

Edel Commodities Limited

Financial Statements
together with Auditors' Report
for the year ended 31 March 2017

Edel Commodities Limited

Financial Statements together with Auditors' Report

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To
The Members of Edel Commodities Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Edel Commodities Limited ("the Company")**, which comprise the Balance Sheet as at 31 March 2017, 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.

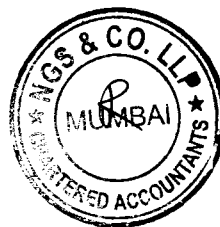
We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material 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 2017, and its profit and its cash flows for the year ended on that date.



B - 46, 3rd Floor, Pravasi Estate, V N Road, Goregaon (E), Mumbai - 400 063.


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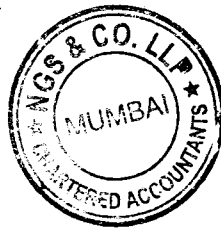
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Report on Other Legal and Regulatory Requirements

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 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017, 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;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. the Company did not have any holdings or dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 – Refer Note 2.35.

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


R. P. Soni
Partner
Membership No.:104796



Place: Mumbai
Date: 15 May 2017

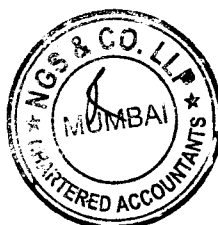
Annexure A to the Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of Edel Commodities Limited ('the Company') on the financial statements for the year ended 31 March 2017, 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 loans and advances given and investments made.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148 (1) of the 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, 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, 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.

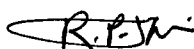
- (b) According to the information and explanation given to us, there are no dues of sales tax, service tax, value added tax and cess which have not been deposited with the appropriate authorities on account of any dispute. The dues outstanding in respect of income-tax on account of dispute, is as follows:



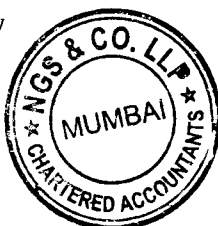
Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	3,242,469	A.Y.2012-13	CIT (A)

- (viii) In our opinion, and according to information and explanations given to us, the Company has not defaulted in repayment of dues to financial institution. Further, the Company does not have any loans or borrowings from any bank, government and debenture holders.
- (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 to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has 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: 15 May 2017

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 **Edel Commodities Limited ("the Company")** as of 31 March 2017 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

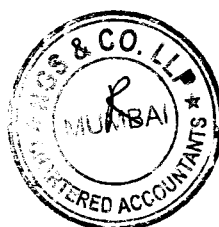
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on 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.



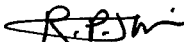
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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 2017, 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: 15 May 2017

Edel Commodities Limited

Balance Sheet

(Currency: Indian rupees)

	Note	As at 31 March 2017	As at 31 March 2016
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	500,000	500,000
Reserves and surplus	2.2	(710,302,071)	(801,204,857)
		(709,802,071)	(800,704,857)
Non-current liabilities			
Long-term borrowings	2.3	-	1,620,000,000
Deferred tax liabilities (net)	2.11	-	7,776,721
Long-term provisions	2.4	1,117,566	1,438,000
Current liabilities			
Short-term borrowings	2.5	6,205,440,824	4,757,128,493
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	2.32		
Total outstanding dues of creditors other than micro enterprises and small enterprises	2.6	1,509,138	20,580,439
Other current liabilities	2.7	54,889,991	66,026,904
Short-term provisions	2.8	20,778,262	8,369,311
TOTAL		5,573,933,710	5,680,615,011
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	2.9	325,445	444,890
Intangible assets	2.9	236,246	-
Non-current investments	2.10	21,691,554	20,691,554
Deferred tax assets (net)	2.11	548,122	-
Long-term loans and advances	2.12	4,877,685,207	4,902,674,038
		4,900,486,574	4,923,810,482
Current assets			
Trade receivables	2.13	9,038,497	69,150,102
Cash and cash equivalent	2.14	1,197,034	1,239,878
Short-term loans and advances	2.15	497,159,734	457,185,018
Other current assets	2.16	166,051,871	229,229,531
		673,447,136	756,804,529
TOTAL		5,573,933,710	5,680,615,011

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
15 May 2017

For and on behalf of the Board of Directors


Sarika Samant
Director
DIN 07446710


Gaurang Tailor
Director
DIN 00010292

Mumbai
15 May 2017

Edel Commodities Limited

Statement of Profit and Loss

(Currency: Indian rupees)


