

**EFSL Comtrade Limited**

Financial Statements  
together with Auditors' Report  
for the year ended 31 March 2018

# **EFSL Comtrade Limited**

## Financial Statements together with Auditors' Report

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## Independent Auditors' Report

To  
The Members of EFSL Comtrade Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of **EFSL Comtrade Limited ("the Company")**, which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management'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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.

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 2018, and its profit and its cash flows for the year ended on that date.



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### Report on Other Legal and Regulatory Requirements

1. 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 Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.;
  - e. on the basis of written representations received from the Directors as on 31 March 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018, 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 does not have any pending litigations which would impact its financial position;
    - 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 derivative contracts; and
    - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company..

For NGS & Co. LLP  
Chartered Accountants  
Firm Registration No. 119850W



R. P. Soni  
Partner  
Membership No.:104796



Place: Mumbai  
Date: 30 April 2018



**Annexure A to the Auditors' Report**

**The Annexure referred to in our Independent Auditors' Report to the members of EFSL Comtrade Limited ('the Company') on the financial statements for the year ended 31 March 2018, we report that:**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, 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 nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the Company does not own immovable properties, accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The Company has conducted physical verification of inventory on the basis of statement received from depository participants in respect of securities and warehouse receipts in respect of commodities held as inventory, at reasonable intervals during the year. No material discrepancies have been noticed on such physical verification.
- (iii) According to the information and explanations given to us, 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 Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans to directors including entities in which they are interested in respect of which the provisions of section 185 of the Companies Act, 2013 are applicable and hence not commented upon. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Companies Act, 2013 in respect of 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 Companies Act, 2013 for any activities conducted and 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, services tax, sales tax, value added tax, goods and service tax, cess and other material statutory dues, applicable to it, have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, Company did not have any dues on account of employees' state insurance, duty of excise and duty of custom.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, services tax, sales tax, value added tax, goods and service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.



- (b) According to the information and explanations given to us, there are no dues of income tax, sales tax, value added tax, service tax, goods and service tax and cess which have not been deposited on account of any dispute.
- (viii) The Company does not have any loans or borrowings from any financial institution, bank, government and debenture holders. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no 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 given to us and based on our examination of the records of the Company, during the year, the Company has not paid/provided for managerial remuneration. Accordingly, paragraph 3 (xi) of the Order is not applicable.
- (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 by the management, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (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 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 the Reserve Bank of India Act 1934.

For NGS & Co. LLP  
Chartered Accountants  
Firm Registration No. 119850W

  
R. P. Soni  
Partner  
Membership No.:104796



Place: Mumbai  
Date: 30 April 2018



## **Annexure B to the Auditors' Report**

### **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 **EFSL Comtrade Limited ("the Company")** as of 31 March 2018 in conjunction with our audit of 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 Institute of Chartered Accountants of India. 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.



### **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, 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 31 March 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For NGS & Co. LLP  
Chartered Accountants  
Firm Registration No.: 119850W



R. P. Soni  
Partner  
Membership No.: 104796



Place: Mumbai  
Date: 30 April 2018



# EFSL Comtrade Limited

## Balance Sheet

(Currency: Indian rupees)

	Note	As at 31 March 2018	As at 31 March 2017
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2.1	1,700,000	1,700,000
Reserves and surplus	2.2	(72,764,135)	(128,579,249)
		(71,064,135)	(126,879,249)
<b>Non-current liabilities</b>			
Long-term provisions	2.3	15,930	173,000
<b>Current liabilities</b>			
Short-term borrowings	2.4	3,103,677,653	2,793,581,879
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	2.34	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	2.5	4,734,880	1,248,944
Other current liabilities	2.6	31,157,097	37,038,704
Short-term provisions	2.7	19,328,774	3,467,783
<b>TOTAL</b>		<b>3,087,850,199</b>	<b>2,708,631,061</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Property plant and equipment	2.8	2,873	5,231
Non-current investments	2.9	1,656,956,375	2,364,286,493
Deferred tax assets	2.10	16,138,116	94,335,414
Long-term loans and advances	2.11	2,920,891	2,833,474
		1,676,018,255	2,461,460,612
<b>Current assets</b>			
Current investments	2.12	5,030,671	17,102,697
Stock-in-trade	2.13	1,260,000,000	-
Trade receivables	2.14	21,096,160	82,786,289
Cash and cash equivalents	2.15	2,763,579	2,820,511
Short-term loans and advances	2.16	53,763,198	22,877,628
Other current assets	2.17	69,178,336	121,583,324
		1,411,831,944	247,170,449
<b>TOTAL</b>		<b>3,087,850,199</b>	<b>2,708,631,061</b>

Significant accounting policies and notes to the financial statements.

1 & 2

As per our report of even date attached.

