

Edelweiss Agri Value Chain Limited

Special Purpose Financial Statements
together with the
Independent Auditor's Report
for the year ended 31 March 2018

Edelweiss Agri Value Chain Limited

Special Purpose Financial Statements together with the Independent Auditor's Report for the year ended 31 March 2018

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Independent Auditors' Report on Special Purpose Financial Statements of the Company for the year ended on March 31, 2018.

To,
The Board of Directors
Edelweiss Agri Value Chain Limited
Mumbai

Introduction

We have audited the accompanying special purpose financial statements (Special Purpose Financial Statements) of **Edelweiss Agri Value Chain Limited** (the "Company") which comprise the balance sheet as at March 31, 2018, and the statement of profit and loss, the cash flow statement for the year ended March 31, 2018, and a summary of significant accounting policies and other explanatory information. These Special Purpose Financial Statements are prepared by Management for the purpose of preparation of consolidated financial statements of Edelweiss Commodities Services Limited ('ECSL') (the parent company') and Edelweiss Financial Services Limited ('EFSL') (the ultimate parent company) for the year ended March 31, 2018, in accordance with the accounting principles generally accepted in India including the Accounting Standards issued by the Institute of Chartered Accountants of India ('ICAI') and other applicable authoritative pronouncements issued by the ICAI.

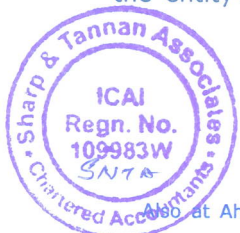
Management's responsibility

The Company's Board of Directors is responsible for preparation of these Special Purpose Financial Statements in accordance with the basis of accounting described in Note 1.1 to the Special Purpose Financial Statements which are based on the accounting principles generally accepted in India including the Accounting Standards issued by the ICAI. This responsibility also includes maintenance of adequate accounting records for safeguarding of 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 Special Purpose Financial Statements.

Auditors' Responsibility

Our responsibility is to express an opinion on these Special Purpose Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the ICAI. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Special Purpose Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Special Purpose Financial Statements. The procedures selected depend on the auditors' 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 auditors consider internal control relevant to the entity's preparation and fair presentation of the Special Purpose Financial Statements in order to



design audit procedures that are appropriate in the circumstances,. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Special Purpose 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 Special Purpose Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Financial Statements for the year ended March 31, 2018 are prepared, in all material respects, in accordance with the basis of accounting described in Note 1.1 to these Special Purpose Financial Statements.

Other Matter

We draw attention to Note 1.1 to the Special Purpose Financial Statements, which describes the basis of accounting. The Special Purpose Financial Statements are not the statutory financial statements of the Company. The Special Purpose Financial Statements are prepared to assist the Company for onward submission for the purpose of preparation of consolidated financial statements of the ECSL the parent company and EFSL the ultimate parent company for the year ended March 31, 2018, in accordance with the accounting principles generally accepted in India including the Accounting Standards issued by the ICAI and other applicable authoritative pronouncements issued by the ICAI. The regular statutory financial statements of the Company are prepared in accordance with generally accepted accounting principles in India and the New Accounting Standards (Ind-AS) specified under Section 133 of the Companies Act'2013, on which we have issued a separate unmodified audit report dated May 2, 2018.

Report on Other Legal and Regulatory Requirements

1. 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 prepared for the Special Purpose Financial Statements.
 - (d) In our opinion, the aforesaid Special Purpose Financial Statements comply with the accounting principles generally accepted in India including the Accounting Standards issued by the ICAI and other applicable authoritative pronouncements issued by the ICAI.
 - (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Companies Act, 2013.
 - (f) With respect to the adequacy of the internal financial controls with reference to Special Purpose Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.



(g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

- i. The Company does not have any pending litigations as at March 31, 2018 which would impact its financial position (refer note no 2.29 to the Special Purpose Financial Statements).
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses (refer note no. 2.41 to the Special Purpose Financial Statements).
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.
- iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

Restrictions on use

This report is addressed to the Board of Directors of the Company and has been prepared for and only for the purposes set out in paragraph 2 above. You shall not disclose our deliverables or refer to it or otherwise disclose in any public document or make the benefit of the Services available to anyone else or refer to the contents of a deliverable or the findings of our work, except (i) as stated in the engagement letter; (ii) with our prior written consent on terms to be agreed; (iii) to ECSL and EFSL, your parent company and ultimate parent company and its auditor, as long as you inform them, in advance, that we accept no liability to them and that no onward disclosure may be made. Sharp & Tannan Associates neither accepts nor assumes any duty, responsibility or liability to any other party or for any other purpose (including the parent company and ultimate parent company and its auditor).

Place: Mumbai
Date: May 2, 2018



For Sharp & Tannan Associates
Chartered Accountants
Firm's registration No.109983W
By the hand of

A handwritten signature in blue ink, appearing to read 'Tirtharaj Khot'.

Tirtharaj Khot
Partner
Membership No:(F)037457

Annexure - A to Independent Auditors' Special Purpose Report

Independent Auditors' report to the members of Edelweiss Agri Value Chain Limited ("the Company") 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 the Company as of March 31, 2018 in conjunction with our audit of the Special Purpose 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 issued by the Institute of Chartered Accountants of India ('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 Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 Special Purpose Financial Statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Special Purpose 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 Special Purpose 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 unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Special Purpose 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, to the best of our information and according to the explanations given to us, 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 March 31, 2018, 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.

Place: Mumbai
Date: May 2, 2018

For Sharp & Tannan Associates
Chartered Accountants
Firm's registration No.109983W
By the hand of

Tirtharaj Khot
Partner
Membership No:(F)037457



Edelweiss Agri Value Chain Limited

Balance Sheet

(Currency: Rupees in millions)

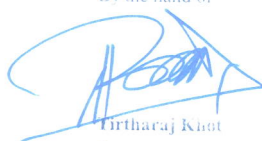
	Note	As at 31 March 2018	As at 31 March 2017
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	1,099.98	1,000.50
Reserves and surplus	2.2	523.40	32.86
		1,623.38	1,033.36
Consideration payable in equity and preference shares			
Non-current liabilities			
Long-term borrowings	2.3	7,261.88	3,300.00
Long-term provisions	2.4	14.46	10.38
		7,276.34	3,310.38
Current liabilities			
Short-term borrowings	2.5	11.71	2,054.17
Trade payables			
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	2.6	4,090.98	375.15
Other current liabilities	2.7	625.89	393.32
Short-term provisions	2.8	12.71	25.51
		4,741.29	2,848.15
TOTAL		13,641.01	7,191.89
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	2.9	34.89	45.81
Intangible assets	2.9	46.01	38.94
Capital work-in-progress		-	4.42
Non-current investments	2.10	-	250.00
Deferred tax assets (net)	2.11	103.28	76.83
Long-term loans and advances	2.12	23.67	37.08
Other non-current assets	2.13	24.88	31.08
		232.73	484.16
Current assets			
Stock-in-trade	2.14	0.60	1,006.23
Trade receivables	2.15	1,145.27	2,159.57
Cash and bank balances	2.16	1,103.09	327.95
Short term loans and advances	2.17	11,114.40	3,122.17
Other current assets	2.18	44.92	91.81
		13,408.28	6,707.73
TOTAL		13,641.01	7,191.89


