

Edel Commodities Limited

Financial Statements
together with Auditors' Report
for the year ended 31 March 2016

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 2016, 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

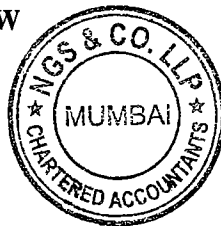
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016, and its profit and its cash flows for the year ended on that date.

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 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016, from being appointed as a director in terms of section 164(2) of the Act;
 - f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company 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.

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


R. P. Soni
Partner
Membership No.:104796



Place: Mumbai
Date: 10 May 2016

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 2016, 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(ii) (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.

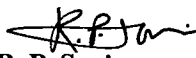


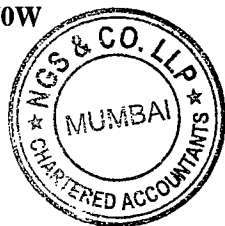
- (b) According to the information and explanation given to us, there are no dues of sales tax, service tax, value added tax and cess which have not been deposited with the appropriate authorities on account of any dispute. The dues outstanding in respect of income-tax on account of dispute, is as follows:

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) 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 give 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 give 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: 10 May 2016

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 2016 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

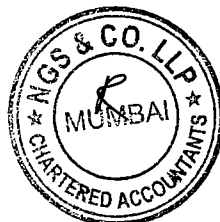
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial 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 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note 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: 10 May 2016

Edel Commodities Limited

Balance Sheet

(Currency: Indian rupees)

	Note	As at 31 March 2016	As at 31 March 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	500,000	500,000
Reserves and surplus	2.2	(801,204,857)	(826,172,613)
		(800,704,857)	(825,672,613)
Non-current liabilities			
Long-term borrowings	2.3	1,620,000,000	1,620,000,000
Deferred tax liabilities (net)	2.11	7,776,721	-
Long-term provisions	2.4	1,438,000	957,000
Current liabilities			
Short-term borrowings	2.5	4,757,128,493	6,355,468,237
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	2.36	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	2.6	20,580,439	48,855,797
Other current liabilities	2.7	66,026,904	67,496,826
Short-term provisions	2.8	8,369,311	32,159,350
TOTAL		5,680,615,011	7,299,264,597
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	2.9	444,890	680,483
Non-current investments	2.10	20,691,554	20,691,554
Deferred tax assets (net)	2.11	-	469,442
Long-term loans and advances	2.12	4,902,674,038	4,875,899,213
Other non-current assets	2.13	-	86,180
		4,923,810,482	4,897,826,872
Current assets			
Trade receivables	2.14	69,150,102	1,826,784,341
Cash and cash equivalent	2.15	1,239,878	2,573,373
Short-term loans and advances	2.16	457,185,018	451,302,846
Other current assets	2.17	229,229,531	120,777,165
		756,804,529	2,401,437,725
TOTAL		5,680,615,011	7,299,264,597

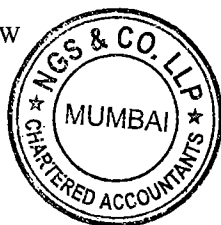
Significant accounting policies and notes to the financial statements 1 & 2

As per our report of even date attached.

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

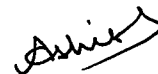


R. P. Soni
Partner
Membership No.: 104796

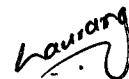


Mumbai
10 May 2016

For and on behalf of the Board of Directors



Ashish Bansal
Director
DIN 06865549



Gaurang Tailor
Director
DIN 00010292

Mumbai
10 May 2016

Edel Commodities Limited

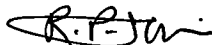
Statement of Profit and Loss

(Currency: Indian rupees)

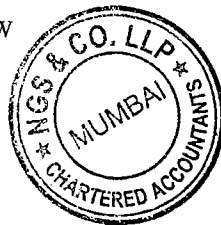
	Note	For the year ended 31 March 2016	For the year ended 31 March 2015
Revenue from operations			
Income from treasury operations			
Sale of commodities	2.18	(34,062,333)	170,896,972
Sale of manufactured products		2,611,393,203	2,808,716,307
Other operating revenue		-	12,710,039,649
Other income	2.19	720,680,481	88,176,925
	2.20	14,965,539	8,423,622
Total revenue		3,312,976,890	15,786,253,475
Expenses			
Cost of materials consumed		-	11,734,400,938
Purchases of commodities		2,541,795,713	2,015,038,325
Changes in stock-in-trade of commodities		-	1,381,629,077
Employee benefit expenses	2.21	16,210,099	38,048,576
Finance costs	2.22	747,370,281	455,799,020
Depreciation and amortisation	2.9	236,943	415,253
Other expenses	2.23	1,890,935	28,468,526
Total expenses		3,307,503,971	15,653,799,715
Profit before tax		5,472,919	132,453,760
Tax expense:			
Current tax [includes short provision for earlier year Rs. 169: (Previous year Rs. Nil)]		1,452,276	27,741,000
Minimum alternate tax credit entitlement		(29,193,276)	-
Deferred tax charged		8,246,163	(14,164)
Profit for the year		24,967,756	104,726,924
Earnings per equity share: (Face value of share Rs 10)			
Basic and diluted	2.31	499.36	2,094.54
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