For NGS & Co. LLP

Chartered Accountants

Firm's Registration No.: 119850W

R. P. Soni

Partner

Membership No.: 104796



Mumbai

30 April 2018

For and on behalf of the Board of Directors

Shailendra Maru

Director

DIN 03290024

Mumbai

30 April 2018

Jatin Shukla

Director

DIN 07442534

# EFSL Comtrade Limited

## Statement of Profit and Loss

(Currency: Indian rupees)

	Note	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Revenue from operations</b>			
Fee and commission income	2.18	153,400,378	188,840,142
Income from treasury operations	2.19	344,665,792	108,054,269
Sale of commodities		599,700,000	149,938,466
Other operating revenue	2.20	263,684,770	138,221,316
<b>Other income</b>	2.21	(112,978,501)	(1,411,495)
<b>Total revenue</b>		<b>1,248,472,439</b>	<b>583,642,698</b>
<b>Expenses</b>			
Purchases of commodities		599,500,000	149,936,382
Employee benefit expenses	2.22	(167,600)	2,508,502
Finance costs	2.23	425,813,814	269,619,876
Depreciation and amortization expenses	2.8	2,358	4,292
Other expenses	2.24	88,931,120	40,105,057
<b>Total expenses</b>		<b>1,114,079,692</b>	<b>462,174,109</b>
<b>Profit before tax</b>		<b>134,392,747</b>	<b>121,468,589</b>
Tax expense:			
Current tax (Including excess provision for earlier year Rs. 440,597; Previous year: Rs. 1,667,016)		31,054,172	20,608,526
MAT credit entitlement		(30,673,837)	(22,275,542)
Deferred tax charge / (benefit)		78,197,298	(92,935,699)
<b>Profit for the year</b>		<b>55,815,114</b>	<b>216,071,304</b>
Earnings per equity share: (Face value of Rs. 10 each)			
Basic and diluted	2.35	328.32	1,271.01
Significant accounting policies and notes to the financial statements.	1 & 2		

As per our report of even date attached.

For NGS & Co. LLP  
Chartered Accountants  
Firm's Registration No.: 119850W

  
**R. P. Soni**  
Partner  
Membership No.: 104796



Mumbai  
30 April 2018

For and on behalf of the Board of Directors

  
**Shailendra Maru**  
Director  
DIN 03290024

  
**Jatin Shukla**  
Director  
DIN 07442534

Mumbai  
30 April 2018

# EFSL Comtrade Limited

## Cash Flow Statement

(Currency: Indian rupees)

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>A Cash flow from operating activities</b>		
Profit before tax	134,392,747	121,468,589
<b>Adjustments for:</b>		
Depreciation	2,358	4,292
Provision for compensated leave absences and gratuity	(193,227)	15,157
Profit on sale of non-current investments	71,741,015	1,423,126
Long term investment - written off	41,237,486	-
Share of profit from partnership firm	(5,030,671)	(17,102,697)
Interest expense	417,799,506	265,436,647
<b>Operating cash flow before working capital changes</b>	<b>659,949,214</b>	<b>371,245,114</b>
<b>Adjustments for :</b>		
Increase in stock-in-trade	(1,260,000,000)	-
Decrease in trade receivable, loans and advances and other current assets	113,432,268	1,228,180,273
Increase/(decrease) in current liabilities and provisions	9,138,174	(136,663,146)
<b>Cash (used in) / generated from operations</b>	<b>(477,480,344)</b>	<b>1,462,762,241</b>
Income taxes paid	(14,793,324)	(18,885,761)
<b>Net cash (used in) / generated from operating activities - A</b>	<b>(492,273,668)</b>	<b>1,443,876,480</b>
<b>B Cash flow from investing activities</b>		
Sale of investments	135,455,970	2,530,300
Receipt of capital from subsidiary	459,395,647	-
Purchase of Investment	(500,000)	(1,695,526,125)
Drawing/ (contribution) in partnership firm	17,102,697	(9,000)
Repayment of loan given (net) (refer note below)	-	3,323,855
<b>Net cash generated from / (used in) investing activities - B</b>	<b>611,454,314</b>	<b>(1,689,680,970)</b>
<b>C Cash flow from financing activities</b>		
Proceeds from unsecured loans borrowed (net) (refer note below)	310,095,774	476,147,483
Interest paid	(429,333,353)	(250,321,743)
<b>Net cash (used in) / generated from financing activities - C</b>	<b>(119,237,579)</b>	<b>225,825,740</b>
<b>Net (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(56,933)</b>	<b>(19,978,750)</b>
Cash and cash equivalents as at the beginning of the year	2,820,512	22,799,262
Cash and cash equivalents as at the end of the year (refer note 2.15)	2,763,579	2,820,512

Note:

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

As per our report of even date attached.

For NGS & Co. LLP

Chartered Accountants

Firm's Registration No.: 119850W

*R.P. Soni*

R. P. Soni

Partner

Membership No.:104796

Mumbai

30 April 2018



For and on behalf of the Board of Directors

*Shailendra Maru*

Shailendra Maru

Director

DIN 03290024

Mumbai

30 April 2018

*Jatin Shukla*

Jatin Shukla

Director

DIN 07442534



# EFSL Comtrade Limited

## Notes to the financial statements for the year ended 31 March 2018

(Currency: Indian rupees)

### 1. Significant accounting policies

#### 1.1 Basis of preparation of financial statements

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

#### 1.2 Use of estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities on the date of the financial statements and 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 12 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 12 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 12 months after the reporting date or the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. Current liabilities include current portion of non-current liabilities. All other liabilities are classified as non-current.



# EFSL Comtrade Limited

## Notes to the financial statements for the year ended 31 March 2018 (Continued)

(Currency: Indian rupees)

### 1. Significant accounting policies (Continued)

#### 1.4 Revenue recognition

- Income from treasury comprises of profit/loss on sale of securities 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, a valuation technique is used to determine the fair value. In most cases the valuation techniques use observable market data as input parameters in order to ensure reliability of the fair value measure.
- Commodities sales are accounted when all obligations connected with the transfer of risk and rewards to the buyer have been fulfilled after the price has been determined and collection of the receivable is reasonably certain.
- Interest income is recognised on accrual basis.
- Dividend income is recognised when the right to receive the payment is established.
- Fee income is accounted for on an accrual basis in accordance with the terms and conditions of contracts entered into between the Company and the counterparty.
- 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.