The accompanying notes are an integral part of these special purpose financial statements

1 & 2

As per our report of even date attached

For Sharp & Tannan Associates
Chartered Accountants
Firm's Registration No. 109983W
By the hand of


Bitharaj Khot
Partner
Membership No. F1637457



Mumbai
May 02, 2018



For and on behalf of the Board of Directors of
Edelweiss Agri Value Chain Limited


Santosh Dadheech
Executive Director
DIN No. 00196204


Kalpana Maniar
Director
DIN No. 00719180


Deepak Mundra
Chief Financial Officer


Manish Ajmera
Company Secretary

Mumbai
May 02, 2018

Edelweiss Agri Value Chain Limited

Statement of profit and loss

(Currency: Rupees in millions)

	Note	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue from operations			
Fee and warehousing income	2.19	1,290.95	1,025.49
Income from treasury operations and investments	2.20	-44.72	48.13
Interest income	2.21	1,397.44	695.89
Sale of commodities		367.34	13,505.75
Other operating revenue	2.22	0.23	-
Other income	2.23	0.31	3.65
Total Revenue		3,011.55	15,278.91
Expenses			
Purchase of commodities		365.58	5,842.19
Changes in stock-in-trade of commodities		-	7,467.46
Employee benefit expenses	2.24	430.15	321.21
Finance costs	2.25	869.19	518.94
Depreciation and amortisation expense	2.9	40.10	34.96
Other expenses	2.26	1,176.26	1,062.88
Total expenses		2,881.28	15,247.64
Profit before tax		130.27	31.27
Tax expense:			
Current tax [including short/(excess) provision for earlier year Rs. (4.04) million; (Previous year Rs. 3.12 million)]		66.70	86.09
Deferred tax benefit		-26.45	-72.82
Profit for the year		90.02	18.00
Earnings per equity share (face value Rs. 10 each) Basic and diluted (in rupees)	2.31	0.90	0.18

The accompanying notes are an integral part of these special purpose financial statements

1 & 2

As per our report of even date attached

For Sharp & Tannan Associates

Chartered Accountants

Firm's Registration No. 109983W

By the hand of

Vitharaj Khot

Partner

Membership No.(F) 037457



For and on behalf of the Board of Directors of
Edelweiss Agri Value Chain Limited



Santosh Dadheech

Executive Director

DIN No: 00196204

Kalpna Maniar

Director

DIN No: 00719180

Deepak Mundra

Deepak Mundra
Chief Financial Officer

Manish Ajmera
Company Secretary

Mumbai

May 02, 2018

Mumbai

May 02, 2018

Edelweiss Agri Value Chain Limited

Cash flow statement

(Currency: Rupees in millions)

	For the year ended 31 March 2018	For the year ended 31 March 2017
A Cash flow from operating activities		
Profit before tax	130.27	31.27
Adjustments for		
Depreciation and amortisation expense	40.11	34.96
Loss/(profit) on sale of fixed assets (net)	0.39	0.11
Balance written off	-	1.35
Provision for compensated leave absences and gratuity	4.28	4.46
Provision for doubtful debts	233.49	198.14
Interest income	(900.43)	(402.57)
Interest expense	861.18	264.77
Operating cash flow before working capital changes	369.29	132.49
Adjustments for working capital changes		
(Increase) / Decrease in trade receivables	780.81	(1,162.73)
(Increase) / Decrease in stock in trade	1,005.63	6,470.71
(Increase) / Decrease in loans and advances	(6,256.23)	(1,035.39)
(Increase) / Decrease in other current assets	172.25	(354.32)
Increase / (Decrease) in current liabilities and provisions	3,676.22	(2,168.03)
Cash generated from / (used in) operations	(252.03)	1,882.73
Income taxes paid	(84.00)	(78.10)
Net cash generated from / (used in) operating activities - A	(336.03)	1,804.63
B Cash flow from investing activities		
Purchase of fixed assets (including capital work-in progress)	(32.28)	(51.67)
Proceeds from sale of fixed assets	0.05	0.17
(Deployment of) / repayment of short term loans given (net) (refer note 1)	(1,718.28)	(1,915.53)
Interest received	949.95	402.80
Sale of investments	250.00	-
Net cash used in investing activities - B	(550.56)	(1,564.23)
C Cash flow from financing activities		
(Repayment of) / proceeds from borrowings of unsecured loans (net) (refer note 1)	-	(2,592.52)
Proceeds from borrowings of secured loans (net) (refer note 1)	(250.36)	2,352.91
Proceeds from issuance of share capital	99.48	-
Proceeds from security premium by issuance of share capital	400.52	-
Proceeds from borrowing of secured debentures (net) (refer note 1)	3,961.88	-
Proceeds from issuance of commercial paper (net) (refer note 1)	(1,485.18)	7.16
Proceeds from buyer's credit (net) (refer note 1)	(316.92)	-
Inter-corporate deposits	10.00	-
Interest paid	(589.03)	(28.42)
Net cash (used in) / generated from financing activities - C	1,830.39	(260.87)
Net (decrease) / increase in cash and cash equivalents (A+B+C)	943.80	(20.47)
Cash and cash equivalents as at the beginning of the year	13.61	34.08
Cash and cash equivalents as at the end of the year (refer note 2.16)	957.41	13.61

Note:

1 Net figures have been reported on account of volume of transactions.

As per our report of even date attached

For Sharp & Tannan Associates

Chartered Accountants

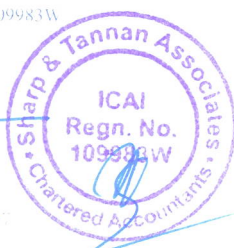
Firm's Registration No. 109983W

By the hand of

Firharaj Khot

Partner

Membership No: F/03/487



For and on behalf of the Board of Directors of
Edelweiss Agri Value Chain Limited

Santosh Dadheech
Executive Director
DIN No: 00196204

Kalpna Maniar
Director
DIN No: 00719180

Deepak Mundra

Deepak Mundra
Chief Financial Officer

Manish Ajmera

Manish Ajmera
Company Secretary

Mumbai
May 02, 2018

Mumbai
May 02, 2018

Edelweiss Agri Value Chain Limited

Notes to the Special Purpose Financial Statements for the year ended 31 March 2018

Corporate Information

Edelweiss Agri Value Chain Limited, a wholly owned subsidiary of Edelweiss Commodities Services Limited (ECSL) was floated in July 2014 with an initial paid up capital of Rs.1000 Million. Since inception in 2014, EAVCL has been steadily emerging as a key player in the agricultural commodity ecosystem. Drawing on the core strengths and heritage of parent the Edelweiss Group – one of India's leading diversified financial services conglomerates with 240 offices in 120 cities across the world, serving 10,00,000 clients and a staff strength of over 10000+ employees.