	Note	For the year ended 31 March 2017	For the year ended 31 March 2016
Revenue from operations			
Income from treasury operations	2.17	7,867,847	(34,062,333)
Sale of commodities		842,002,655	2,611,393,203
Other operating revenue	2.18	733,275,485	720,680,481
Other income	2.19	29,545,757	14,965,539
Total revenue		1,612,691,744	3,312,976,890
Expenses			
Purchases of commodities		841,393,891	2,541,795,713
Employee benefit expenses	2.20	13,889,063	16,210,099
Finance costs	2.21	663,852,536	747,370,281
Depreciation and amortisation	2.9	255,490	236,943
Other expenses	2.22	4,764,420	1,890,935
Total expenses		1,524,155,400	3,307,503,971
Profit before tax		88,536,344	5,472,919
Tax expense:			
Current tax [includes short provision for earlier year (Rs. 94,998): (Previous year Rs. 169)]		18,144,925	1,452,276
Minimum alternate tax credit entitlement		(12,186,524)	(29,193,276)
Deferred tax (benefit)/charge		(8,324,843)	8,246,163
Profit for the year		90,902,786	24,967,756
Earnings per equity share: (Face value of share Rs 10)			
Basic and diluted	2.28	1,818.06	499.36

Significant accounting policies and notes to the financial statements.

1 & 2

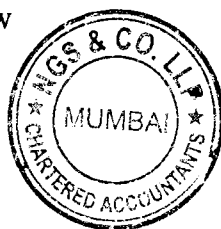
As per our report of even date attached.

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




R. P. Soni
Partner
Membership No.: 104796

Mumbai
15 May 2017

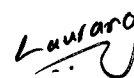


For and on behalf of the Board of Directors



Sarika Samant
Director
DIN 07446710

Mumbai
15 May 2017



Gaurang Tailor
Director
DIN 00010292

Edel Commodities Limited

Cash Flow Statement

(Currency: Indian rupees)

	For the year ended 31 March 2017	For the year ended 31 March 2016
A Cash flow from operating activities		
Profit before taxation	88,536,344	5,472,919
Depreciation	255,490	236,943
Provision for gratuity and compensated leave absences	(308,434)	549,000
Loss on write-off of fixed assets (net)	2,734	-
Profit on sale of investments	(17,948,000)	-
Interest income	(732,711,055)	(720,073,573)
Interest expense	662,909,835	745,251,334
Operating cash flow before working capital changes	736,914	31,436,623
Adjustments for		
Decrease in trade receivable, loans and advances and other current assets	130,459,104	1,707,712,391
Decrease in current liabilities and provisions	(43,058,487)	(38,179,823)
Cash generated from operations	88,137,531	1,700,969,191
Income taxes paid	(7,348,982)	(50,758,050)
Net cash generated from operating activities - A	80,788,549	1,650,211,141
B Cash flow from investing activities		
Purchase of fixed assets	(375,024)	(1,350)
Proceeds from sale of investments	24,448,000	-
Purchase of investment	(7,500,000)	-
Proceeds from unsecured loans given (net) (refer note 2)	-	208,362
Interest received	724,342,862	683,404,886
Net cash generated from investing activities - B	740,915,838	683,611,898
C Cash flow from financing activities		
Repayment of unsecured loans borrowed (net) (refer note 2)	(171,687,669)	(1,598,339,744)
Interest paid	(650,059,562)	(736,816,790)
Net cash used in financing activities - C	(821,747,231)	(2,335,156,534)
Net decrease in cash and cash equivalents (A+B+C)	(42,844)	(1,333,495)
Cash and cash equivalents as at the beginning of the year	1,239,878	2,573,373
Cash and cash equivalents as at the end of the year (refer note 2.14)	1,197,034	1,239,878

Notes:

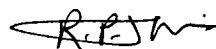
- 1 Cash and cash equivalents include the following:
Balances with scheduled banks in current accounts

1,197,034	1,239,878
1,197,034	1,239,878

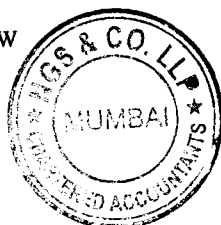
- 2 Net figures have been reported on account of volume of transactions.

As per our report of even date attached.

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




R. P. Soni
Partner
Membership No.: 104796



Mumbai
15 May 2017

For and on behalf of the Board of Directors


Sarika Samant
Director
DIN 07446710


Gaurang Tailor
Director
DIN 00010292

Mumbai
15 May 2017

Edel Commodities Limited

Notes to the financial statements for the year ended 31 March 2017

(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 (to the extent notified), (hereinafter together 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.



