investment	0.18	-
Share of (loss)/profit in partnership firm	(11.55)	40.47
Profit on sale of long term investment	-	55.29
	366.32	1,805.75
2.23 Interest income		
Interest income on loan	1,955.52	2,317.24
Interest income on loan to subsidiary companies	1,103.21	709.49
Interest income on intercorporate deposits	11.25	11.00
Interest income on fixed deposits	1,594.55	1,098.51
Interest income on debt instrument	1,683.02	457.46
Interest income on margin with brokers	0.96	4.28
Interest income on delayed payments	1,199.29	790.94
Interest income on debentures	-	61.37
	7,547.80	5,450.29
2.24 Other operating revenue		
Rental income (Refer note 2.43)	417.26	417.58
	417.26	417.58
2.25 Other income		
Profit on sale of fixed assets (net)	-	0.21
Miscellaneous income	26.05	22.39
	26.05	22.60

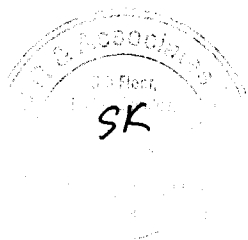


Edelweiss Commodities Services Limited

Notes to the financial statements (Continued)

(Currency: Rupees in millions)

	For the year ended 31 March 2016	For the year ended 31 March 2015
2.26 Employee benefit expenses		
Salaries and wages (refer notes 2.41 and 2.43)	327.52	580.38
Contribution to provident and other funds (refer note 2.41)	13.45	3.85
Staff welfare expenses	22.23	24.41
	363.20	608.64
2.27 Finance costs		
Interest on debentures	831.47	7.63
Interest on inter-corporate deposits	57.97	58.88
Interest on term loan	343.44	183.88
Interest on bank overdraft	275.48	56.34
Interest on loan from holding company	1,192.24	1,669.02
Interest on loan from fellow subsidiaries	143.47	514.43
Interest on loan from others	848.49	811.73
Interest - others	21.10	54.59
Interest on margin	6.83	30.28
Discount on commercial paper	2,938.63	1,931.00
Financial and bank charges	112.80	105.23
Interest on buyer's credit	36.13	53.69
Interest on shortfall in payment of advance income tax	(0.21)	-
	6,807.84	5,476.70



Edelweiss Commodities Services Limited

Notes to the financial statements (Continued)

(Currency: Rupees in millions)

	For the year ended 31 March 2016	For the year ended 31 March 2015
2.28 Other expenses		
Advertisement and business promotion	6.82	3.68
Auditor's remuneration (refer note below)	2.31	1.18
Commission and brokerage	-	21.63
Communication	9.63	5.09
Commodity transaction tax	15.79	11.94
Computer expenses	19.46	13.27
Contribution towards corporate social responsibilities	0.39	0.10
Diminution in value of non-current investments	28.51	-
Directors' sitting fees	0.46	-
Electricity charges (net) (refer note 2.43)	34.91	29.80
Legal and professional fees	72.20	66.57
Loss on sale of fixed assets (net)	0.39	-
Membership and subscription	1.33	5.32
Office expenses	79.56	64.35
Postage and courier	4.24	10.35
Printing and stationery	2.82	4.17
Provision for doubtful debts	8.84	0.75
Rates and taxes	34.37	21.78
Rating support fees	89.40	31.00
Rent (Refer note 2.39)	53.48	33.82
Repairs and maintenance - others	23.02	11.16
Service tax expenses	83.43	50.29
Stamp duty	5.29	2.33
Stock exchange expenses	29.01	13.34
Transportation charges	49.40	67.58
Travelling and conveyance	18.63	20.65
Warehousing charges [net of recoveries Rs. 407.47 million (Previous year Rs. 248.92 million)]	321.72	146.69
Miscellaneous expenses	2.56	19.62
	997.97	656.46
Auditor's remuneration:		
As auditor	1.70	0.99
For other services	0.52	0.12
For reimbursement of expenses	0.09	0.07
	2.31	1.18



Edelweiss Commodities Services Limited

Notes to the financial statements (continued)

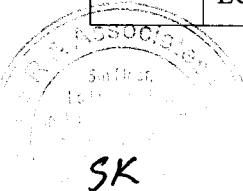
(Currency: Rupees in millions)

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:

Sr. 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 Agri Value Chain Limited (Formerly known as Edelweiss Integrated Commodity Management Limited)
	Edelweiss Capital Markets Limited
	Edelweiss Housing Finance Limited
	Edelweiss Metals Limited
	Edel Commodities Limited
	Edel Commodities Trading Limited
	EFSL Comtrade Limited
	EFSL Commodities Limited
	Edelweiss Commodities Pte Limited
	Edelweiss Commodities Nigeria Limited
	Edelweiss Commodities (CHAD) SARL
	Edelweiss Tarim Urunleri Anonim Sirketi (w.e.f. 27 January 2016)
	Eternity Business Centre Limited
	Serenity Business Park Limited
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
	Aster Commodities DMCC
	Forefront Capital Management Private Limited
	Edelgive Foundation
	Edelweiss Financial Advisors Limited
	Arum Investments Private Limited
	Auris Corporate Centre Limited
	Burlington Business Solutions Limited
	Edelweiss Retail Finance Limited
	Olive Business Centre Limited
D.	Associate company with whom the Company has transactions
	Allium Finance Private Limited
E.	Key Management Personnel with whom transactions have taken place
	Mr. Rujan Panjwani (Executive Director)
	Mr. Shyam Kedia (Executive Director) (upto 25 February 2015)

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Edelweiss Commodities Services Limited

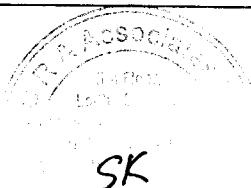
Note to financials statements (Continued)

(Currency : Rupees in millions)

2.30 Related Parties (Continued)

(F) Transactions with related party during the reporting year

Particulars	Name of related parties	2015-2016	2014-2015
Capital account transactions during the year			
Dividend paid	Edelweiss Financial Services Limited	104.21	105.12
	Others - Subsidiary Company	1.40	1.40
Dividend received	Edelweiss Securities Limited	0.18	-
Current account transactions during the year			
Inter-corporate deposits taken from	Edelweiss Asset Management Limited	455.00	400.00
Inter-corporate deposits repaid to	Edelweiss Asset Management Limited	450.00	470.00
Short term loans taken from	Edelweiss Financial Services Limited	21,855.09	35,873.35
(Refer note 1 and 2)	ECL Finance Limited	2,950.00	600.00
	Others - Subsidiary Company	-	1,119.90
	Others - Fellow subsidiary Company	263.95	1,080.68
Short term loans repaid to	Edelweiss Financial Services Limited	34,348.51	23,587.65
(Refer note 1 and 2)	Others - Subsidiary Company	1.60	481.83
	Others - Fellow subsidiary Company	4,078.27	1,954.06
Long term loans repaid to	ECL Finance Limited	1,500.00	600.00
(Refer note 1 and 2)	Edelweiss Insurance Brokers Limited	-	69.50
	Edelweiss Finance & Investments Limited	400.00	-
	Edelweiss Financial Services Limited	700.00	-
Short term loans given to	ECap Equities Limited	18,258.19	9,526.55
(Refer note 1, 2 and 4)	Edel Commodities Limited	908.35	3,354.38
	ECL Finance Limited	17,338.01	-
	Others - Holding Company	8,885.16	-
	Others - Subsidiary Company	26,149.89	8,107.71
	Others - Fellow subsidiary Company	30,576.32	2,679.80
Long term loans given to (Refer note 1, 2 and 4)	Edelweiss Metals Limited	-	339.24
Short term loans repaid by	ECap Equities Limited	12,119.50	10,502.76
(Refer note 1 and 2)	Edelcap Securities Limited	5,939.27	2,547.85
	ECL Finance Limited	16,590.56	-
	Edelweiss Financial Services Limited	8,885.16	-
	Others - Subsidiary Company	21,416.16	7,154.64
	Others - Fellow subsidiary Company	20,174.69	4,158.90
Long term loans repaid by (Refer note 1 and 2)	Edelweiss Metals Limited	-	126.19
Commercial paper subscribed by	ECL Finance Limited	-	41,000.00
	Edelweiss Financial Services Limited	-	1,19,000.00
	Edelweiss Securities Limited	-	59,000.00
Security deposit given to	Eternity Business Centre Limited	0.30	-
	Serenity Business Park Limited	0.30	-
	Edelweiss Agri Value Chain Limited (Formerly known as Edelweiss Integrated Commodity Management Limited)	0.90	-
	Edelweiss Housing Finance Limited	0.10	0.10
	Edelweiss Financial Services Limited	0.30	0.10



Edelweiss Commodities Services Limited

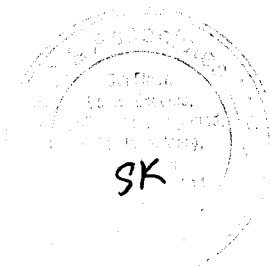
Note to financials statements (Continued)

(Currency : Rupees in millions)