In accordance with the business model formulated and adopted, the company's business includes "Agency Business" and wherein acts as a procurement agent domestically or as an importer, for various principals against their confirmed procurement instructions of commodities and other goods with detailed specifications to be procured, sold and facilitate funding for/on behalf of such principals by the company for a commission fee in terms of its Agency Agreement with each of such principals resting entire risk and rewards of the transactions with them. Further, as part of its model, with a view to render end to end additional value added services for a predetermined separate charge, it renders various services including but not limited to unloading, transportation to and fro, storage, preservation, delivery, collateral management and facilitate funding. The company has secured various licenses, transport and storage arrangements etc; for it to seamlessly operate from various markets and locations across the country in pursuit of achieving the objective of its business model.

1 Significant accounting policies

1.1 Basis of preparation of Special Purpose Financial Statements

The special purpose financial statements are not the statutory financial statements of the Company. The Special Purpose Financial Statements are prepared to assist the Company for onward submission for the purpose of preparation of consolidated financial statements of Edelweiss Commodities Services Limited (Holding Company) and Edelweiss Financial Services Limited (Ultimate Holding Company) for the year ended March 31, 2018, in accordance with the accounting principles generally accepted in India including the Accounting Standards issued by the Institute of Chartered Accountants of India and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ('ICAI') as applicable to the Holding and Ultimate Holding Company.

The special purpose 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 special purpose financial statements are presented in Indian rupees in millions.



Edelweiss Agri Value Chain Limited

Notes to the Special Purpose Financial Statements (Continued)

1.2 Use of estimates

The preparation of the special purpose 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 special purpose financial statements and reported amount of revenue and expenses during the reporting period. The estimates and assumptions used in the accompanying special purpose financial statements are based upon management's evaluation of the relevant facts and circumstances as on the date of the special purpose 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.

1.4 Revenue recognition

- Fee income including advisory fees is accounted on accrual basis in accordance with the terms and contracts entered into between the Company and the counterparty.
- Commodities 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.
- Income from treasury comprises of profit/loss on derivative instruments. 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



Edelweiss Agri Value Chain Limited

Notes to the Special Purpose Financial Statements (Continued)

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. In accordance with 'Guidance Note on Accounting for Derivative Contracts' issued by the Institute of Chartered Accountants of India effective from 1 April 2016, the Company recognises all mark to market gains or losses on derivative contracts in the statement of profit and loss.

- Interest income is recognised on accrual basis.
- Interest on delayed payment is recognised on accrual basis by reference to the agreements entered.
- Warehouse income is recognised on accrual basis by reference to the agreements entered.
- 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 favour of buyer before the goods cross the customs frontiers of India.
- Agency commission/procurement income is recorded as net of agency sales and agency purchase for transactions recorded in pursuant to the terms and conditions mentioned in scope of work /Agreement.

1.5 Fixed Assets and depreciation

Tangible fixed assets and capital work in progress

Tangible fixed assets acquired by the Company are reported at acquisition cost, with deductions for 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 requirements 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 depreciation. The estimated useful lives of the fixed assets are as follows:



Edelweiss Agri Value Chain Limited

Notes to the Special Purpose Financial Statements (Continued)

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 equipment	5 years
Computers and data processing units - Servers and networks	6 years
Computers and data processing units - End user devices, such as desktops, laptops, etc.	3 years

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

Intangible fixed assets

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

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

1.6 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 higher of the asset's 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.

1.7 Stock in trade

- The securities held as stock-in-trade are valued at lower of weighted average cost or market value. In case of units of mutual funds held as stock-in-trade, net asset value is considered as fair value.
- Inventories in the form of commodities are valued at cost or net realisable value, whichever is lower.



Edelweiss Agri Value Chain Limited

Notes to the Special Purpose Financial Statements (Continued)

1.8 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.

1.9 Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, demand deposits with bank and other fixed deposits with bank with original maturities of three months or less.

1.10 Foreign currency transactions

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

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

1.11 Receivables from Agency Business

The company's business includes "Agency Business" and wherein acts as a procurement agent for its various principals, and renders other related end to end value additive services like procurement formalities including importing, receiving and storing of goods, insuring, maintenance of goods in proper condition, dispatch to designated parties, facilitating funding, etc. The Company procures goods and makes payment to the supplier on behalf of the principal. The payment made to supplier is shown as Loans and Advances and the goods are held as lien.

1.12 Employee benefits

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

Provident fund and National Pension Scheme

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



Edelweiss Agri Value Chain Limited

Notes to the Special Purpose Financial Statements (Continued)

Gratuity

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

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

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

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

Compensated leave absences

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

1.13 Operating lease

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.

1.14 Borrowing Costs

Borrowing costs include interest, amortisation of ancillary costs incurred. Interest cost in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan.

1.15 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 dilutive potential equity shares.



Edelweiss Agri Value Chain Limited

Notes to the Special Purpose Financial Statements (Continued)

1.16 Taxation

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

Current tax

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

Deferred tax

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

1.17 Provisions and contingencies

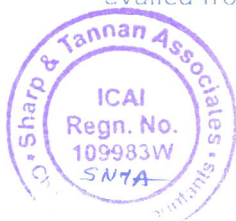
The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present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

1.18 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 Agri Value Chain Limited

Notes to the special purpose financial statements (Continued)

(Currency: Rupees in millions)

	As at 31 March 2018	As at 31 March 2017
2.1 Share capital		
a) Authorised:		
110,000,000 (Previous year: 110,000,000) equity shares of Rs. 10 each	1,100.00	1,100.00
	1,100.00	1,100.00
b) Issued, Subscribed and Paid up:		
109,998,269 (Previous year: 100,050,000) equity shares of Rs. 10 each, fully paid up	1,099.98	1,000.50
	1,099.98	1,000.50

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

c) **Reconciliation of shares outstanding at the beginning and at the end of the year:**

	31 March 2018		31 March 2017	
	Number of shares	Amount	Number of shares	Amount
Equity shares of Rs. 10 each fully paid				
Outstanding at the beginning of the year	10,00,50,000	1,000.50	10,00,50,000	1,000.50
Issued during the year	99,48,269	99.48	-	-
Outstanding at the end of the year	10,99,98,269	1,099.98	10,00,50,000	1,000.50

d) **Shares held by holding / ultimate holding company and / or their subsidiaries / associates:**

	31 March 2018		31 March 2017	
	Number of shares	Percentage Shareholding	Number of shares	Percentage Shareholding
Equity shares				
Edelweiss Commodities Services Limited, the holding company and its nominees	10,99,98,269	100%	10,00,50,000	100%

e) **Details of share in the Company held by each shareholder holding more than 5% shares:**

	31 March 2018		31 March 2017	
	Number of shares	Percentage Shareholding	Number of shares	Percentage Shareholding
Equity shares of Rs 10 each fully paid				
Edelweiss Commodities Services Limited, the holding company	10,99,98,269	100%	10,00,50,000	100%

f) **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.

Note 1:

No shares allotted as fully paid-up pursuant to contract without payment being received in cash by the Company since the incorporation of the Company.