#### 1.5 Fixed assets and depreciation

##### Property plant and equipment

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

Depreciation is provided on a written down value basis from the date the asset is ready for its intended use or put to use whichever is earlier. In respect of assets sold, depreciation is provided 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 the Schedule for calculating the depreciation. The useful lives of the fixed assets are as follows:

Class of asset	Estimated useful life
Office equipment	5 years





# EFSL Comtrade Limited

## Notes to the financial statements for the year ended 31 March 2018 (Continued)

(Currency: Indian rupees)

### 1. Significant accounting policies (Continued)

#### 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.

#### 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 Investments

Investments are classified into non-current 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 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 Foreign currency transactions

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

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

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





# EFSL Comtrade Limited

## Notes to the financial statements for the year ended 31 March 2018 (Continued)

(Currency: Indian rupees)

### 1. Significant accounting policies (Continued)

#### 1.10 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.

#### 1.11 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.

#### 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*

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



# EFSL Comtrade Limited

## Notes to the financial statements for the year ended 31 March 2018 (Continued)

(Currency: Indian rupees)

### 1. Significant accounting policies (Continued)

#### 1.12 Employee benefits (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. The cost of providing annual leave benefits are determined using the projected unit credit method.

#### 1.13 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.

#### 1.14 Cash and cash equivalents

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



# EFSL Comtrade Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees)

	As at	
	31 March 2018	31 March 2017
<b>2.1 Share capital</b>		
<b>(a) Authorised</b>		
200,000 (Previous year 200,000) equity shares of Rs. 10 each	2,000,000	2,000,000
	<u>2,000,000</u>	<u>2,000,000</u>
<b>(b) Issued, subscribed and paid up:</b>		
170,000 (Previous year 170,000) equity shares of Rs. 10 each, fully paid-up	1,700,000	1,700,000
	<u>1,700,000</u>	<u>1,700,000</u>
<b>(c) Reconciliation of number of shares outstanding :</b>		
Number of shares outstanding at the beginning of the year	170,000	170,000
Number of Shares issued during the year	-	-
Number of shares outstanding at the end of the year	<u>170,000</u>	<u>170,000</u>
<b>(d) Reconciliation of share capital:</b>		
Share capital at the beginning of the year	1,700,000	1,700,000
Shares capital issued during the year	-	-
Share capital at the end of the year	<u>1,700,000</u>	<u>1,700,000</u>
<b>(e) Shares held by holding/ultimate holding company</b>		
	31 March 2018	
	No. of shares	% holding
Equity Shares of Rs.10 each fully paid		
Edelweiss Commodities Services Limited	170,000	100%
<b>Total</b>	<u>170,000</u>	<u>100%</u>
	31 March 2017	
	No. of shares	% holding
Equity Shares of Rs.10 each fully paid		
Edelweiss Commodities Services Limited	170,000	100%
<b>Total</b>	<u>170,000</u>	<u>100%</u>
<b>(f) Details of shareholders holding more than 5% shares in the Company :</b>		
	31 March 2018	
	No. of shares	% holding
Equity Shares of Rs.10 each fully paid		
Edelweiss Commodities Services Limited	170,000	100%
<b>Total</b>	<u>170,000</u>	<u>100%</u>
	31 March 2017	
	No. of shares	% holding
Equity Shares of Rs.10 each fully paid		
Edelweiss Commodities Services Limited	170,000	100%
<b>Total</b>	<u>170,000</u>	<u>100%</u>
<b>(g) Terms/rights attached to equity shares:</b>		
The Company has only one class of equity shares having a par value of Rs 10. Each holder of equity share 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.		
<b>2.2 Reserves and surplus</b>		
Securities premium account	4,800,000	4,800,000
<b>Deficit in the statement of profit and loss</b>		
Opening balance	(133,379,249)	(349,450,553)
Add/less : Profit for the year	55,815,114	216,071,304
Closing balance	<u>(77,564,135)</u>	<u>(133,379,249)</u>
	<u>(72,764,135)</u>	<u>(128,579,249)</u>





## EFSL Comtrade Limited

### Notes to the financial statements (Continued)

(Currency: Indian rupees)

	As at 31 March 2018	As at 31 March 2017
<b>2.3 Long-term provisions</b>		
Provision for employee benefits		
Gratuity	15,000	157,000
Compensated leave absences	930	16,000
	<u>15,930</u>	<u>173,000</u>
<b>2.4 Short-term borrowings</b>		
Unsecured, considered good		
Loan from holding company	1,927,028,172	2,793,581,879
Loan from other	1,176,649,481	-
(Repayable on demand, at variable rate of interest ranging from 10% to 14% per annum)		
	<u>3,103,677,653</u>	<u>2,793,581,879</u>
<b>2.5 Trade payables</b>		
Trade payables	4,734,880	1,248,944
(includes sundry creditors and provision for expenses)		
	<u>4,734,880</u>	<u>1,248,944</u>
<b>2.6 Other current liabilities</b>		
Interest accrued and due on borrowings	13,241,392	24,775,238
Other payables *		
Premium received on exchange traded options	105,000	46,500
Accrued salaries and benefits	-	600,000
TDS, service tax and other taxes payable	17,079,558	11,424,351
Others	731,147	192,615
* There are Rs. Nil (Previous year: Rs. Nil) amounts due for payment to the Investor Education and Protection Fund under Section 125 of Companies Act 2013 as at the year end.		
	<u>31,157,097</u>	<u>37,038,704</u>
<b>2.7 Short-term provisions</b>		
Provision for employee benefits		
Gratuity	-	32,157
Compensated leave absences	-	4,000
Others		
Provision for taxation	19,328,774	3,431,626
(Net of advance tax and tax deducted at source)		
	<u>19,328,774</u>	<u>3,467,783</u>