2.30 Related Parties (Continued)

(F) Transactions with related party during the reporting year

Particulars	Name of related parties	2015-2016	2014-2015
Purchase/subscription of debentures from	ECL Finance Limited	6,669.28	40,884.55
	Edelweiss Securities Limited	-	53,619.23
	Edelweiss Financial Services Limited	-	1,08,235.33
	Edelweiss Finance & Investments Limited	1,268.20	337.92
	Arum Investments Private Limited	1,119.27	-
	Others - Fellow subsidiary Company	356.23	196.52
Sale/redemption of debentures to	Edelweiss Finance & Investments Limited	7,285.59	4,987.27
	Edelweiss Financial Services Limited	-	7,400.00
	ECL Finance Limited	9,716.41	2,957.29
	Others - Fellow subsidiary Company	2,127.14	692.59
Purchase/subscription of commercial paper from	ECL Finance Limited	23,852.99	-
	Edelweiss Financial Services Limited	1,01,865.81	-
	Edelweiss Securities Limited	39,750.35	-
	Others - Fellow subsidiary Company	7,400.34	-
Sale/redemption of certificate of deposit to	ECL Finance Limited	738.13	-
Sale/redemption of commercial paper to	Ecap Equities Limited	6,209.32	-
	ECL Finance Limited	8,506.97	-
	Edelweiss Financial Services Limited	22,500.00	-
	Edelweiss Securities Limited	5,350.00	-
	Others - Subsidiary Company	1,500.00	-
Sale/redemption of preference shares to	Edelweiss Finance & Investments Limited	36.12	-
Reimbursements paid to	Edelweiss Financial Services Limited	523.61	379.59
	Others - Subsidiary Company	-	0.70
Reimbursement recovered from	Edelweiss Tokio Life Insurance Company Limited	0.20	1.23
	Edelweiss Comtrade Limited	0.02	-
	Others - Subsidiary Company *	0.01	0.01
Remuneration paid to	Rujan Panjwani	60.74	40.42
	Shyam Kedia	-	7.43
Income			
Interest income on loan from	Ecap Equities Limited	280.21	496.06
	Edel Commodities Limited	510.18	405.73
	Edelweiss Investment Advisors Limited	-	161.45
	ECL Finance Limited	295.93	-
	Others - Holding Company	21.29	-
	Others - Subsidiary Company	593.94	338.34
	Others - Fellow subsidiary Company	370.27	91.05
Interest income on margin placed with	Edelweiss Securities Limited	0.96	4.28



Edelweiss Commodities Services Limited

Note to financials statements (Continued)

(Currency : Rupees in millions)

2.30 Related Parties (Continued)

(F) Transactions with related party during the reporting year

Particulars	Name of related parties	2015-2016	2014-2015
Rental income from			
	Edelweiss Securities Limited	88.03	97.61
	Edelweiss Tokio Life Insurance Company Limited	81.27	97.56
	Others - Holding Company	22.73	25.37
	Others - Subsidiary Company	29.53	26.16
	Others - Fellow subsidiary Company	100.70	87.51
	Others - Associate Company	0.52	-
Brokerage received from			
	Edel Commodities Limited *	0.01	0.05
	Edelweiss Metals Limited *	0.01	-
	EFSL Comtrade Limited	-	0.13
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
Cost reimbursements recovered from			
	ECL Finance Limited	6.32	5.59
	Edelweiss Broking Limited	6.93	6.02
	Edelweiss Securities Limited	16.72	17.95
	Others - Holding Company	2.46	2.84
	Others - Subsidiary Company	4.71	3.60
	Others - Associate Company	0.08	-
	Others - Fellow subsidiary Company	9.17	8.31
Trade cancellation charges recovered from			
	Edel Commodities Trading Limited	0.31	2.50
Expenses			
Clearing expenses to			
	Edelweiss Securities Limited	0.20	0.20
Contribution towards corporate social responsibilities			
	EdelGive Foundation	0.39	0.10
Cost reimbursement to			
	Edelweiss Broking Limited	-	2.16
	Edelweiss Financial Services Limited	25.66	9.67
	Edelweiss Securities Limited	9.45	1.77
	Edelweiss Agri Value Chain Limited (Formerly known as Edelweiss Integrated Commodity Management Limited)	6.13	1.84
	Others - Subsidiary Company	4.70	-
	Others - Fellow subsidiary Company	5.53	0.13
Interest expense on inter-corporate deposits from			
	Edelweiss Asset Management Limited	51.43	58.28
Interest expenses on loans from			
	Edelweiss Financial Services Limited	1,192.24	1,669.07
	Others - Subsidiary Company	0.08	32.56
	Others - Fellow subsidiary Company	183.49	305.01
Interest expenses on margin placed by			
	EC Commodity Limited	6.49	30.09
	Others - Subsidiary Company	0.29	0.19
	Others - Fellow subsidiary Company *	-	0.01

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Edelweiss Commodities Services Limited

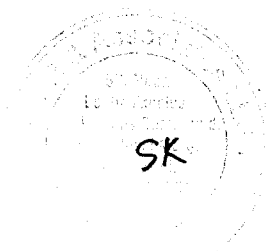
Note to financials statements (Continued)

(Currency : Rupees in millions)