Note 2:

No shares allotted as fully paid up by way of bonus shares by the Company since incorporation of the Company.

Note 3:

No shares bought back by the Company since the incorporation of the Company.

- g) The Company has issued 99,48,269 equity shares at an issue price of Rs. 50.26 per share aggregating to Rs. 500 millions, at a premium of Rs. 40.26 per share amounting to Rs. 400.52 millions.

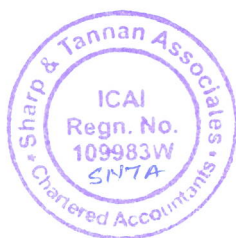


Edelweiss Agri Value Chain Limited

Notes to the special purpose financial statements (Continued)

(Currency: Rupees in millions)

	As at 31 March 2018	As at 31 March 2017
2.2 Reserves and surplus		
Securities premium account		
Opening balance	-	-
Add : Additions during the year (Refer note 2.1 (g))	400.52	-
	<u>400.52</u>	<u>-</u>
Debenture redemption reserve		
Opening balance	32.84	-
Add : Additions during the year	85.00	32.84
	<u>117.84</u>	<u>32.84</u>
Surplus in the statement of profit and loss		
Opening balance	0.02	14.86
Add : Additions during the year	90.02	18.00
Amount available for appropriation	<u>90.04</u>	<u>32.86</u>
Appropriations:		
Transfer to debenture redemption reserve	85.00	32.84
Net surplus in the statement of profit and loss	<u>5.04</u>	<u>0.02</u>
	<u>523.40</u>	<u>32.86</u>



Edelweiss Agri Value Chain Limited

Notes to the special purpose financial statements (Continued)

(Currency: Rupees in millions)

	As at 31 March 2018	As at 31 March 2017
2.3 Long-term borrowings		
Secured		
Non-convertible debentures	7,261.88	3,300.00
(The debentures are secured by a first mortgage and charge over the immovable property and 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) (refer note 2.38).		
	<u>7,261.88</u>	<u>3,300.00</u>
2.4 Long-term provisions		
Provision for employee benefits		
Gratuity	10.66	7.11
Compensated leave absences	3.80	3.27
	<u>14.46</u>	<u>10.38</u>
2.5 Short-term borrowings		
Secured		
Overdraft from banks	-	252.07
(Secured by pari-passu charge on current assets and corporate guarantee of ultimate holding company, at variable rate of interest)		
Buyer's credit	-	316.92
(Secured by pledge of fixed deposits with banks) (net of fixed deposit pledge)		
Sub total (A)	<u>-</u>	<u>568.99</u>
Unsecured		
Inter-corporate deposits	10.00	-
(Repayable on demand, at variable rate of interest)		
Commercial paper	-	1,500.00
Less: Unamortised discount on commercial paper (Repayable on 19 May 2017)	-	(14.82)
	<u>-</u>	<u>1,485.18</u>
Bank overdraft/Cash Credit	1.71	
Sub total (B)	<u>11.71</u>	<u>1,485.18</u>
Total (A + B)	<u>11.71</u>	<u>2,054.17</u>



Edelweiss Agri Value Chain Limited

Notes to the special purpose financial statements (Continued)

(Currency: Rupees in millions)

	As at 31 March 2018	As at 31 March 2017
2.6 Trade payables		
Trade payables (refer note 2.35) * (includes sundry creditors and provision for expenses)	4,090.98	375.15
	<u>4,090.98</u>	<u>375.15</u>
* Includes Buyers credit amounting to Rs. 3,226.13 millions		
2.7 Other current liabilities		
Interest accrued but not due on borrowings	530.39	258.24
Other payables		
Accrued salaries and benefits	57.45	31.42
Withholding tax, service tax and other statutory dues payable	24.49	12.26
Advances from customers	-	80.22
Retention money payable	0.06	0.10
Others	13.50	11.08
	<u>625.89</u>	<u>393.32</u>
2.8 Short-term provisions		
Provision for employee benefits		
Gratuity	0.27	0.25
Compensated leave absences	1.01	0.84
Others		
Provision for taxation (net of tax deducted at source and advance tax)	11.43	24.42
	<u>12.71</u>	<u>25.51</u>



Edelweiss Agri Value Chain Limited

Notes to the special purpose financial statements (Continued)

(Currency: Rupees in millions)

2.9 Fixed assets

Description of assets	Gross block			Depreciation and amortisation			Net block		
	As at 1 April 2017	Additions during the year	Deductions during the year	As At 31 March 2018	As at 1 April 2017	Charge for the year	Deductions during the year	As At 31 March 2018	As at 31 March 2017
Tangible assets									
Building	1.54	-	-	1.54	0.06	0.07	-	1.41	1.48
Plant and equipments	8.67	0.21	-	8.88	3.11	1.03	-	4.74	5.56
Furniture and fixtures	5.14	0.27	-	5.41	1.91	0.87	-	2.63	3.23
Vehicles	4.16	1.19	-	5.35	1.48	1.20	-	2.67	2.68
Office equipment	33.65	3.02	1.94	34.73	16.07	8.50	1.55	11.71	17.58
Computers and networking	32.38	6.03	0.08	38.33	20.43	7.96	0.02	9.96	11.95
Leasehold improvements	7.20	0.01	-	7.21	3.87	1.57	-	1.77	3.33
Total: A	92.74	10.73	2.02	101.45	46.93	21.20	1.57	34.89	45.81
Intangible assets									
Computer software	62.66	25.97	-	88.63	23.72	18.90	-	46.01	38.94
Total: B	62.66	25.97	-	88.63	23.72	18.90	-	46.01	38.94
Grand total [A+B]	155.40	36.70	2.02	190.08	70.65	40.10	1.57	80.90	84.75
Previous year	98.34	57.74	0.68	155.40	36.09	34.96	0.40	84.75	



Edelweiss Agri Value Chain Limited

Notes to the special purpose financial statements (Continued)

(Currency: Rupees in millions)

	As at 31 March 2018			As at 31 March 2017		
	Face value*	Quantity	Amount	Face value*	Quantity	Amount

2.10 Non-current investments

Others (unquoted)

Investments in preference shares of a related party (fully paid up)

Non cumulative non convertible redeemable

7% Edelweiss Broking Limited #

- - - 10 250,000 250.00

- 250.00

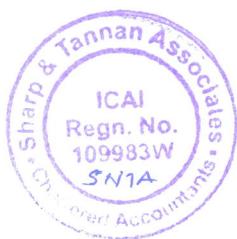
Redeemed at issued price on 28 March 2018

Aggregate value of unquoted investment

At carrying value

- 250.00

* Amount in rupees



Edelweiss Agri Value Chain Limited

Notes to the special purpose financial statements (Continued)

(Currency: Rupees in millions)

	As at 31 March 2018	As at 31 March 2017
2.11 Deferred tax		
Deferred tax liabilities		
Tax effect of the timing differences on account of:		
Others	(19.86)	-
	(19.86)	-
Deferred tax assets		
Difference between book and tax depreciation	5.17	0.11
Tax effect of the timing differences on account of:		
Disallowances under section 43B of the Income Tax Act, 1961	5.50	3.97
Others	72.75	72.75
	83.42	76.83
Deferred tax assets (net)	103.28	76.83
2.12 Long-term loans and advances (Unsecured, considered good)		
Rental deposits	-	25.27
Other loans and advances		
Advance income tax (net of provision)	23.67	11.81
	23.67	37.08
2.13 Other non-current assets		
Long term deposits with banks		
Held as margin money or security against borrowings, guarantees (Refer note 2.30)	24.88	27.68
Accrued interest on fixed deposits	-	3.40
	24.88	31.08
2.14 Stock-in-trade		
Mutual funds (Unquoted) - Axis Liquid Fund (Current Year- Nil, Previous Year- 554,714.36 units of FV Rs. 1,000 each)	-	1,000.00
Consumables*	0.60	6.23
	0.60	1,006.23

* Quantitative details of individual commodities not given due to varied nature of products and measurement units.