## EFSL Comtrade Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees)

#### 2.8 Fixed assets

Description of Assets	Gross Block		Depreciation		Net Block	
	As at 1 April 2017	Additions during the year	Deductions during the year	As at 31 March 2018	As at 31 March 2018	As at 31 March 2017
Property plant and equipment						
Office equipment	16,200	-	-	16,200	2,358	13,327
						2,873
<b>Total</b>	16,200	-	-	16,200	2,358	13,327
						2,873
Previous year	16,200	-	-	16,200	4,292	10,969
					6,677	10,969
						5,231



## EFSL Comtrade Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at 31 March 2018			As at 31 March 2017		
	Face Value	Quantity	Amount Rs.	Face Value	Quantity	Amount Rs.
<b>2.9 Non-current investments - at cost (unquoted)</b>						
<b>Investments in ordinary shares of subsidiary companies (fully paid)</b>						
Edelweiss Commodities Pvt Limited	-	-	-	SGD 1	12,724,304	613,009,840
Edel Commodities Limited.	10	50,000	500,000	-	-	-
Edelweiss Tarim Urunleri Anonim Sirketi (25% paid up)	-	-	-	1TL	2,250,000	43,357,500
<b>Others</b>						
Investments in common stock of						
Goqii Inc	-	-	-	\$0.00001	610	511,936
<b>Investments in partnership firm, Capital account</b>						
Edelvalue Partners	-	-	9,000	-	-	9,000
<b>Investments in debentures</b>						
17% Un-Secured Redeemable Non Convertible Debenture of Edelweiss Asset Reconstruction Company Limited	1,000,000	1,500	1,500,000,000	1,000,000	1,500	1,500,000,000
<b>Investments in Series A preferred stock of</b>						
Goqii Inc	-	-	-	\$0.00001	60,985	50,950,842
<b>Investments in units of fund</b>						
Edelweiss Alternative Investment Trust- EW Clover Scheme	10,000	12,500	156,447,375	10,000	12,500	156,447,375
			1,656,956,375			2,364,286,493
Aggregate of unquoted investment						
At carrying value			1,656,956,375			2,364,286,493

Note :-

(a) Details of Investments in Partnership Firm

Partnership firm	Total Capital	As at 31 March 2018	As at 31 March 2017
Edelvalue Partners	Rs. 100,000 (Previous year Rs. 100,000)		
Share of profit/loss	Magnolia Commodities Services Private Limited	41%	41%
	Dahlia Commodities Services Private Limited	40%	40%
	EFSL Trading Limited	10%	10%
	EFSL Comtrade Limited	9%	9%





# EFSL Comtrade Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees)

	As at 31 March 2018	As at 31 March 2017
<b>2.10 Deferred tax assets</b>		
Tax effect of the timing differences on account of:		
Difference between book and tax depreciation	2,339	6,202
Disallowances under section 43B of the Income Tax Act, 1961	5,567	72,385
Unrealised loss on derivatives	16,130,210	94,256,827
	<u>16,138,116</u>	<u>94,335,414</u>
<b>2.11 Long-term loans and advances</b>		
Other loans and advances		
Advance income taxes	2,920,891	2,833,474
(Net of provision for taxation)		
	<u>2,920,891</u>	<u>2,833,474</u>
<b>2.12 Current investments</b>		
Others (Unquoted)		
Investments in current account with partnership firms [Refer note 2.9 (a)]		
Edelvalue Partners	5,030,671	17,102,697
	<u>5,030,671</u>	<u>17,102,697</u>



## EFSL Comtrade Limited

### Notes to the financial statements (Continued)

(Currency: Indian rupees)

	As at 31 March 2018		As at 31 March 2017	
	Quantity	Amount Rs.	Quantity	Amount Rs.
<b>2.13 Stock-in-trade</b>				
<b>Mutual funds (unquoted)</b>				
ICICI Prudential Mutual Fund Collection 1 AC	4,921,394.40	1,260,000,000	-	-
		1,260,000,000		-



## EFSL Comtrade Limited

### Notes to the financial statements (Continued)

(Currency: Indian rupees)

	As at 31 March 2018	As at 31 March 2017
<b>2.14 Trade receivables</b>		
Outstanding for a period exceeding six months		
Unsecured, considered doubtful	12,768,221	285,979
Less: Provision for doubtful debts	(12,768,221)	(285,979)
	-	-
Other debts		
Unsecured, considered goods	21,096,160	82,786,289
	21,096,160	82,786,289
<b>2.15 Cash and cash equivalent</b>		
Balances with banks		
in current accounts	2,763,579	2,820,511
	2,763,579	2,820,511
<b>2.16 Short-term loans and advances</b> (Unsecured, considered good)		
Other loans and advances		
Deposits - others	90,000	90,000
Prepaid expenses	2,525	13,581
Vendor advances	10,310	-
Cenvat and VAT assets	695,118	31,522
Advance tax and tax deducted at source (net of provision for taxation)	15,866	466,983
MAT credit entitlement	52,949,379	22,275,542
	53,763,198	22,877,628
<b>2.17 Other current assets</b>		
Equity index/stock options premium account	590,000	121,500
Margin placed with broker	68,588,336	121,461,824
	69,178,336	121,583,324