2.30 Related Parties (Continued)

(F) Transactions with related party during the reporting year

Particulars	Name of related parties	2015-2016	2014-2015
Interest expenses on security deposits from	Edelweiss Tokio Life Insurance Company Limited	14.10	35.25
Rating fees to	Edelweiss Financial Services Limited	89.40	31.00
Interest expense on debentures to	ECL Finance Limited	8.16	-
Warehouse expenses to	Edelweiss Securities Limited	179.76	68.33
	Edelweiss Agri Value Chain Limited (Formerly known as Edelweiss Integrated Commodity Management Limited)	278.52	47.76
	Others - Fellow subsidiary Company	-	2.39
Net amount incurred on settlement of forward contracts	ECL Finance Limited	-	57.96
	Others - Fellow subsidiary Company	-	5.88
Financial charges to	Edel Investments Limited	-	13.92
Balances with related parties (Assets) as on 31 March 2016			
Accrued interest income on loans given to	Edel Commodities Limited	24.92	20.23
	Edelweiss Investment Advisors Limited	-	19.73
	EFSL Commodities Limited	-	9.51
	ECap Equities Limited	73.17	1.59
	ECL Finance Limited	22.44	-
	Others - Holding Company	19.16	-
	Others - Subsidiary Company	46.74	19.65
	Others - Fellow subsidiary Company	35.80	2.01
Accrued interest income on margin placed	Edelweiss Securities Limited	0.04	0.04
Interest receivable on Debentures From	ECL Finance Limited	11.47	-
Advance recoverable in cash or in kind	Edel Commodities Trading Limited	0.59	-
	Edelweiss Securities Limited	0.92	-
	EFSL Commodities Limited	0.62	-
	Others - Holding Company	0.10	-
	Others - Subsidiary Company	0.11	-
	Others - Fellow subsidiary Company	0.82	-
Investments in debentures of	ECL Finance Limited	500.00	500.00
Investments in equity shares in	ECL Finance Limited	862.84	862.84
	Edelweiss Housing Finance Limited	2,829.00	2,829.00
	Edelweiss Agri Value Chain Limited (Formerly known as Edelweiss Integrated Commodity Management Limited)	1,000.50	1,000.50
	Others - Subsidiary Company	708.92	648.91
	Others - Associate Company	21.18	-



Edelweiss Commodities Services Limited

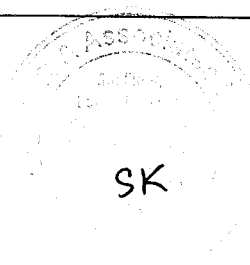
Note to financial statements (Continued)

(Currency : Rupees in millions)

2.30 Related Parties (Continued)

(F) Transactions with related party during the reporting year

Particulars	Name of related parties	2015-2016	2014-2015
Investments in preference shares in	Edel Land Limited	125.11	125.11
	Edelweiss Broking Limited	667.00	667.00
	Edelweiss Securities Limited	260.00	260.00
	Edelweiss Investment Advisors Limited	205.00	205.00
	Arum Investments Private Limited	188.37	-
Margin receivable from	Edelweiss Securities Limited	91.23	107.11
Security deposits receivables from	Edel Commodities Limited	-	0.20
	Edelweiss Capital Markets Limited	-	0.20
	Edelweiss Housing Finance Limited	0.20	0.10
	Edelweiss Metals Limited	0.10	0.10
	Edelweiss Agri Value Chain Limited (Formerly known as Edelweiss Integrated Commodity Management Limited)	0.40	-
Trade receivables from	Edelweiss Securities Limited	0.64	-
	Edel Land Limited	3.36	4.41
	Edelweiss Capital Markets Limited	-	96.19
	Edelweiss Global Wealth Management Limited	0.86	13.00
	Others - Subsidiary Company	-	12.67
	Others - Fellow subsidiary Company	0.34	27.58
Short term loans given to	Edel Commodities Limited	4,704.81	5,919.05
	Edelweiss Investment Advisors Limited	3,952.99	1,335.82
	ECap Equities Limited	6,927.36	788.77
	Edel Commodities Trading Limited	3,240.83	267.82
	Edelweiss Agri Value Chain Limited (Formerly known as Edelweiss Integrated Commodity Management Limited)	2,908.49	3.34
	Others - Subsidiary Company	2,410.21	1,513.90
	Others - Fellow subsidiary Company	2,703.93	113.14
Long term loans given to	Edelweiss Metals Limited	552.93	552.93
Stock in trade in debentures of	ECL Finance Limited	122.41	1,274.04
	Edelweiss Financial Services Limited	51.31	2,485.97
Stock in trade in commercial papers of	Edelweiss Financial Services Limited	347.35	-
Balances with related parties (Liabilities) as on 31 March 2016			
Dividend payable to	ECL Finance Limited	0.70	0.70
	Edelweiss Securities Limited	0.70	0.70
Inter-corporate deposits taken from	Edelweiss Asset Management Limited	42.00	37.00
Accrued interest expense on loans taken from	Edelweiss Financial Services Limited	13.55	57.11
	ECL Finance Limited	-	9.55
	Others - Subsidiary Company	0.08	4.75
	Others - Fellow subsidiary Company	1.36	8.70
Payable towards exchange trades settlement	EC Commodity Limited	140.43	597.33
	Edelweiss Comtrade Limited	350.18	513.87