Edel Commodities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

1 Significant accounting policies (Continued)

1.4 Revenue recognition

- Income from treasury operations comprises of profit/loss on sale of securities and profit/loss on sale of equity, commodity, and currency 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 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 risks 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.
- Profit/loss on sale of securities is determined based on the weighted average cost of the securities sold.

1.5 Fixed assets and depreciation

Tangible fixed assets and Capital work in progress

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

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

As per the requirement of Schedule II of the Companies Act, 2013, the Company has evaluated the 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	Useful Life
Office equipments	5 years
Vehicle	8 years
Computer and data processing units – End user device, such as desktop, laptops, etc.	3 years
Computer and data processing units – Server and network	6 years



Edel Commodities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

1 Significant accounting policies (Continued)

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. If such recoverable amount of the asset or the recoverable amount of the 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

- a) The securities acquired with the intention of short-term holding and as trading positions are considered as stock-in-trade and disclosed as current assets.
- b) The securities held as stock-in-trade under current assets are valued at lower of weighted average cost or market value / fair value. In case of units of mutual funds, net asset value is considered as fair value.
- c) The commodity stocks are valued at lower of weighted average cost or net realisable value, whichever is lower.

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.

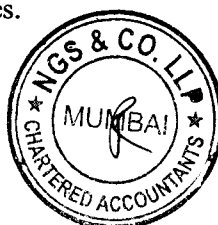
Non-current investments are carried at cost less diminution in value which is other than temporary, determined separately for each investment.

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 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.



Edel Commodities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

1 Significant accounting policies (Continued)

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

Gratuity

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit is calculated by estimating the amount of future benefit that the employees have earned in return for their services 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 independent actuarial valuation by an actuary 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.

1.11 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



Edel Commodities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

1 Significant accounting policies (Continued)

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 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.



Notes to the financial statements (Continued)

	As at 31 March 2017	As at 31 March 2016
(Currency: Indian rupees)		

Authorised:

20,000,000 20,000,000

20,000,000	20,000,000
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500,000 500,000

500,000	500,000
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50,000 50,000

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50,000	50,000
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500,000 500,000

500,000	500,000
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The Company has only one class of equity shares having a par value of Rs 10. 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.

	As at 31 March 2017		As at 31 March 2016	
	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	50,000	100%	50,000	100%

	As at 31 March 2017		As at 31 March 2016	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of Rs.10 each fully paid				
Edelweiss Commodities Services Limited	50,000	100%	50,000	100%

93,298,485 93,298,485

1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 2676, 2677, 2678, 26

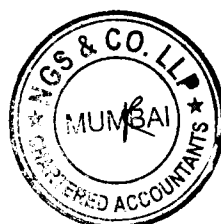
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(894,503,342) (919,471,098)

90,902,786	24,967,756
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(803,600,556) (894,503,342)

(710,302,071) (801,204,857)



Edel Commodities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

	As at 31 March 2017	As at 31 March 2016
2.3 Long-term borrowings		
Unsecured		
Loans from others	-	1,620,000,000
	<u>-</u>	<u>1,620,000,000</u>
2.4 Long-term provisions		
Provision for employee benefits		
Gratuity	997,566	1,217,000
Compensated leave absences	120,000	221,000
	<u>1,117,566</u>	<u>1,438,000</u>
2.5 Short-term borrowings		
Unsecured		
Loans from related parties	6,205,440,824	4,757,128,493
	<u>6,205,440,824</u>	<u>4,757,128,493</u>
2.6 Trade payables		
Trade payables	1,509,138	20,580,439
(including sundry creditors, provision for expenses)		
	<u>1,509,138</u>	<u>20,580,439</u>
2.7 Other current liabilities		
Interest accrued and due on borrowings	49,174,204	36,323,931
Other payables		
Accrued salaries and benefits	4,600,000	6,850,000
Withholding taxes, service tax and other statutory dues	865,401	22,519,057
Book overdraft	29,570	-
Others	220,816	333,916
	<u>54,889,991</u>	<u>66,026,904</u>
2.8 Short-term provisions		
Provision for employee benefits		
Gratuity	229,000	195,000
Compensated leave absences	29,000	51,000
Others		
Provision for taxation (net of advance tax and tax deducted at source)	20,520,262	8,123,311
	<u>20,778,262</u>	<u>8,369,311</u>