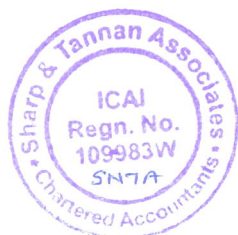


Edelweiss Agri Value Chain Limited

Notes to the special purpose financial statements (Continued)

(Currency: Rupees in millions)

	As at 31 March 2018	As at 31 March 2017
2.15 Trade receivables		
Outstanding for a period exceeding six months		
Secured, considered good	310.31	42.40
Unsecured, considered doubtful	233.49	198.14
	543.80	240.54
Less: provision for doubtful debts	233.49	198.14
	310.31	42.40
Other debts		
Unsecured, considered good	834.96	2,117.17
	1,145.27	2,159.57
2.16 Cash and bank balances		
Cash and cash equivalents		
Balances with banks		
in current accounts	957.40	13.60
Cash on hand	0.01	0.01
	957.41	13.61
Other balances with banks		
Short term deposits with banks:		
Held as margin money or security against borrowings, guarantees (Refer note 2.30)	145.68	314.34
	1,103.09	327.95
2.17 Short-term loans and advances		
Secured, considered good		
Loans and advance to others	2,154.13	1,048.68
Receivable from Agency business	6,149.45	-
Unsecured, considered good		
Loans to a related party	2,528.35	1,915.53
Other loans and advances		
Security deposits	82.25	82.40
Prepaid expenses	22.96	17.98
Loans and advances to employees	4.34	4.82
Vendor advances	8.25	3.36
Input tax credit	152.77	29.42
Advance income tax (net of provision for tax)	11.45	19.00
Advances recoverable in cash or in kind or for value to be received	0.45	0.98
Minimum alternative tax credit entitlement	-	-
	11,114.40	3,122.17
2.18 Other current assets		
Accrued interest on fixed deposits	3.08	0.13
Accrued interest on loans given	22.26	74.72
Margin placed with broker	5.26	16.96
Mark to mark on derivatives	14.32	-
	44.92	91.81



Edelweiss Agri Value Chain Limited

Notes to the special purpose financial statements (Continued)

(Currency: Rupees in millions)

	For the year ended 31 March 2018	For the year ended 31 March 2017
2.19 Fee and warehousing income		
Warehouse charges	1,022.80	812.16
Advisory and other fees	268.15	213.33
	<u>1,290.95</u>	<u>1,025.49</u>
2.20 Income from treasury operations and investments		
(Loss)/profit on trading of securities (net)	15.08	-
Loss on trading in currency derivative instruments (net)	(100.90)	(30.98)
Gain due to foreign exchange movement on trade	44.20	79.11
Profit / (loss) on benchmark linked Debenture	(3.10)	-
	<u>(44.72)</u>	<u>48.13</u>
2.21 Interest income		
Interest income on loan	871.48	368.18
Interest income on fixed deposits	28.96	34.39
Interest income on margin with brokers	0.92	0.03
Interest income on delayed payments	496.08	293.29
	<u>1,397.44</u>	<u>695.89</u>
2.22 Other operating revenue		
Rental income	0.23	-
	<u>0.23</u>	<u>-</u>
2.23 Other income		
Miscellaneous income	0.31	3.65
	<u>0.31</u>	<u>3.65</u>

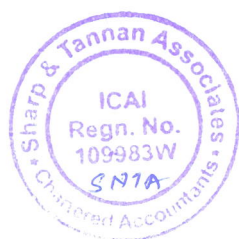


Edelweiss Agri Value Chain Limited

Notes to the special purpose financial statements (Continued)

(Currency: Rupees in millions)

	For the year ended 31 March 2018	For the year ended 31 March 2017
2.24 Employee benefit expenses		
Salaries and wages (Refer note 2.36)	390.05	291.74
Contribution to provident and other funds (Refer note 2.36)	17.93	15.00
Staff welfare expenses	22.17	14.47
	430.15	321.21
2.25 Finance costs		
Interest on debentures	586.25	257.47
Interest on inter-corporate deposits	7.03	-
Interest on bank overdraft	2.07	40.55
Interest on loans from holding company	9.59	7.29
Interest - others	0.13	0.06
Discount on commercial paper	137.46	198.57
Financial and bank charges	65.24	11.03
Interest on buyers credit	60.57	3.97
Interest on shortfall in payment of Advance Income Tax	0.85	-
	869.19	518.94



Edelweiss Agri Value Chain Limited

Notes to the special purpose financial statements (Continued)

(Currency: Rupees in millions)

	For the year ended 31 March 2018	For the year ended 31 March 2017
2.26 Other expenses		
Advertisement and business promotion	1.79	1.19
Auditor's remuneration (refer note below)	1.84	1.77
Balance written off	-	1.35
Commission and brokerage	2.87	0.49
Communication	10.85	12.85
Computer expenses	6.41	6.75
Clearing and forwarding charges	15.71	6.78
Director's sitting fees	0.48	0.44
Corporate Social Responsibility expenses (CSR)	0.50	-
Dunnage and fumigation expense (net)	12.55	22.20
Electricity charges (Refer note 2.40)	5.66	5.49
Foreign exchange loss (net)	-	0.02
Insurance (net)	31.52	18.17
Legal and professional fees	92.24	16.16
Loss on sale of fixed assets (net)	0.39	0.11
Membership and subscription	0.75	0.62
Office expenses	11.98	13.54
Postage and courier	2.36	1.64
Printing and stationery	3.50	4.91
Provision for doubtful debts	35.35	198.14
Rates and taxes	6.07	9.47
Rating support fees	0.19	6.80
Rent (Refer note 2.40)	647.86	546.06
Repairs and maintenance - others	1.97	1.44
ROC expenses	-	0.01
Service tax expenses	34.14	55.65
Stamp duty	2.86	1.80
Stock exchange expenses	0.41	1.09
Transportation charges (net)	7.57	5.31
Travelling and conveyance	43.73	34.41
Warehousing charges	148.83	57.44
Miscellaneous expenses	7.62	0.98
Housekeeping and security charges	38.26	29.80
	1,176.26	1,062.88

Note:

Auditors' remuneration:

As auditor's	1.79	1.60
For reimbursement of expenses	0.05	0.17
	1.84	1.77



Edelweiss Agri Value Chain Limited

Notes to the Special Purpose Financial Statements (continued)

(Currency: Rupees in millions)

2.27 Segment reporting:

Primary segment (Business segment)

The Company's business is organised and management reviews the performance based on the business segments as mentioned below:

Segment	Activities covered
Agency business	Warehouse and other fee based services
Capital based business	Supply chain management, interest income and investment activities

Income for each segment has been specifically identified. Expenditure, assets and liabilities are either specifically identifiable with individual segments or have been allocated to segments on a systematic basis. Based on such allocations, segment disclosures relating to revenue, results, assets and liabilities have been prepared.