Edelweiss Commodities Services Limited

Note to financials statements (Continued)

(Currency : Rupees in millions)

2.30 Related Parties (Continued)

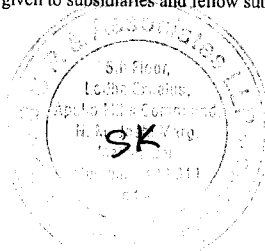
(F) Transactions with related party during the reporting year

Particulars	Name of related parties	2015-2016	2014-2015
Other payable to	Edelweiss Agri Value Chain Limited (Formerly known as Edelweiss Integrated Commodity Management Limited)	0.18	-
	Edelweiss Metals Limited	-	1.32
	Edelweiss Insurance Brokers Limited	0.25	-
	Others - Fellow subsidiary Company *	-	0.01
Security deposits payable to	Edelweiss Financial Services Limited	0.10	0.10
	Edelweiss Housing Finance Limited	0.10	-
Rental deposits payable to	Edelweiss Tokio Life Insurance Company Limited	-	300.00
Trade payables to	Aster Commodities DMCC	358.77	1,641.28
	Edelweiss Agri Value Chain Limited (Formerly known as Edelweiss Integrated Commodity Management Limited)	252.22	49.60
	Edelweiss Financial Services Limited	114.44	9.95
	Others - Subsidiary Company	49.14	0.45
	Others - Fellow subsidiary Company	5.56	35.38
Short term loans taken from (Refer note 1 and 2)	Edelweiss Financial Services Limited	300.58	12,794.00
	Edelweiss Insurance Brokers Limited	87.85	109.88
	Forefront Capital Management Private Limited	136.94	41.70
	Others - Subsidiary Company	-	1.60
	Others - Fellow subsidiary Company	37.20	444.72
Long term loan taken from (Refer note 1 and 2)	ECL Finance Limited	-	1,500.00
	Edelweiss Finance & Investments Limited	-	400.00
	Edelweiss Financial Services Limited	-	700.00
	Edelweiss Insurance Brokers Limited	0.50	0.50
Accrued salaries and benefits	Rujan Panjwani	52.50	33.00
Off balance sheet item			
Corporate guarantee given for	Edelweiss Housing Finance Limited	4,350.00	2,850.00
	Edelweiss Metals Limited	300.00	-
Corporate guarantee given by	Edelweiss Financial Services Limited	6,600.00	4,750.00

* amount is less than Rs. 0.01 million

Notes:

- (1) Previous year's figures have been recast/restated where necessary.
- (2) The Intra group Company loans are generally in the nature of revolving demand loans. 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.
- (3) Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity, leave encashment and deferred bonus which are provided for group of employees on an overall basis. These are included on cash basis.
- (4) Loan given to subsidiaries and fellow subsidiaries are for the general corporate business.



Edelweiss Commodities Services Limited

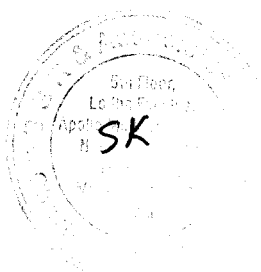
Notes to the financial statements (continued)

(Currency: Rupees in millions)

2.31 Investments in partnership firms:

Name of Partnership Firm	Edelvalue Partners	
	As at 31 March 2016	As at 31 March 2015
Total capital of partnership firm	Rs. (25.82) million	Rs. 404.88 million
Name of partners	Share in capital and share in profit/loss	
Magnolia Commodities Services Private Limited	41%	41%
Dahlia Commodities Services Private Limited	40%	40%
Edelweiss Commodities Services Limited	10%	10%
ECap Equities Limited	9%	9%

Name of Partnership Firm	Forefront Wealth Advisors LLP	
	As at 31 March 2016	As at 31 March 2015
Total Capital of Partnership firm	Rs. (16.17) million	Rs. 0.08 million
Name of partners	Share in capital and share in profit/loss	
Edelweiss Commodities Services Limited	34%	34%
Edelweiss Capital Markets Limited	33%	33%
ECap Equities Limited	33%	33%



Edelweiss Commodities Services Limited

Notes to the financial statements (continued)

(Currency: Rupees in millions)

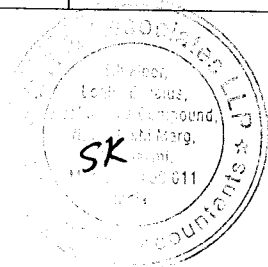
2.32 Contingent liabilities (to the extent not provided for):

(a)	Taxation matters in respect of which appeal is pending Rs.161.87 million (Previous year: Rs. 770.26 million). The Company has paid Rs.46.50 million (Previous year: Rs. 39.09 million) under protest against these cases.
(b)	Corporate Guarantee given by the company to bank for Rs. 4,650.00 million (Previous year: Rs. 2,850.00 million) for availing Fund based Banking facilities by its subsidiary company Edelweiss Housing Finance Limited and Edelweiss Agri Value Chain Limited (formerly known as Edelweiss Integrated Commodity Management Limited).