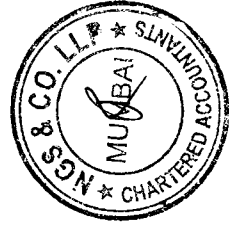
Edel Commodities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.9 Fixed assets

Description of assets	Gross block			Depreciation and amortisation			Net block		
	As at 1 April 2016	Additions during the year	Deductions during the year	As at 31 March 2017	As at 1 April 2016	Additions during the year	Deductions during the year	As at 31 March 2017	As at 31 March 2016
Tangible assets									
Vehicles	1,053,081	-	-	1,053,081	655,729	126,491	-	782,220	397,352
Office equipments	192,601	-	49,926	142,675	150,921	19,220	49,926	120,215	41,680
Computers	255,457	56,206	156,070	155,593	249,599	27,207	153,337	123,469	5,858
Total : A	1,501,139	56,206	205,996	1,351,349	1,056,249	172,918	203,263	1,025,904	444,890
Intangible assets									
Computer software	-	318,818	-	318,818	-	82,572	-	82,572	-
Total : B	-	318,818	-	318,818	-	82,572	-	82,572	-
Grand total	1,501,139	375,024	205,996	1,670,167	1,056,249	255,490	203,263	1,108,476	444,890
Previous year	1,499,789	1,350	-	1,501,139	819,306	236,943	-	1,056,249	444,890



Edel Commodities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

	31 March 2017			As at 31 March 2016		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
2.10 Non-current investments						
Others (unquoted)						
Investment in equity instruments of subsidiaries (fully paid up)						
Edel Commodities Trading Limited	-	-	-	10	170,000	6,500,000
EFSL Trading Limited	10	1,010,000	18,900,000	10	270,000	11,500,000
(Formerly known as EFSL Commodities Limited)						
Investments in equity instruments of other companies (fully paid up)						
Lichen Metals Private Limited	10	39,920	2,691,554	10	39,920	2,691,554
Inditrade Business Consultants Limited	10	10,000	100,000	-	-	-
		1,059,920	21,691,554		479,920	20,691,554

Aggregated of unquoted investments:

At book value

21,691,554

20,691,554



Edel Commodities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

	As at 31 March 2017	As at 31 March 2016
2.11 Deferred taxes		
Deferred tax assets		
Tax effect of the timing differences on account of:		
Difference between book and tax depreciation	93,319	109,031
Disallowances under section 43B of the Income Tax Act, 1961	454,803	520,356
	548,122	629,387
Deferred tax liabilities		
Tax effect of the timing differences on account of:		
- Unrealised gain on derivatives	-	8,406,108
	-	8,406,108
Deferred tax assets (net)	548,122	-
Deferred tax liabilities (net)	-	7,776,721
2.12 Long-term loans and advances		
(Unsecured, considered good)		
<u>Unsecured</u>		
Loan to related party	4,870,000,000	4,870,000,000
Other loans and advances		
Advance tax and tax deducted at source	7,685,207	32,674,038
(net of provision for taxation)		
	4,877,685,207	4,902,674,038



Edel Commodities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

	As at 31 March 2017	As at 31 March 2016
2.13 Trade receivables		
Other debts		
Unsecured, considered good	9,038,497	69,150,102
	<u>9,038,497</u>	<u>69,150,102</u>
2.14 Cash and cash equivalents		
Balances with banks in current accounts	1,197,034	1,239,878
	<u>1,197,034</u>	<u>1,239,878</u>
2.15 Short-term loans and advances (Unsecured, considered good)		
Other loan and advances		
Advances to others	10,772	10,772
Deposits - others	540,000	640,000
Prepaid expenses	85,592	121,589
Vendor advances	1,000	492,785
Intercompany deposits placed	384,600,000	384,600,000
Cenvat and VAT assets	43,952,731	42,126,596
Advance tax and tax deducted at source (net)	26,589,839	-
MAT credit entitlement	41,379,800	29,193,276
	<u>497,159,734</u>	<u>457,185,018</u>
2.16 Other current assets		
Accrued interest on inter-company deposits	165,814,044	127,645,044
Accrued interest on loans given	-	29,800,808
Accrued interest on margin	104	25,635
Margin placed with broker	237,723	71,758,044
	<u>166,051,871</u>	<u>229,229,531</u>