Secondary segment (Geographical segment)

Since the business operations of the Company are primarily concentrated in India, the Company is considered to operate only in the domestic segment and therefore there is no reportable geographic segment.

The following table gives information as required under the Accounting Standard -17 on Segment Reporting:

Sr. No.	Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
i)	Segment revenue		
	a) Capital based business	1,353.26	14,357.88
	b) Agency business	1,658.29	921.03
	Total	3,011.55	15,278.91
	Less : Inter segment revenue	-	-
	Total Income	3,011.55	15,278.91
ii)	Segment results		
	a) Capital based business	52.88	45.36
	b) Agency business	77.39	(14.09)
	Profit before tax	130.27	31.27
	Less: Provision for tax	40.25	13.27
	Profit after tax	90.02	18.00



Edelweiss Agri Value Chain Limited

Notes to the Special Purpose Financial Statements (continued)

(Currency: Rupees in millions)

2.27 Segment reporting (Continued)

Sr. No.	Particulars	As at 31 March 2018	As at 31 March 2017
iii)	Segment assets		
	a) Capital based business	13,169.72	6,706.86
	b) Agency business	146.37	377.38
	c) Unallocated (Refer note 1)	324.91	107.65
	Total	13,641.00	7,191.89
iv)	Segment liabilities		
	a) Capital based business	11,900.59	6,087.84
	b) Agency business	81.12	46.28
	c) Unallocated (Refer note 1)	35.92	24.41
	Total	12,017.63	6,158.53
v)	Capital expenditure (including work in Progress)		
	a) Capital based business	16.04	25.96
	b) Agency business	16.24	25.71
	Total	32.28	51.67
vi)	Depreciation and amortisation expense		
	a) Capital based business	18.02	16.88
	b) Agency business	22.08	18.08
	Total	40.10	34.96
vii)	Significant non-cash expenses other than depreciation and amortisation		
	a) Capital based business	1.92	199.21
	b) Agency business	37.71	3.39
	Total	39.63	202.60
Note 1: Unallocated assets represent deferred tax and advance tax.			



Edelweiss Agri Value Chain Limited

Notes to the Special Purpose Financial Statements (continued)

(Currency: Rupees in millions)

2.28 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.	Name of the related parties by whom control is exercised
	Edelweiss Commodities Services Limited, the holding company
	Edelweiss Financial Services Limited, the ultimate holding company
B.	Fellow Subsidiaries with whom the Company has transactions
	ECL Finance Limited
	Edel Commodities Trading Limited
	Edelweiss Business Services Limited (Formerly known as Edelweiss Web Services Limited)
	Edel Commodities Limited
	Edelweiss Investments Adviser Limited
	Edelweiss Securities Limited
	Edelweiss Insurance Brokers Limited
	ECap Equities Limited
	Edelweiss Multi Strategy Funds Management Private Limited
	Edelweiss Finance and Investments Limited
	Edelweiss Asset Reconstruction Company Limited
	Edelweiss Global Wealth Management Limited
	EFSL Trading Limited (formerly EFSL Commodities Limited)
	Edelweiss Broking Limited
	Aster Commodities DMCC
	Eternity Business Centre Limited
	Edelweiss Custodial Services Limited
	Edelweiss Housing Finance Limited
	EdelGive Foundation
	Edelweiss Asset Management Limited
	Edelweiss Retail Finance Limited
	EFSL Comtrade Limited
	Burlington Business Solutions Limited
C.	Key Management Personnel with whom transactions have taken place
	Mr. Santosh Dadheech (Executive Director)



Edelweiss Agri Value Chain Limited

Notes to the special purpose financial statements (Continued)

(Currency: Rupees in millions)

Related party disclosure (continued)

Nature of Transaction	Name of the related party	For the year ended 31 March 2018	For the year ended 31 March 2017
Capital account transactions during the year			
Current account transactions during the period			
Short term loans taken from (Refer note 1)	Edelweiss Commodities Services Limited Edelweiss Financial Services Limited	24,073.62 -	- 185.88
Short term loans repaid to (Refer note 1)	Edelweiss Financial Services Limited Edelweiss Commodities Services Limited Edelweiss Commodities Services Limited	- - 24,073.62	186.83 - 2,908.49
Short term loans given to (Refer note)	Edelweiss Commodities Services Limited Edel Commodities Limited EFSL Contrade Limited	49,168.75 7,492.75 9,843.92	5,364.77 - -
Short term loans repaid by (Refer note 1)	Edelweiss Commodities Services Limited Edel Commodities Limited EFSL Contrade Limited	50,896.61 6,328.70 8,667.27	3,449.25 - -
Margin placed with (Refer note 1)	Edelweiss Securities Limited Edelweiss Custodial Services Limited	- -	18.78 16.96
Margin withdrawn from (Refer note 1)	Edelweiss Securities Limited	-	17.79
Purchase/subscription of commercial paper from	Peap Equities Limited	-	1,000.00
Sale / Redemption of debentures to	Edelweiss Commodities Services Limited	-	500.00
Income			
Interest income margin	Edelweiss Custodial Services Limited Edelweiss Securities Limited	0.91 0.01	0.01 0.03
Interest income on loans to	Edel Commodities Limited Edelweiss Commodities Services Limited-181 EFSL Contrade Limited	226.73 573.67 71.07	368.18 - -
Warehouse income from	Edel Commodities Trading Limited	-	-
Commission paid to	Edelweiss Commodities Services Limited Edelweiss Commodities Services Limited*	0.16 -	103.25 0.01
Collateral management fees received from	ECL Finance Limited	0.99	10.45
Cost reimbursements received from	Edelweiss Commodities Services Limited-181 ECL Finance Limited Edelweiss Business Services Limited Edelweiss Financial Services Limited(Formerly ECL)	0.02 1.05 0.14 0.87	74.98 - - -
Expenses			
Rating and support fees	Edelweiss Financial Services Limited(Formerly ECL)	0.19	6.80
Purchase of Computer	Edelweiss Global Wealth Management Limite ECL Finance Limited Edelweiss Insurance Brokers Limited Edelweiss Housing Finance Limited Edelweiss Commodities Services Limited Edelweiss Multi Strategy Funds Management private lim Edelweiss Finance and Investments Limited Edelweiss Financial Services Limited Edelweiss Broking Limited Edelweiss Securities Limited	- - - - - - - - - -	0.08 0.11 0.02 0.05 0.43 0.02 0.01 0.04 0.05 0.25