# EFSL Comtrade Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees)

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>2.18 Fee and commission income</b>		
Advisory and other fees	153,400,378	188,840,142
	<u>153,400,378</u>	<u>188,840,142</u>
<b>2.19 Income from treasury operations</b>		
Profit on trading of securities (net)	164,360,284	21,022,743
Profit on trading in equity derivative instruments (net)	69,477,534	58,636,660
Profit on trading in commodity derivative instruments (net)	-	628
Profit/(loss) on trading in currency derivative instruments (net)	16,410,995	(8,845,612)
Profit on trading in interest rate derivative (net)	39,375,350	19,840,894
Profit on foreign exchange movement on trade	-	44,876
Profit on sale of long term investment	50,000,000	-
Dividend on stock in trade	10,958	251,383
Share of profit in partnership firm	5,030,671	17,102,697
	<u>344,665,792</u>	<u>108,054,269</u>
<b>2.20 Other operating revenue</b>		
Interest income on fixed deposits	-	59,589
Interest income on debt instrument	255,000,000	133,438,356
Interest income on margin with brokers	8,684,770	4,723,371
	<u>263,684,770</u>	<u>138,221,316</u>
<b>2.21 Other income</b>		
Loss on sale of long term investment	(71,741,015)	(1,423,126)
Long term investment - written off	(41,237,486)	-
Miscellaneous income	-	11,631
	<u>(112,978,501)</u>	<u>(1,411,495)</u>



# EFSL Comtrade Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees)

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>2.22 Employee benefit expenses</b>		
Salaries and wages	(342,299)	2,416,190
Contribution to provident and other funds	25,753	31,754
Staff welfare expenses	148,946	60,558
	<u>(167,600)</u>	<u>2,508,502</u>
<b>2.23 Finance costs</b>		
Interest on loan from holding company	417,799,506	265,436,647
Interest - others	6,390,008	3,896,459
Interest on shortfall in payment of advance income tax	1,601,231	255,665
Financial and bank charges	23,069	31,105
	<u>425,813,814</u>	<u>269,619,876</u>
<b>2.24 Other expenses</b>		
Advertisement and business promotion	23,140	852,000
Auditors' remuneration (refer note 2.26)	80,000	63,800
Communication	53,952	61,530
Computer expenses	60,726	-
Clearing and custodian charges	293,350	339,000
Dematerialisation charges	4,500	-
Electricity charges (refer note 2.37)	2,665	28,896
Insurance	-	(204,510)
Legal and professional fees	10,622,017	1,852,454
Membership and subscription	-	(18,445)
Office expenses	14,423	(37,863)
Printing and stationery	130,962	1,738,992
Provision for doubtful debts	12,482,242	285,980
Rates and taxes	3,940	5,355
Rent (refer note 2.37)	16,179	88,367
Repairs and maintenance - others	3,275	1,000
ROC expenses	400	2,400
Security transaction tax	58,496,950	31,885,209
Seminar and conference	18,000	-
Service tax expenses	6,323,555	2,739,479
Stamp duty	236,137	344,082
Stock exchange expenses	37,841	12,784
Transportation charges	16,800	1,800
Travelling and conveyance	8,385	63,799
Warehousing charges	176	(1,001)
Miscellaneous expenses	1,505	(443)
Commodity transaction tax	-	392
	<u>88,931,120</u>	<u>40,105,057</u>



# EFSL Comtrade Limited

## Notes to the financial statements

(Currency: Indian rupees)

### 2.25 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
Capital based business	Income from treasury operations, income from investments, and dividend income
Agency business	Advisory and product distribution services

Income for each segment has been specifically identified. Expenditure, assets and liabilities are either specifically identified 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:

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
<b>I</b>	<b>Segment revenue</b>		
	a) Capital based business	1,095,072,061	394,802,556
	b) Agency business	153,400,378	188,840,142
	c) Unallocated	-	-
	<b>Total</b>	<b>1,248,472,439</b>	<b>583,642,698</b>
	Less : Inter segment revenue	-	-
	<b>Total income</b>	<b>1,248,472,439</b>	<b>583,642,698</b>
<b>II</b>	<b>Segment results</b>		
	a) Capital based business	(3,424,075)	(65,027,037)
	b) Agency business	139,583,581	186,759,046
	c) Unallocated	(1,766,759)	(263,420)
	<b>Total</b>	<b>134,392,747</b>	<b>121,468,589</b>
	<b>Profit before taxation</b>	<b>134,392,747</b>	<b>121,468,589</b>
	Less : Provision for taxation	78,577,633	(94,602,715)
	<b>Profit after taxation</b>	<b>55,815,114</b>	<b>216,071,304</b>