The Company's pending litigations comprise of proceedings pending with Income Tax, customs, sales tax/VAT and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The amount of provisions / contingent liabilities is based on management's estimate, and no significant liability is expected to arise out of the same.

2.33 Encumbrances' on fixed deposits held by the Company:

i)	Fixed deposits aggregating to Rs. 2,133.75 million (Previous year: Rs. 3,329.73 million) have been pledged with exchanges for meeting margin requirements.
ii)	Fixed deposits aggregating to Rs. 344.30 million (Previous year: Rs. 3,357.90 million) have been pledged with banks for securing bank overdrafts and buyer's credit.
iii)	Fixed deposits aggregating to Rs. 87.50 million (Previous year: Rs. 20.00 million) have been pledged with bank for meeting margin requirements for buying bullion.
iv)	Fixed deposits aggregating to Rs. 0.36 million (Previous year: Rs. 0.44 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. 10.20 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. 78.77 million (Previous year: Rs. 119.90 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. 6.13 million (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. 3.40 million (Previous year: Rs. 8.10 million) have been pledged with bank for obtaining the bank guarantee provided to various mandis for margin and license requirements.
x)	Fixed deposits aggregating to Rs. 55.80 million (Previous year: Rs.Nil) have been pledge with bank for securing letter of credits.



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 2016

Sr. No.	Name of commodity future	Expiry Month	No. of contracts	Number of units involved*
1	Long Position (*In Kgs)	April 2016	4,616	8,055,570
		May 2016	4,762	476,200
		June 2016	24	24,000
2	Short Position (*In Kgs)	April 2016	6,190	8,752,582
		May 2016	1,733	51,990

Open interest in currency futures as at 31 March 2016

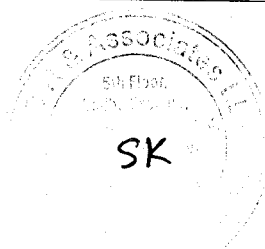
Sr. No.	Name of currency future	Expiry month	No. of contracts	Number of units involved*
1	Long Position – *USDINR	April 2016	45,000	45,000,000

Open interest in currency derivatives as at 31 March 2016

Sr. No.	Counter party	Purpose	Notional principal (USD)
1	Axis bank	Hedging	123 million

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



Edelweiss Commodities Services Limited

Notes to the financial statements (continued)

(Currency: Rupees in millions)

2.34 Derivative transactions (continued)

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

Open interest in currency option as at 31 March 2015

Sr. No.	Name of currency Option	Expiry month	No. of contracts	Number of units involved*
1	Long Position – *USDINR	April 2015	10,200	10,200,000

Open interest in currency derivatives as at 31 March 2015

Sr. No.	Counter party	Purpose	Notional principal (USD)
1	Axis bank	Hedging	191.50 million
2	CITI	Hedging	57.00 million
3	ICICI	Hedging	68.00 million



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 2016	For the year ended 31 March 2015
(a)	Profit after tax (as per statement of profit and loss)	650.22	560.63
	Less: dividend on preference share including dividend distribution tax	46.20	46.06
	Net profit for the year attributable to equity shareholders	604.02	514.57
(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)	20.29	17.28



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 2016	For the year ended 31 March 2015
Opening stock		
Equity	85.68	-
Debentures and bonds	4,588.13	1,502.38
Certificate of deposits / commercial papers	3,638.34	-
Mutual fund	-	-
Other	-	-
Subtotal (a)	8,312.15	1,502.38
Purchase		
Equity	156.05	85.68
Debentures and bonds	93,569.90	56,521.43
Certificate of deposits / commercial papers	511,912.35	706,102.44
Mutual fund	550.00	-
Other	294.81	50.00
Subtotal (b)	606,483.12	762,759.55
Sales		
Equity	302.77	-
Debentures and bonds	94,603.12	53,492.06
Certificate of deposits / commercial papers	515,132.25	702,396.42
Mutual fund	425.96	-
Other	296.59	50.99
Subtotal (c)	610,760.69	755,939.47
Closing stock		
Equity	-	85.68
Debentures and bonds	3,633.12	4,588.13
Certificate of deposits / commercial papers	347.34	3,638.34
Mutual fund	-	-
Other	0.11	-
Subtotal (d)	3,980.57	8,312.15
Loss on sale of securities (c+d-a-b)	(54.01)	(10.31)



Edelweiss Commodities Services Limited

Notes to the financial statements (continued)

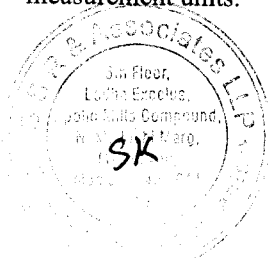
(Currency: Rupees in millions)