Edelweiss Agri Value Chain Limited

Notes to the special purpose financial statements (Continued)

(Currency: Rupees in millions)

Related party disclosure (continued)

Nature of Transaction	Name of the related party	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest expenses on loans from	Edelweiss Financial Services Limited	-	0.73
	Edelweiss Commodities Services Limited-181	9.59	6.56
Corporate Guarantee Commission	Edelweiss Financial Services Limited(Formerly ECL)	22.16	-
Cost reimbursements paid to	Edelweiss Commodities Services Limited-181	0.44	39.81
	Edelweiss Financial Services Limited(Formerly ECL)	2.74	12.01
	EPSL Trading Limited *	-	0.01
	ECap Equities Limited	0.20	-
	Burlington Business Solutions Limited	0.06	-
	Edelweiss Broking Limited	0.14	-
	Edelweiss Commodities Services Limited-182	0.12	-
	Edelweiss Business Services Limited	-	-
	Edelweiss Housing Finance Limited	0.11	-
	Edelweiss Securities Limited	0.03	-
	Eternity Business Centre Limited	0.04	0.37
Reimbursements paid to	Edelweiss Commodities Services Limited	-	43.22
	Edelweiss Financial Services Limited	-	42.46
	Edelweiss Business Services Limited	-	165.70
Legal and professional fees to	Edelweiss Securities Limited *	-	-
	Edelweiss Business Services Limited	69.40	1.11
Processing fees paid to	Edelweiss Business Services Limited	-	0.23
Warehouse expense to	Edel Commodities Limited	-	11.82
	Edelweiss Securities Limited	-	2.42
Transaction charges to	Edelweiss Securities Limited	-	0.89
Nomination deposits paid	Edelweiss Commodities Services Limited	-	0.40
Clearing expenses to	Edelweiss Securities Limited	0.09	0.01
Interest expenses on debt instruments from	ECap Equities Limited	-	2.29
	Edelweiss Commodities Services Limited-181	9.59	0.81
Remuneration paid to (Refer note 2)	Santosh Dadheech	-	23.88
Balances with related parties (Assets) as on 31 March 2018			
Investment in preference shares in	Edelweiss Broking Limited	-	250.00
Trade receivables from	Edelweiss Business Services Limited	0.04	-
	Edelweiss Securities Limited	0.48	1.00
	Edelweiss Insurance Brokers Limited	-	0.04
	Edel Commodities Trading Limited *	-	0.01
	Edelweiss Asset Reconstruction Company Limited	-	0.03
	Edelweiss Commodities Services Limited-181	11.66	28.26
	EPSL Trading Limited	-	0.24
	Edelweiss Custodial Services Limited*	-	0.01
	ECL Finance Limited	0.60	0.38
	Edelweiss Financial Services Limited(Formerly ECL)	0.26	0.05
	EPSL Comtrade Limited	4.75	-
Margin receivable from	Edelweiss Custodial Services Limited	4.75	16.96
	Edelweiss Securities Limited	0.52	-
Short term loans and advances given to	Edelweiss Commodities Services Limited	187.66	1,915.53
	Edel Commodities Limited	1,164.05	-
	EPSL Comtrade Limited	1,176.65	-
Accrued interest income on loans given to	Edel Commodities Limited	16.87	-
	Edelweiss Commodities Services Limited-181	1.34	74.72
	EPSL Comtrade Limited	4.06	-
Advances recoverable from	Edelweiss Commodities Services Limited	-	-
	Edelweiss Investments Adviser Limited *	-	-
	ECL Finance Limited	-	0.15

Edelweiss Agri Value Chain Limited

Notes to the special purpose financial statements (Continued)

(Currency: Rupees in millions)

Related party disclosure (continued)

Nature of Transaction	Name of the related party	For the year ended 31 March 2018	For the year ended 31 March 2017
Balances with related parties (Liabilities) as on 31 March 2018			
Trade payables to	Eternity Business Centre Limited *	-	0.01
	Edelweiss Multi Strategy Funds Management private	-	0.02
	Edelweiss Broking Limited	0.02	
	ECap Equities Limited	0.04	
	Edelweiss Commodities Services Limited-181	25.56	3.49
	Edelweiss asset management limited	0.34	
	Edelweiss retail finance Ltd	0.02	
	Edelweiss Housing Finance Limited	0.06	
	Edelweiss Business Services Limited	36.74	1.53
	Edelweiss Financial Services Limited(Formerly ECL)	25.25	
	Edelweiss Web Services Limited		
	ECL Finance Limited	-	0.01
Accrued salaries and benefits	Santosh Dadheech		13.00

* amount is less than Rs. 0.01 million

Note 1:

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.

Edelweiss Agri Value Chain Limited

Notes to the Special Purpose Financial Statements (continued)

(Currency: Rupees in millions)

2.29 Contingent liabilities and capital commitments (to the extent not provided for):

Contingent liabilities (to the extent not provided for): Rs. 65.13 (Previous year: Rs. Nil)
(Demand was raised on various grounds like tax on presumptory purchase & sales values adopted by department, disallowance of ITC on various grounds such as sale price is less than Purchase price etc.)

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is Rs. 3.96 (Previous year: Rs. 32.82)

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 special purpose 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.

2.30 Encumbrances on fixed deposits held by the Company:

Sr. No.	Particulars
i)	Fixed deposits aggregating to Rs.30.99 (Previous year: Rs.27.39) have been pledged with Agriculture Produce Market Committee for mandi license.
ii)	Fixed deposits aggregating to Rs. 7.68 (Previous year: Rs.7.67) have been pledged with sales tax authorities for meeting deposit requirements.
iii)	Fixed deposits aggregating to Rs. 373.64 (Previous year: Rs.304.46) have been pledged with banks against Overdraft and buyers credit/Letter of Credit.
iv)	Fixed deposits aggregating to Rs. 2.50 (Previous year: Rs.2.50) have been pledged with Customs authorities for Warehouse License.