# EFSL Comtrade Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees)

### 2.25 Segment reporting (Continued)

Sr. No	Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>III</b>	<b>Segment assets</b>		
	a) Capital based business	2,996,658,830	2,588,228,126
	b) Agency business	18,472,000	460,000
	c) Unallocated	72,719,369	119,942,935
	<b>Total</b>	<b>3,087,850,199</b>	<b>2,708,631,061</b>
<b>IV</b>	<b>Segment liabilities</b>		
	a) Capital based business	3,122,044,908	2,820,393,873
	b) Agency business	461,094	260,460
	c) Unallocated	36,408,332	14,855,977
	<b>Total</b>	<b>3,158,914,334</b>	<b>2,835,510,310</b>
<b>V</b>	<b>Capital expenditure ( including capital work in progress)</b>		
	a) Capital based business	-	-
	b) Agency business	-	-
	c) Unallocated	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>
<b>VI</b>	<b>Depreciation and amortisation</b>		
	a) Capital based business	2,358	4,292
	b) Agency business	-	-
	c) Unallocated	-	-
	<b>Total</b>	<b>2,358</b>	<b>4,292</b>
<b>VII</b>	<b>Significant non cash expenses Other than depreciation and amortisation</b>		
	a) Capital based business	(169,485)	15,157
	b) Agency business	12,458,500	-
	c) Unallocated	-	-
	<b>Total</b>	<b>12,289,015</b>	<b>15,157</b>



# EFSL Comtrade Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees)

### 2.26 Auditors' remuneration

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
As auditor	80,000	63,800
<b>Total</b>	<b>80,000</b>	<b>63,800</b>

### 2.27 Earnings and expenditure in foreign currency:

The Company has incurred expenditure in foreign currency Rs. Nil during the year (Previous year: Rs. Nil) and there has no earning in foreign currency during the year (Previous year: Nil).

### 2.28 Capital commitment:

The Company has no capital commitments as at the balance sheet date. (Previous year - Rs. Nil).

### 2.29 Contingent liability:

The Company has no contingent liability as at the balance sheet date (Previous year - Rs.82,660).



# EFSL Comtrade Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees)

**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
<b>A.</b>	<b>Names of related parties by whom control is exercised</b>
	Edelweiss Financial Services Limited, Ultimate holding company
	Edelweiss Commodities Services Limited, the holding company
<b>B.</b>	<b>Subsidiaries which are controlled by the Company</b>
	Edelweiss Commodities Pte. Limited (ceased to be subsidiary w.e.f. 06 December 2017)
	Edelweiss Tarim Urunleri Anonim Sirketi (ceased to be subsidiary w.e.f. 08 December 2017)
	Edel Commodities Limited (w.e.f. 25 April 2017)
	EFSL Trading Limited (Formerly EFSL Commodities Limited )
<b>C.</b>	<b>Fellow Subsidiaries with whom the Company has transactions</b>
	Edelweiss Capital Markets Limited
	Edelweiss Business Services Limited (Formerly Edelweiss Web Services Limited)
	Edelweiss Agri Value Chain Limited (Formerly Edelweiss Integrated Commodity Management Limited)
	Edelweiss Securities Limited
	Edelweiss Asset Reconstruction Company Limited (w.e.f. 16 September 2016)
	Edelweiss Custodial Services Limited
	ECap Equities Limited
	Edelweiss Capital Markets Limited
<b>D.</b>	<b>Over which the entity having significant influence</b>
	EW Clower Scheme –I
	Edelvalue Partners





# EFSL Comtrade Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees)

### 2.30 Related parties (continued)

#### (D) Transactions with related party during the reporting year

Nature of transaction	Related party name	2017-18	2016-17
<b>Current account transactions</b>			
Short term loans taken from (Refer note below)	Edelweiss Agri Value Chain Limited	3,753,097,556	-
	Edelweiss Commodities Services Limited	6,384,014,268	2,793,226,466
Short term loans repaid to (Refer note below)	Edelweiss Financial Services Limited	-	28,111,531
	Edelweiss Commodities Services Limited	7,250,567,974	288,967,452
	Edelweiss Agri Value Chain Limited	2,576,448,075	-
Investments in ordinary shares of	Edelweiss Tarim Urunleri Anonim Sirketi	-	39,078,750
Purchase of equity shares from	Edel Commodities Limited	500,000	-
Investments in debentures of	Edelweiss Asset Reconstruction Company Limited	-	1,500,000,000
Non current Investment made	EW Clower Scheme -I	-	156,447,375
Margin placed with (Refer note below)	Edelweiss Securities Limited	382,292,392	103,507,747
	Edelweiss Commodities Services Limited	-	500,129
	Edelweiss Custodial Services Limited	616,360,567	148,692,527
Margin withdrawn from (Refer note below)	Edelweiss Securities Limited	472,923,342	1,441,644,030
	Edelweiss Commodities Services Limited	-	500,129
	Edelweiss Custodial Services Limited	658,922,085	37,542,673
Sale of commodities to	Edelweiss Commodities Services Limited	599,700,000	-
Cost reimbursements to	Edelweiss Securities Limited	1,500	-
	Edelweiss Commodities Services Limited	18,844	117,263
	Edelweiss Financial Services Limited	9,616	125,958
	EFSL Trading Limited	12,863	12,863
Reimbursements paid to	Edelweiss Financial Services Limited	-	7,407,769
	Edelweiss Business Services Limited	33,996	1,662,110
	Edelweiss Commodities Services Limited	10,000,021	895,942
Cost reimbursements from	EFSL Trading Limited	60,117	-
Professional fees paid to	Edelweiss Business Services Limited	7,749,354	7,784
Interest income on margin placed with	Edelweiss Securities Limited	25,760	4,495,389
	Edelweiss Commodities Services Limited	-	1,754
	Edelweiss Custodial Services Limited	8,659,010	226,228
Interest Income on debentures from	Edelweiss Asset Reconstruction Company Limited	255,000,000	133,438,356
Repatriation of surplus fund on winding up	Edelweiss Tarim Urunleri Anonim Sirketi	2,120,013	-
	Edelweiss Commodities Pte Limited	457,275,634	-
Interest expense on loans from	Edelweiss Financial Services Limited	-	664,449
	Edelweiss Commodities Services Limited	346,729,146	155,165,513
	Edelweiss Agri Value Chain Limited	71,070,360	-
Clearing and custodian expenses to	Edelweiss Securities Limited	293,350	339,000
	Edelweiss Custodial Services Limited	245,000	-
Nomination deposit payable to	Edelweiss Commodities Services Limited	100,000	-
Nomination deposits paid to	Edelweiss Commodities Services Limited	100,000	400,000
Brokerage paid to	Edelweiss Securities Limited	29,842,717	16,897,443