Edel Commodities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

	For the year ended 31 March 2017	For the year ended 31 March 2016
2.17 Income from treasury operations		
Profit on trading of securities (net)	22,350,703	4,788,484
Profit on trading in equity derivative instruments (net)	-	9
Profit on trading in commodity derivative instruments (net)	-	3,373,991
Loss on trading in currency derivative instruments (net)	(14,681,005)	(50,541,097)
Gain on foreign exchange movement on trade	198,149	8,316,280
	7,867,847	(34,062,333)
2.18 Other operating revenue		
Interest income on loan	694,542,055	681,800,000
Interest income on intercorporate deposits	38,169,000	38,273,573
Interest income on fixed deposits	-	1,558
Interest income on margin with broker	204,361	605,350
Warehouse income	360,069	-
	733,275,485	720,680,481
2.19 Other income		
Profit on sale of long term investment	17,948,000	-
Foreign exchange gain	22,868	
Miscellaneous income	11,574,889	14,844,168
Interest income - others	-	121,371
	29,545,757	14,965,539

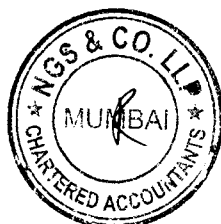


Edel Commodities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

	For the year ended 31 March 2017	For the year ended 31 March 2016
2.20 Employee benefit expenses		
Salaries and wages	13,435,785	15,298,932
Contribution to provident and other funds	239,995	601,276
Staff welfare expenses	213,283	309,891
	13,889,063	16,210,099
2.21 Finance costs		
Interest on loan from holding company	554,763,287	550,851,334
Interest - others	866	1,649,171
Financial and bank charges	18,185	469,776
Interest on loan others	108,146,548	194,400,000
Interest on shortfall in payment of advance income tax	923,650	-
	663,852,536	747,370,281
2.22 Other expenses		
Advertisement and business promotion	3,461	7,576
Auditors' remuneration (refer note 2.25)	184,000	126,000
Commission and brokerage	(81,637)	28,120
Communication	351,117	502,003
Computer expenses	7,263	5,127
Clearing and custodian charges	45,900	171,425
Donation	50,000	-
Electricity charges (refer note 2.33)	176,750	224,501
Freight and forwarding expenses	(8,266)	578
Legal and professional fees	1,191,114	905,557
Loss on sale/ write-off of fixed assets (net)	2,734	-
Office expenses	500	(247,500)
Printing and stationery	19,835	46,416
Rates and taxes	24,839	43,859
Rent (refer note 2.33)	1,763,998	2,047,096
ROC expenses	4,200	600
Security transaction tax	98,801	23,719
Service tax expenses	566,532	634,035
Stamp duty	-	2,530
Stock exchange expenses	1,859	18,702
Transportation charges	135,485	834,228
Travelling and conveyance	174,436	635,706
Warehousing charges	30,324	(4,172,730)
Miscellaneous expenses	21,175	43,709
Commodity transaction tax	-	9,678
	4,764,420	1,890,935



Edel Commodities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.23 Segment reporting:

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

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

S. No	Particulars
A.	Names of related parties by whom control is exercised
	Edelweiss Financial Services Limited, Ultimate holding company
	Edelweiss Commodities Services Limited, Holding company
B.	Subsidiaries which are controlled by the Company
	Edel Commodities Trading Limited (till 17 November 2016)
	EFSL Trading Limited (Formerly EFSL Commodities limited)
C.	Fellow Subsidiaries with whom the Company has transactions
	Aster Commodities DMCC
	EC Commodity Limited
	EC Global Limited
	Edel Investments Limited
	Edelweiss Broking Limited
	Edelweiss Agri Value Chain Limited (Formerly Edelweiss Integrated Commodity Management Limited)
	Edelweiss Commodities (CHAD) SARL (till 17 November 2016)
	Edelweiss Commodities Pte Limited
	Edelweiss Commodities Nigeria Limited (till 17 November 2016)
	Edelweiss International (Singapore) Pte. Limited
	Edelweiss Securities Limited
	Edelweiss Business Services Limited (Formerly Edelweiss Web Services Limited)
	Edelweiss Finevest Private Limited (Formerly Arum Investment Private Limited)
	Edelweiss Asset Reconstruction Company Limited (w.e.f. 16 September 2016)
	Eternity Business Centre Limited (w.e.f. 9 February 2017)



Edel Commodities Limited

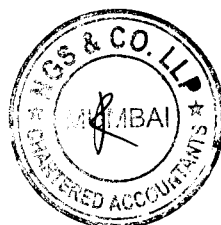
Notes to the financial statements (Continued)