2.36 Details of stock-in-trade (continued)

Commodities:

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Opening Stock		
Agricultural products	19,049.57	3,739.87
Bullion	1,171.00	85.76
Other metals	0.20	0.20
Subtotal (a)	20,220.77	3,825.83
Purchase		
Agricultural products	22,557.26	39,524.82
Bullion	133,579.21	161,783.83
Other metals	-	-
Subtotal (b)	156,136.47	201,308.65
Sales		
Agricultural products	34,176.64	23,970.05
Bullion	129,354.92	161,067.24
Other metals	-	-
Subtotal (c)	163,531.56	185,037.29
Closing Stock		
Agricultural products	8,539.96	19,049.57
Bullion	5,318.39	1,171.00
Other metals	0.20	0.20
Subtotal (d)	13,858.55	20,220.77
Profit on sale of commodities (c+d-a-b)	1,032.87	123.58

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:

Sr. No	Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
(a)	F.O.B. value of export	270.88	671.13

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

Sr. No	Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
(a)	Value of import on C.I.F. Basis		
	- Commodities	14,664.13	125,079.15
	- Capital goods	-	27.19

Expenditure in foreign currency:

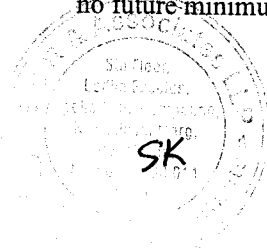
Sr. No	Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
(a)	Foreign travels	0.79	0.97
(b)	Interest on buyer's credit	35.93	53.69
(c)	Directors sitting fees	0.12	-
(d)	Business promotion expenses	0.01	-

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. 13.24 million (Previous year: Rs. 64.20 million).

2.39 Operating leases:

The Company had taken office premises under operating lease agreements, for which lease term has expired during the previous year. Gross rental expenses for the year ended 31 March 2016 aggregated to Rs. 53.48 million (Previous year: Rs. 33.82 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 2016	As at 31 March 2015
Gross block	2,139.29	2,139.29
Accumulated depreciation	420.83	330.39
Net block	1,718.46	1,808.90
Depreciation for the year	90.45	95.21

Lease payments received and recognized in the statement of profit and loss during the year ended 31 March 2016 is Rs. 417.26 million (Previous year: Rs. 417.58 million).

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

Particulars	As at 31 March 2016	As at 31 March 2015
Not later than one year	17.24	26.31
Later than one year and not later than five years	3.16	20.40
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.

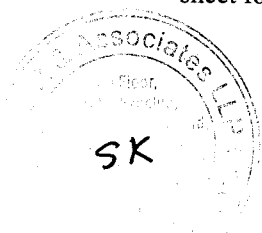
2.41 Disclosure pursuant to Accounting Standard 15 (Revised) - Employee Benefits:

A) Defined contribution plan (Provident fund and national pension scheme):

An amount of Rs. 7.90 million (Previous year: Rs. 5.22 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)

Expenses recognised in the statement of profit and loss:

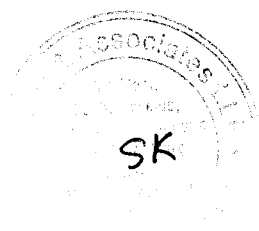
Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Current service cost	2.49	1.06
Interest cost	0.66	0.52
Expected return on plan assets	(0.57)	(0.50)
Net actuarial losses recognized in the year	2.96	(1.81)
Total included in 'Employee Benefit Expenses'	5.54	(0.73)

Net (liability) / asset recognised in the balance sheet:

Particulars	As at 31 March 2016	As at 31 March 2015
Present value of defined benefit obligation (DBO)	12.96	6.43
Fair value of plan assets	12.70	7.70
Net (liability) / assets recognised in the balance sheet	(0.26)	1.27

Reconciliation of Defined benefit obligation:

Particulars	As at 31 March 2016	As at 31 March 2015
Present value of DBO at start of the year	6.43	6.38
Transfer In/(Out)	1.99	(0.49)
Interest cost	0.66	0.52
Current service cost	2.49	1.06
Benefits Paid	(1.42)	(0.27)
Actuarial (gain)/loss on obligations:	2.82	(0.77)
Present value of DBO at the end of the year	12.97	6.43



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)

Reconciliation of fair value of the plan assets:

Particulars	As at 31 March 2016	As at 31 March 2015
Fair value of the plan asset at the start of the year	7.70	6.43
Expected return on plan assets	0.57	0.50
Contributions by employer	6.00	-
Benefits Paid	(1.42)	(0.27)
Actuarial (loss)/gain on Plan Assets	(0.14)	1.04
Fair value of the plan asset at the end of the year	12.71	7.70
Actual return on plan assets	0.42	1.56
Expected employer contribution for the coming period	0.50	-