## EFSL Comtrade Limited

### Notes to the financial statements (Continued)

(Currency: Indian rupees)

#### 2.30 Related parties (continued)

##### (D) Transactions with related party during the reporting year

Nature of transaction	Related party name	2017-18	2016-17
<b>Balance with related parties as on 31 March 2018</b>			
Investments in debentures of	Edelweiss Asset Reconstruction Company Limited	1,500,000,000	1,500,000,000
Non current Investment	EW Clower Scheme -I	156,447,375	156,447,375
Advance towards sales consideration	Edelweiss Commodities Pte Limited	185,000	-
Short term loans taken from	Edelweiss Agri Value Chain Limited	1,176,649,481	-
	Edelweiss Commodities Services Limited	1,927,028,172	2,793,581,879
Margin receivable from	Edelweiss Securities Limited	-	10,311,970
	Edelweiss Custodial Services Limited	68,588,336	111,149,855
Investment in ordinary shares in	Edelweiss Commodities Pte Limited	-	613,009,840
	Edel Commodities Limited	500,000	-
	Edelweiss Tarim Urunleri Anonim Sirketi	-	43,357,500
Accrued interest expense on loans taken from	Edelweiss Agri Value Chain Limited	4,057,442	-
	Edelweiss Commodities Services Limited	9,183,950	24,775,238
Trade receivables from	Edelweiss Securities Limited	1,939,311	82,274,844
	EFSL Trading Limited	55,758	14,792
	Edelweiss Custodial Services Limited	629,090	36,653
Trade payables to	Edelweiss Business Services Limited	3,826,141	8,174
<b>Note :</b>			
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.			
Disclosure under section 186(4) of the Companies Act, 2013 for loans : Loans have been given for general business purpose.			



# EFSL Comtrade Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees)

### 2.31 Open interest in currency futures as at 31 March 2018:

Currency Pair	Maturity grouping	Long Position		Short Position	
		Number of contracts	Number of units	Number of contracts	Number of units
USD INR	< 1 month	200	200,000	-	-
GBP INR	< 1 month	-	-	309	309,000

Open interest in currency futures as at 31 March 2017:

Maturity grouping	Long Position		Short Position	
	Number of contracts	Number of units	Number of contracts	Number of units
< 1 month	-	-	1250	2,500,000

### 2.32 Open interest in Equity Index/Stock Futures as at 31 March 2018:

Index Name	Maturity grouping	Long Position		Short Position	
		Number of contracts	Number of units	Number of contracts	Number of units
Stock	< 1 month	4235	6,511,350	-	-
Bank Nifty	< 1 month	-	-	2989	119,560

Open interest in Equity Index/Stock Futures as at 31 March 2017:

Index Name	Maturity grouping	Long Position		Short Position	
		Number of contracts	Number of units	Number of contracts	Number of units
Stock	< 1 month	59	126,915	67	101,100

### 2.33 The following option contracts are outstanding as on balance sheet date as at 31 March 2018

Option Type	Premium Paid (Net of provision made)	Premium Received (Net of provision made)
Currency	590,000	(105,000)

The following option contracts are outstanding as on balance sheet date as at 31 March 2017

Option Type	Premium Paid (Net of provision made)	Premium Received (Net of provision made)
Equity Stock	121,500	(46,500)





# EFSL Comtrade Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees)

### 2.34 Disclosure pursuant to Accounting Standard 15 (Revised) - Employee benefits:

#### A) Defined contribution plan (Provident fund)

An amount of Rs. 25,717 (Previous year: Rs. 31,754) is recognised as expense and included in "Employee benefit expenses" – Note 2.20 in the statement of profit and loss.

#### B) Defined benefit plan (Gratuity)

The following tables summarize the components of the net benefit expenses recognized in the statement profit and loss, the unfunded status and amounts recognized in the balance sheet for the gratuity benefit plan.