(Currency: Indian rupees)

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

(D) Transactions with related parties :

Nature of transaction	Related party name	2016-17	2015-16
Current account transactions			
Short term loans taken from (Refer note below)	Edelweiss Financial Services Limited	-	14,107,500
	Edelweiss Commodities Services Limited	9,706,954,389	908,352,312
	Edelweiss Finvest Private Limited	1,024,400,000	-
Short term loans repaid to (Refer note below)	Edelweiss Financial Services Limited	52,316,098	403,861,098
	Edelweiss Commodities Services Limited	8,210,725,960	2,116,296,458
	Edelweiss Finvest Private Limited	1,020,000,000	-
Secondary market transactions			
Sale of commodities to	Edelweiss Commodities Services Limited	-	48,310,716
Margin placed with (Refer note below)	Edelweiss Securities Limited	115,644,523	117,897,289
	Edelweiss Commodities Services Limited	-	13,066,792
Margin withdrawn from (Refer note below)	Edelweiss Securities Limited	188,139,267	45,164,822
	Edelweiss Commodities Services Limited	-	13,066,792
Other income from	EC Global Limited	2,711,550	2,896,094
	Aster Commodities DMCC	1,807,700	3,316,645
	Edelweiss International (Singapore) Pte. Limited	3,163,475	2,171,805
	Edelweiss commodities (Chad) SARL	-	1,448,047
	Edelweiss Commodities Pte. Limited	1,355,775	1,930,951
	Edelweiss Commodities Nigeria Limited	-	1,448,047
Interest income on margin placed with	Edelweiss Commodities Services Limited	-	58,870
	Edelweiss Securities Limited	204,361	546,480
Interest income on loans	Edelweiss Asset Reconstruction Company Limited	380,727,260	-
Investment in Subsidiary	EFSL Trading Limited	7,400,000	-
Profit on sale of long term investments	Edel Commodities Trading Limited	17,948,000	-
Interest expense on loans from	Edelweiss Financial Services Limited	1,260,298	40,668,676
	Edelweiss Commodities Services Limited	545,042,958	510,182,658
	Edelweiss Finvest Private Limited	8,460,031	-
Cost reimbursement to	Edelweiss Financial Services Limited	247,654	587,487
	Edelweiss Business Services Limited	-	-
	Edelweiss Securities Limited	-	406,214
	Edelweiss Commodities Services Limited	1,561,898	2,315,304
	Edelweiss Broking Limited	163,846	-
	Eternity Business Centre Limited	215,004	-
Nomination deposit received from	Edel Commodities Trading Limited	100,000	-
	Edelweiss Commodities Services Limited	200,000	-
Nomination deposit paid to	Edel Commodities Trading Limited	100,000	-
	Edelweiss Commodities Services Limited	200,000	-



Edel Commodities Limited

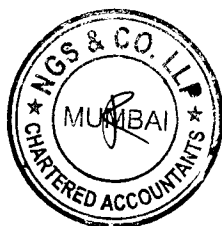
Notes to the financial statements (Continued)

(Currency: Indian rupees)

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

(D) Transactions with related parties :

Nature of transaction	Related party name	2016-17	2015-16
Reimbursement paid to	Edelweiss Financial Services Limited	22,522,104	39,228,371
	Edelweiss Commodities Services Limited	793,375	2,500
	Edelweiss Business Services Limited	10,281,409	1,218,730
Sales consideration	Edel Commodities Trading Limited	6,500,000	-
Processing fees to	Edelweiss Business Services Limited	9,260	18,510
Legal and professional fees	Edelweiss Business Services Limited	10,900	-
	Edelweiss Commodities Services Limited	500	-
Clearing expenses to	Edelweiss Securities Limited	45,900	171,425
Warehouse income	Edelweiss Securities Limited	-	2,029,779
Warehouse income from	Edelweiss Agri Value Chain Limited	-	11,457,616
Balance with related parties as on 31 March 2017			
Short term loans taken from	Edelweiss Commodities Services Limited	6,201,040,825	4,704,812,395
	Edelweiss Financial Services Limited	-	52,316,098
	Edelweiss Finvest Private Limited	4,400,000	-
Long term loans given	Edelweiss Asset Reconstruction Company Limited	4,870,000,000	-
Trade payables to	Edelweiss Securities Limited	-	447,800
	Edelweiss Commodities Services Limited	195,000	58,673
	Edelweiss Business Services Limited	21,168	19,343
	Edelweiss Broking Limited	4	-
	Edelweiss Capital Markets Limited	188,000	-
	Eternity Business Centre Limited	11	-
Nomination deposit payable to	Edelweiss Financial Services Limited	-	100,000
Nomination deposit receivable from	EFSL Trading Limited	-	100,000
Accrued interest expense on loans taken from	Edelweiss Financial Services Limited	-	1,839,620
	Edelweiss Commodities Services Limited	47,629,977	24,923,655
Net amount earned on settlement of forward contracts	Edelweiss Commodities Services Limited	-	7,020,000
Trade and other payables to	Eternity Business Centre Limited	11	-
Investments in equity shares in	EFSL Trading Limited	18,900,000	11,500,000
	Edel Commodities Trading Limited	-	6,500,000