Experience Adjustment:

Particulars	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
Defined benefit obligation	12.96	6.43	6.38	6.06	2.29
Fair value of plan assets	12.70	7.70	6.43	2.47	2.57
Surplus / (deficit)	(0.26)	1.27	0.05	(3.59)	0.28
Experience adjustment on plan liabilities: (gain)/loss	2.57	(1.23)	(0.77)	3.12	(1.98)
Experience adjustment on plan assets: (gain)/loss	(0.15)	1.04	0.33	(0.10)	0.06

Principal actuarial assumptions at the balance sheet date:

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Discount rate	7.4%	7.8%
Salary escalation	7%	7%
Employee attrition rate	13% to 25%	13% to 25%
Expected return of plan assets	7.8%	8%
Mortality rate	IALM 2006-08(Ult)	IALM 2006-08(Ult)



Edelweiss Commodities Services Limited

Notes to the financial statements (continued)

(Currency: Rupees in millions)

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
8-10%	2,000.00 (-)	- (-)	3,250.00 (-)	365.00 (-)	5,615.00 (-)
10-11%	1,625.00 (2,031.25)	3,641.25 (4,406.25)	1,271.25 (1,656.25)	1,656.25 (406.25)	8,193.75 (8,500)
11-12%	- (-)	100.50 (1,200.50)	- (-)	- (-)	100.50 (1,200.50)
Above 12%	- (-)	25.50 (25.50)	- (-)	- (-)	25.50 (25.50)

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

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 the holding company, subsidiaries, fellow subsidiaries and other external parties for occupying office premises in the Company's building.

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Edelweiss Commodities Services Limited

Notes to the financial statements (continued)

(Currency: Rupees in millions)

2.44 Disclosure of loans and advances pursuant to regulation 53 of the Securities and Exchange Board of India (SEBI) (Listing obligations and disclosure requirements) Regulations, 2015:

Name of Subsidiary	31 March 2016		31 March 2015	
	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	379.88	5,626.56	521.75	2,040.14
Edelweiss Housing Finance Limited	7.99	5,000.00	0.53	755.93
Edel Commodities Limited	4,704.81	6,821.11	5,912.76	6,318.89
Edel Commodities Trading Limited	3,240.83	5,253.89	267.82	1,657.88
EFSL Commodities Limited	1,048.76	3,987.61	202.44	2,243.58
EFSL Comtrade Limited	289.32	4,060.57	649.52	1,050.78
Edelweiss Metals Limited	270.46	598.75	67.45	709.70
Serenity Business Park Limited	208.50	208.50	-	-
Eternity Business Centre Limited	205.31	215.04	-	-
Edelweiss Agri Value Chain Limited	2,908.49	2,908.49	-	-
<i>Long term loans</i>				
Edelweiss Metals Limited	552.93	552.93	552.93	679.12

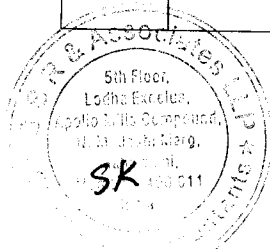
- 2.45 The Company has received demand notices from tax authorities on account of disallowance of expenditure for earning exempt income under section 14A of Income Tax Act 1961 read with Rule 8D of the Income Tax Rules, 1962. The company has filed appeal and is defending its position. Due to the lack 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.

2.46 Corporate social responsibility (CSR)

As per the provisions of Section 135 of the Companies Act, 2013:

- a) Gross amount required to be spent by the Company during the year was Rs. 0.39 million
b) Amount spent during the year on:

Sr. No.	Particulars	In cash	Yet to be paid in cash	Total
(i)	Constructions / acquisition of any assets	Nil	Nil	Nil
(ii)	On purpose other than (i) above	Rs. 0.39 million	Nil	Rs. 0.39 million



Edelweiss Commodities Services Limited

Notes to the financial statements (continued)

(Currency: Rupees in millions)

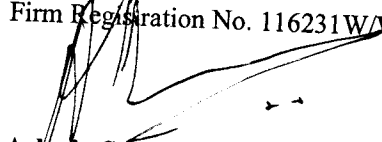
- 2.47 The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts.

As per our report of even date attached.

For B S R & Associates LLP

Chartered Accountants

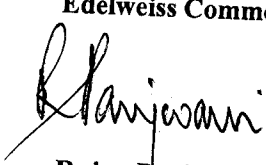
Firm Registration No. 116231W/W-100024


Ashwin Suvarna

Partner

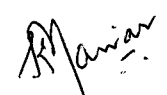
Membership No: 109503

For and on behalf of the Board of Directors Edelweiss Commodities Services Limited


Rujan Panjwani


Executive Director

DIN no.: 00237366


Kalpana Maniar

Director

DIN no:00719180


Manish Jethwa

Chief Financial Officer


Kamlesh Gujar

Company Secretary

Mumbai
11 May 2016

Mumbai
11 May 2016