##### Statement of profit and loss:

##### Net employee benefit expenses

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Current service cost	4,000	39,000
Interest on defined benefit obligation	13,000	10,500
Expected return on plan assets	-	-
Past service cost	-	-
Net actuarial (gain)/loss recognized in the year	(191,157)	(3,343)
<b>Total included in 'Employee benefit expenses'</b>	<b>(174,157)</b>	<b>46,157</b>

##### Balance sheet:

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

Particulars	As at 31 March 2018	As at 31 March 2017
Liability at the beginning of the year	189,157	143,000
Interest cost	13,000	10,500
Current service cost	4,000	39,000
Past service cost	-	-
Actuarial (gain)/loss on obligations:	(191,157)	(3,343)
<b>Liability at the end of the year</b>	<b>15,000</b>	<b>189,157</b>



# EFSL Comtrade Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees)

### 2.34 Disclosure pursuant to Accounting Standard 15 (Revised) - Employee benefits (Continued)

#### Details of provision for gratuity

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Liability at the end of the year	15,000	189,157
Amount in Balance sheet	15,000	189,157

	For the year ended 31 March 2018	For the year ended 31 March 2017
Non-current liability at the end of the year	15,000	157,000
Current liability at the end of the year	-	32,157

#### Amount recognised in the Balance sheet:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Liability at the end of the year	15,000	189,157	143,000	88,000	37,000
Fair value of plan assets at the end of the year	-	-	-	-	-
<b>Amount in Balance sheet – liability</b>	<b>15,000</b>	<b>189,157</b>	<b>143,000</b>	<b>88,000</b>	<b>37,000</b>

#### Experience adjustment:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
On plan liabilities: (gain)/loss	(15,000)	(9,000)	10,000	9,000	6,000
On Plan assets: (gain)/(loss)	-	-	-	-	-
<b>Estimated contribution for the next year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### 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	7.30 %	6.8 %
Salary escalation	7%	7%
Employee attrition rate	13 % - 25%	13 % - 25%



# EFSL Comtrade Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees)

### 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:

S. No	Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
(a)	Profit / (loss) after tax (as per statement of profit and loss)	55,815,113	216,071,304
(b)	Calculation of weighted average number of equity shares of Rs. 10 each:		
	Number of shares outstanding at the beginning of the year	170,000	170,000
	Total number of equity shares outstanding at the end of the year	170,000	170,000
	Weighted average number of equity shares outstanding during the year	170,000	170,000
(c)	Basic and diluted earnings per share (in rupees) (a)/(b)	328.32	1271.01

### 2.36 Details of purchase, sales and changes in stock-in-trade:

#### A) Commodities:

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Commodities</b>		
<b>Opening stock</b>		
Agri	-	-
Bullion	-	-
<b>Subtotal</b>	-	-
<b>Purchase</b>		
Agri	-	-
Bullion	599,500,000	149,936,382
<b>Subtotal</b>	599,500,000	149,936,382
<b>Sale</b>		
Agri	-	-
Bullion	599,700,000	149,938,466
<b>Subtotal</b>	599,700,000	149,938,466
<b>Closing stock</b>		
Agri	-	-
Bullion	-	-
<b>Subtotal</b>	-	-
<b>Profit on trading in commodities</b>	200,000	2,084





# EFSL Comtrade Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees)

### 2.36 Details of purchase, sales and changes in stock-in-trade (Continued):

#### B) Securities:

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Opening stock</b>		
Equity	-	* (139,618,743)
Mutual Fund	-	-
<b>Subtotal</b>	-	(139,618,743)
<b>Purchases</b>		
Equity	1,741,198,865	1,712,872,420
Mutual Fund	9,120,349,332	-
<b>Subtotal</b>	10,861,548,197	1,712,872,420
<b>Sales</b>		
Equity	1,816,408,678	1,594,276,420
Mutual Fund	7,949,499,803	-
<b>Subtotal</b>	9,765,908,481	1,594,276,420
<b>Closing Stock</b>		
Equity	-	-
Mutual Fund	1,260,000,000	-
<b>Subtotal</b>	1,260,000,000	-
<b>Profit on sale of securities</b>	164,360,284	21,022,743

\* includes short sales

### 2.37 Cost sharing:

Edelweiss Financial Services Limited, being the ultimate holding company along with fellow subsidiaries incurs expenditure like Group mediclaim, insurance, rent, electricity charges etc. which is for the common benefit of itself and it's certain subsidiaries, fellow subsidiaries including the Company. This cost so expended is reimbursed by the Company on the basis of number of employees, actual identifications, basis of area occupied etc. Accordingly, and as identified by the management, the expenditure heads in note 2.24 include reimbursements paid.

### 2.38 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.

2.39 The beneficial owner of the Company has confirmed its intention to provide continuing financial support to the Company so as to enable the Company to continue operating in the foreseeable future. Accordingly the financial statements have been prepared on a going concern basis.



# EFSL Comtrade Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees)

### 2.40 Previous year comparatives

Previous year's numbers have been regrouped and rearranged wherever necessary to confirm to current year's presentation.

### 2.41 Disclosure on Specified Bank notes (SBN's) pursuant to notification as per amended Schedule III of the Companies Act, 2013: As at 31 March 2018

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	Not Applicable	Not Applicable	Not Applicable
(+) Permitted receipts			
(-) Permitted payments			
(-) Amount deposited in Banks			
Closing cash in hand as on 30.12.2016			

Disclosure on Specified Bank notes (SBN's) pursuant to notification as per amended Schedule III of the Companies Act, 2013: As at 31 March 2017

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	-	-	-
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	-	-

As per our report of even date attached.

**For NGS & Co. LLP**

Chartered Accountants

Firm's Registration No. 119850W



**R. P. Soni**

Partner

Membership No.: 104796

Mumbai

30 April 2018



**For and on behalf of the Board of Directors**



**Shailendra Maru**

Director

DIN 03290024

Mumbai

30 April 2018

**Jatin Shukla**

Director

DIN 07442534