Edel Commodities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

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

(D) Transactions with related parties :

Nature of transaction	Related party name	2016-17	2015-16
Trade receivables from	Edelweiss Commodities Services Limited	500	43,795,176
	Edelweiss International (Singapore) Pte. Limited	3,163,475	2,171,805
	Aster Commodities DMCC	1,807,700	3,316,645
	EC Global Limited	2,711,550	2,896,094
	Edelweiss commodities (Chad) SARL	-	1,448,047
	Edelweiss Commodities Pte. Limited	1,355,775	1,930,951
	Edelweiss Commodities Nigeria Limited	-	1,448,047
	Edelweiss Agri Value Chain Limited	-	11,456,390
	Edelweiss Securities Limited	104	-
Accrued interest income on margin placed	Edelweiss Securities Limited	-	25,635
Margin receivable from	Edelweiss Securities Limited	237,723	72,732,468

Note :

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 and guarantee : Loans have been given for general business purpose.



Edel Commodities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.25 Auditors' remuneration

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
As auditors	184,000	126,000
Total Rs.	184,000	126,000

2.26 Capital commitment and Contingent liability

i. Contingent liabilities

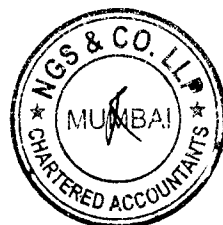
The Company has no contingent liability as at the balance sheet date (Previous year Rs. Nil).

ii. Commitments

The Company has capital commitments of Rs. 5,000/- as at the balance sheet date (previous year: Rs . 4,000/-).

2.27 Earnings and expenditure in foreign currency:

The Company has earned Rs. Nil (Previous year: Rs. Nil) in foreign currency during the year and the Company has not incurred any expenditure in foreign currency during the year (Previous year: Nil).



Edel Commodities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.28 Earnings per share

In accordance with Accounting standard (AS) 20, "Earning per Share" notified under section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules 2014, the computation of earnings per share is set out below :

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
(a) Profit after tax (as per statement of profit and loss)	90,902,786	24,967,756
(b) Calculation of weighted average number of equity Shares of Rs. 10 each		
Number of shares outstanding at the beginning of the year	50,000	50,000
Number of Shares issued during the year	-	-
Total number of equity shares outstanding at the end of the year	50,000	50,000
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	50,000	50,000
(c) Basic and diluted earnings per share (in rupees) (a)/(b)	1,818.06	499.36

The basic and diluted earnings per share are the same as there is no dilutive/potential equity shares issued.

2.29 Derivative transactions

Open interest in currency futures as on 31 March 2017: Nil

Open interest in currency futures as on 31 March 2016

Short position

Sr. No	Name of stock/ index future	No. of contracts	Number of units involved
1	Short position - USD	13,800	13,800,000
2	Short position - USD	9,500	9,500,000
3	Short position - USD	200	200,000



Edel Commodities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.30 Detail of purchases, sales and change in inventory:

Commodities:

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Opening stock		
Agri	-	-
Bullion	-	-
Subtotal	-	-
Purchase		
Agri	-	48,310,720
Bullion	841,393,891	2,493,484,992
Subtotal	841,393,891	2,541,795,712
Sales		
Agri	-	48,310,715
Bullion	842,002,654	2,563,082,487
Subtotal	842,002,654	2,611,393,202
Closing stock		
Agri	-	-
Bullion	-	-
	-	-
Profit on sale of commodities	608,763	69,597,490

Securities: (Equity Shares)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Opening stock	-	-
Purchase	76,444,881	18,867,422
Sales	98,795,584	23,655,906
Closing stock	-	-
	-	-
Profit on sale of securities	22,350,703	4,788,484



Edel Commodities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

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

A) Defined contribution plan (Provident fund)

An amount of Rs. 239,995 (Previous Year: Rs. 601,276) 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 of profit and loss, the unfunded status and amounts recognized in the balance sheet for the gratuity benefit plan.