2.31 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:

Sr. No.	Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
i)	Profit after tax (as per statement of profit and loss) (a)	90.02	18.00
ii)	Calculation of weighted average number of equity shares of Rs.10 each:		
	Number of shares outstanding at the beginning of the year	100,050,000	100,050,000



Edelweiss Agri Value Chain Limited

Notes to the Special Purpose Financial Statements (continued)

(Currency: Rupees in millions)

	Number of Shares issued during the year	9,948,269	-
	Total number of equity shares outstanding at the end of the year	109,998,269	100,050,000
	Weighted average number of equity shares outstanding during the year (based on the date of issue of shares) (b)	100,077,256	100,050,000
iii)	Basic and diluted earnings per share (Face value Rs 10) (in rupees) (a)/(b)	0.90	0.18

2.32 Details of stock-in-trade:

Commodities:

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
(a) Opening stock	Nil	7,467.46
(b) Purchase	365.58	5,842.19
(c) Sales	367.34	1,3505.75
(d) Closing stock	Nil	-

Securities: Mutual Fund

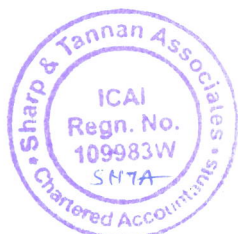
Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
(a) Opening stock	1,000.00	-
(b) Purchase	26,250.00	1,000.00
(c) Sales	27,250.00	-
(d) Closing stock	-	1,000.00

2.33.1 Earnings in foreign currency:

Sr. No.	Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
(a)	Research Fees	0.01	-

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

Sr. No.	Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
(a)	Commodities	8,987.40	3,194.39



Edelweiss Agri Value Chain Limited

Notes to the Special Purpose Financial Statements (continued)

(Currency: Rupees in millions)

2.33.2 Expenditure in foreign currency from India:

Sr. No.	Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
(a)	Travelling and conveyance - foreign travel	0.03	0.05
(b)	Membership and subscription	0.34	0.28
(c)	Import of goods	-	0.81
(d)	Office equipment	-	0.31
(e)	Revalidation charges (testing)	0.22	0.04
(f)	Clearing & Forwarding charges	5.98	-
(g)	Buyers credit Interest	60.57	-

2.34 Operating leases:

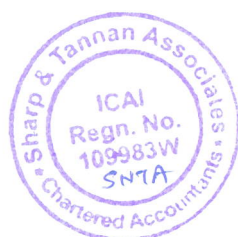
The Company has taken warehouses and office premises under operating lease agreements. Gross rental expenses for the year ended 31 March 2018 aggregated to Rs. 647.86 (Previous year: Rs. 546.06) (Refer Note – 2.26) which has been included under the head other expenses – Rent in the statement of profit and loss.

Non-cancellable operating lease obligation:

Sr. No.	Particulars	As at 31 March 2018	As at 31 March 2017
1	Not later than one year	60.11	45.41
2	Later than one year but not later than five years	22.31	25.92
3	Later than five years	-	-

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

Trade Payables includes 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.



Edelweiss Agri Value Chain Limited

Notes to the Special Purpose Financial Statements (continued)

(Currency: Rupees in millions)

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

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

Amount of Rs.17.93 (Previous year: Rs. 15.00) is recognized as expense and included in "Employee benefit expenses" – Note 2.24 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 unfunded status and amount recognised in the balance sheet for the gratuity benefit plan.

Reconciliation of defined benefit obligation (DBO)

Particulars	For the year ended 31 March 2018	or the year ended 31 March 2017
Present value of DBO at the start of the year	7.36	3.47
Transfer in / (out)	(0.39)	0.95
Current service cost	3.48	2.87
Interest cost	0.47	0.33
Past Service Cost	0.25	-
Actuarial loss / (gain)	(0.23)	(0.25)
Present value of DBO at the end of the year	10.94	7.36

Net liability recognised in the balance sheet:

Particulars	As at 1 March 2018	As at 31 March 2017
Liability at the end of the year	10.94	7.36
Fair value of plan assets at the end of the year	-	-
Amount in balance sheet – liability	10.94	7.36



Edelweiss Agri Value Chain Limited

Notes to the Special Purpose Financial Statements (continued)

(Currency: Rupees in millions)

2.36 Disclosure pursuant to Accounting Standard 15 (Revised) – Employee Benefits (Continued)

Expenses recognised in the statement of profit & loss:

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Current service cost	3.48	2.87
Interest cost	0.47	0.33
Past Service Cost	0.25	-
Actuarial loss	(0.23)	(0.25)
Employer expense	3.97	2.95

Expenses recognised in the statement of profit & loss (continued):

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015
Defined benefit obligation	10.94	7.36	3.47	0.98
Fair value of plan assets	-	-	-	-
Surplus / (deficit)	(10.94)	(7.36)	(3.47)	(0.98)
Experience adjustment on plan liabilities: (gain)/loss	0.09	(0.52)	0.15	*-
Experience adjustment on plan assets: gain/(loss)	N.A.	N.A.	N.A.	N.A.

* Being the first actuarial valuation

Principal actuarial assumptions at the balance sheet date:

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Discount rate	7.3%	6.8%
Salary escalation	7%	7%
Employee attrition rate	13% to 25%	13% to 25%



Edelweiss Agri Value Chain Limited

Notes to the Special Purpose Financial Statements (continued)

(Currency: Rupees in millions)

2.37 Expenditure for Corporate Social Responsibility

The Company is a ultimate subsidiary of Edelweiss Financial Services Limited. Edelweiss group is conscious of its Corporate Social Responsibility and, had accordingly established a CSR arm, "EdelGive Foundation" in the year 2008. The Group as a whole has incurred the prescribed CSR expenditure of Rs.177.84 (Previous year: Rs.115.68), representing more than 2% of the consolidated profit of the group towards CSR activities during the year ended March 31, 2018, the Company has not incurred the prescribed CSR expenditure on a standalone basis during the year ended March 31, 2018.

2.38 Details of Debentures as at 31 March 2018

Maturities	>3 years	1- 3 years	< 1 year	Total
Rate of interest				
9.00-9.99%	-	3,300.00	-	3,300.00
8.00-8.99%	3,961.88	-	-	-

2.39 The following currency futures and forward have open interests as on the balance sheet date:

Open interest's currency futures and forward-USD INR as on the balance sheet date

Sr. No	Name of currency	For the year ended 31 March 2018		For the year ended 31 March 2017	
		No. Of Contracts	Number of Units Involved	No. Of Contracts	Number of Units Involved
1	Long position - Futures	450	450,000	10,404	10,404,000
2	Long position - Forward	46,812,885	46,812,885	-	-

2.40 Cost sharing and other recoveries:

Fellow subsidiaries, Eternity Business Centre Limited and Edelweiss Commodities Services Limited, being the holding company incurs expenditure like rent expenditure, electricity expenditure etc., which is for the benefit of the Company. This cost so expended is reimbursed by the Company on the basis of number of employees, area occupied and actual identifications etc. Accordingly, and as identified by management, the expenditure heads in note 2.26 in the statement of the profit and loss are inclusive of the reimbursements.



Edelweiss Agri Value Chain Limited

Notes to the Special Purpose Financial Statements (continued)

(Currency: Rupees in millions)

2.41 The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, as on the balance sheet date the Company has reviewed the same and in the opinion of the management there is no material foreseeable losses identified which has impact on the special purpose financial statements.

2.42 Previous year figures have been regrouped / rearranged wherever necessary.

As per our report of even date attached.

For Sharp & Tannan Associates

Chartered Accountants
Firm's Registration No. 109983W
By the hand of



Tirtharaj Khot
Partner

Membership No:(F) 037457



For and on behalf of the Board of Directors of Edelweiss Agri Value Chain Limited



Santosh Dadheech
Executive Director
DIN No: 00196204



Deepak Mundra
Chief Financial Officer

Mumbai
May 02, 2018



Kalpana Maniar
Director
DIN No: 00719180



Manish Ajmera
Company Secretary

Mumbai
May 02, 2018