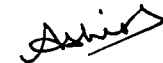


R. P. Soni
Partner
Membership No.: 104796



Mumbai
10 May 2016

For and on behalf of the Board of Directors


Ashish Bansal
Director
DIN 06865549


Gaurang Tailor
Director
DIN 00010292

Mumbai
10 May 2016

Edel Commodities Limited

Cash Flow Statement

(Currency: Indian rupees)

	For the year ended 31 March 2016	For the year ended 31 March 2015
A Cash flow from operating activities		
Profit before taxation	5,472,919	132,453,760
Adjustments for		
Depreciation	236,943	415,253
Provision for gratuity and compensated leave absences	549,000	709,509
Interest income	(720,073,573)	(82,268,880)
Interest expense	745,251,334	443,526,962
Operating cash flow before working capital changes	31,436,623	494,836,604
Adjustments for		
Decrease/(increase) in trade receivable, loans and advances and other current assets	1,707,712,391	(671,620,501)
Decrease in stock-in-trade	-	1,381,629,077
Decrease in current liabilities and provisions	(38,179,823)	(355,197,832)
Cash generated from operations	1,700,969,191	849,647,348
Income taxes paid	(50,758,050)	(4,004,332)
Net cash generated from operating activities - A	1,650,211,141	845,643,016
B Cash flow from investing activities		
Purchase of fixed assets	(1,350)	(41,465)
Sale of investments	-	6,500,000
Proceeds from/(deployment of) unsecured loans given (net) (refer note 2)	208,362	(4,870,208,362)
Interest received	683,404,886	12,700,140
Net cash generated from/ (used in) investing activities - B	683,611,898	(4,851,049,687)
C Cash flow from financing activities		
(Repayment of)/proceeds from unsecured loans borrowed (net) (refer note 2)	(1,598,339,744)	4,407,525,637
Interest paid	(736,816,790)	(423,421,561)
Net cash (used in) / generated from financing activities - C	(2,335,156,534)	3,984,104,076
Net decrease in cash and cash equivalents (A+B+C)	(1,333,495)	(21,302,595)
Cash and cash equivalents as at the beginning of the year	2,573,373	23,875,968
Cash and cash equivalents as at the end of the year (refer note 2.15)	1,239,878	2,573,373

Notes:

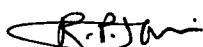
- 1 Cash and cash equivalents include the following:
Balances with scheduled banks in current accounts

	1,239,878	2,573,373
	1,239,878	2,573,373

- 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

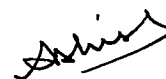


R. P. Soni
Partner
Membership No.: 104796



Mumbai
10 May 2016

For and on behalf of the Board of Directors



Ashish Bansal
Director
DIN 06865549



Gaurang Tailor
Director
DIN 00010292

Mumbai
10 May 2016

Edel Commodities Limited

Notes to the financial statements (Continued)

(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

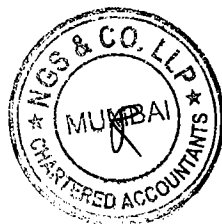
All assets and liabilities are classified into current and non-current.

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.
- Purchase and sale of bullion is recorded at the price which is fixed between the company and the buyer/seller, in case where the fixation is prior to balance sheet date. Where the price remains unfixed as at the balance sheet date, the transaction is recorded at the closing price as at that date.
- 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

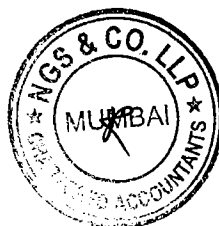
Investments are classified into non-current investments and current investments. Investments which are intended to be held for one year or more are classified as non-current investments and investments which are intended to be held for less than one year are classified as current investments.

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.



Edel Commodities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

1 Significant accounting policies (Continued)

1.9 Earnings per share (Continued)

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.

1.10 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.



Edel Commodities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

1 Significant accounting policies (Continued)

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 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.