Statement of profit and loss

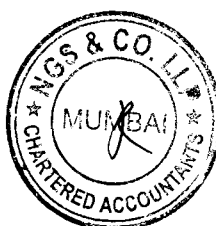
Net employee benefits expenses:

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Current service cost	158,500	261,000
Interest on defined benefit obligation	76,566	70,000
Expected return on plan assets	-	-
Actuarial (gain)/losses	(36,500)	188,000
Total included in Employee benefit expenses	198,566	519,000

Balance sheet

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

Particulars	As at 31 March 2017	As at 31 March 2016
Liability at the beginning of the year	1,412,000	906,000
Transfer in/(out)	(384,000)	(13,000)
Interest cost	76,566	70,000
Current service cost	158,500	261,000
Past service cost (non vested benefit)	-	-
Past service cost (vested benefit)	-	-
Benefit paid	-	-
Actuarial (gain)/loss on obligations	(36,500)	188,000
Liability at the end of the year	1,226,566	1,412,000



Edel Commodities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.31 Disclosure pursuant to Accounting Standard 15 (Revised) - Employee benefit (Continued)

Details of provision for gratuity

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Liability at the end of the year	1,226,566	1,412,000
Amount in Balance sheet	1,226,566	1,412,000

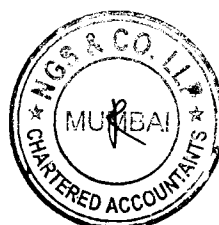
	For the year ended 31 March 2017	For the year ended 31 March 2016
Non-current liability at the end of the year	997,566	1,217,000
Current liability at the end of the year	229,000	195,000

Amount recognised in the balance sheet:

Particulars	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Liability at the end of the year	1,226,566	1,412,000	906,000	980,000	708,276
Fair value of plan assets at the end of the year	-	-	-	-	-
Amount recognized in balance sheet -Liability	1,226,566	1,412,000	906,000	980,000	708,276

Experience adjustment

Particulars	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
On plan liabilities: (gain)/ loss	(72,000)	158,000	40,000	134,000	227,376
On plan assets: gain/ (loss)	-	-	-	-	-
Estimated contribution for next year	-	-	-	-	-



Edel Commodities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

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

Principle actuarial assumptions at the balance sheet date:

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Discount rate current	6.8%	7.4%
Salary escalation rate	7%	7%
Employees attrition rate	13%-25%	13%-25%

2.32 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.

2.33 Cost sharing

Edelweiss Commodities Services Limited, the holding company and Eternity Business Centre Limited, Edelweiss Broking Limited, the fellow subsidiaries incurs expenditure like electricity and rent which are for the benefit of the Company. These costs so expended are reimbursed by the Company on the basis of area occupied. Accordingly, the expenditure heads in note 2.22 are gross of the reimbursements.

2.34 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.

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

	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	-	-	-



Edel Commodities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.36 Corporate social responsibility (CSR):

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

a) Gross amount required to be spent by the Company during the year was Rs. 115,577 million (FY 15-16 Rs. Nil)

b) Amount spent during the year on:

Sr. No.	Particulars	In cash	Yet to be paid in cash	Total (Rs million)
(i)	Constructions / acquisition of any assets	-	-	-
(ii)	On purpose other than (i) above	50,000 (0.00)	- -	50,000 (0.00)

Notes:

1. The Company is a wholly owned 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. As an amount of Rs. 115,684,300/- (representing more than 2% of the consolidated profit of the group) was spent towards CSR activities during the year ended March 31, 2017, the Company has not incurred the prescribed CSR expenditure on a standalone basis during the year ended March 31, 2017.

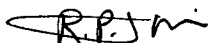
2. Figures in the bracket are in respect of previous year.

As per our report of even date attached.

For NGS & Co. LLP

Chartered Accountants

Firm's Registration No. 119850W



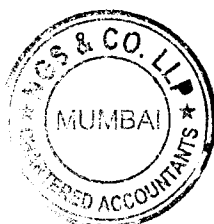
R. P. Soni

Partner

Membership No. 104796

Mumbai

15 May 2017



For and on behalf of the Board of Directors



Sarika Samant

Director

DIN 07446710

Mumbai

15 May 2017



Gaurang Tailor

Director

DIN 00010292