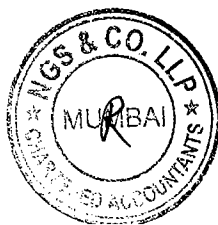


Edel Commodities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

	As at 31 March 2016	As at 31 March 2015
2.1 Share capital		
Authorised:		
2,000,000 (Previous year: 2,000,000) equity shares of Rs. 10 each	20,000,000	20,000,000
	<u>20,000,000</u>	<u>20,000,000</u>
Issued, subscribed and paid up:		
50,000 (Previous year: 50,000) equity shares of Rs. 10 each	500,000	500,000
	<u>500,000</u>	<u>500,000</u>
(The entire paid up share capital is held by Edelweiss Commodities Services Limited, the holding company and its nominees)		
a) Movement in share capital		
Reconciliation of number of shares outstanding :		
Number of shares outstanding at the beginning of the year	50,000	50,000
Shares issued during the year	-	-
Number of shares at the end of the year	<u>50,000</u>	<u>50,000</u>
Reconciliation of Share capital:		
Share capital at the beginning of the year	500,000	500,000
Share capital issued during the year	-	-
Share capital at the end of the year	<u>500,000</u>	<u>500,000</u>
b) Terms/rights attached to equity shares:		
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.		
c) Shares held by holding / ultimate holding company and / or their subsidiaries / associates:		
	As at 31 March 2016	As at 31 March 2015
	Number of shares	Percentage shareholding
Equity shares of Rs.10 each fully paid		Number of shares
		Percentage shareholding
Edelweiss Commodities Services Limited, the holding company	50,000	100%
		50,000
		100%
d) Details of shareholders holding more than 5% shares in the Company		
	As at 31 March 2016	As at 31 March 2015
	No. of shares	% holding
Equity shares of Rs.10 each fully paid		No. of shares
		% holding
Edelweiss Commodities Services Limited	50,000	100%
		50,000
		100%
2.2 Reserves and surplus		
Securities premium account		93,298,485
		93,298,485
Deficit in the statement of profit and loss		
Opening balance		(919,471,098)
Add: profit for the year		(1,024,198,022)
		<u>24,967,756</u>
		<u>(894,503,342)</u>
		<u>(919,471,098)</u>
Closing balance		
		<u>(801,204,857)</u>
		<u>(826,172,613)</u>



Edel Commodities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

	As at 31 March 2016	As at 31 March 2015
2.3 Long-term borrowings		
Unsecured		
Loan from others	1,620,000,000	1,620,000,000
(The loan is repayable after the end of one year but before the end of 3 years, as mutually agreed, having interest @ 12%)		
	<u>1,620,000,000</u>	<u>1,620,000,000</u>
2.4 Long-term provisions		
Provision for employee benefits		
Gratuity	1,217,000	772,000
Compensated leave absences	221,000	185,000
	<u>1,438,000</u>	<u>957,000</u>
2.5 Short-term borrowings		
Unsecured		
Loans from related parties	4,757,128,493	6,355,468,237
(Repayable on demand, at variable rate of interest ranging from 8.47% to 11.50% per annum)		
	<u>4,757,128,493</u>	<u>6,355,468,237</u>
2.6 Trade payables		
Trade payables (refer note 2.36)	20,580,439	48,855,797
(including sundry creditors, provision for expenses)		
	<u>20,580,439</u>	<u>48,855,797</u>
2.7 Other current liabilities		
Interest accrued and due on borrowings	36,323,931	27,889,387
Other payables		
Accrued salaries and benefits	6,850,000	17,720,000
TDS, service tax and other taxes payable	22,519,057	9,176,497
Advances from customers	-	11,264,165
Book overdraft	-	925,765
Others	333,916	521,012
	<u>66,026,904</u>	<u>67,496,826</u>
2.8 Short-term provisions		
Provision for employee benefits		
Gratuity	195,000	134,000
Compensated leave absences	51,000	44,000
Others		
(Provision for taxation [net of advance tax and tax deducted at source])	8,123,311	31,981,350
	<u>8,369,311</u>	<u>32,159,350</u>



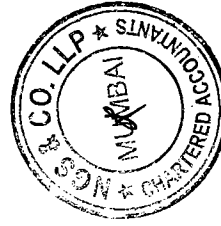
Edel Commodities Limited

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 2015	Additions during the year	Deductions during the year	As at 31 March 2016	As at 1 April 2015	Additions during the year	Deductions during the year	As at 31 March 2016	As at 31 March 2015
Tangible assets									
Vehicles	1,053,081	-	-	1,053,081	470,166	185,563	-	397,352	582,915
Office equipments	185,251	7,350	-	192,601	117,517	33,404	-	41,680	67,734
Computers	261,457	(6,000)	-	255,457	231,623	17,976	-	5,858	29,834
Total	1,499,789	1,350	-	1,501,139	819,306	236,943	-	444,890	680,483
Previous year	1,458,324	41,465	-	1,499,789	404,053	415,253	-	680,483	

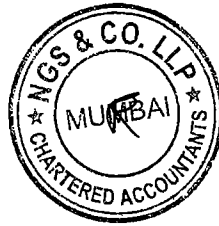


Edel Commodities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

	As at 31 March 2016			As at 31 March 2015		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
2.10 Non-current investments						
Unquoted						
Investment in equity instruments of subsidiaries (fully paid up)						
Edel Commodities Trading Limited	10	170,000	6,500,000	10	170,000	6,500,000
EFSL Commodities Limited	10	270,000	11,500,000	10	270,000	11,500,000
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
		479,920	20,691,554		479,920	20,691,554
Aggregated of unquoted investments:						
At book value			20,691,554			20,691,554

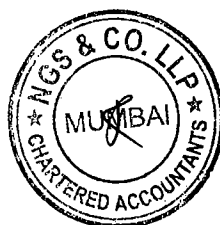


Edel Commodities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

	As at 31 March 2016	As at 31 March 2015
2.11 Deferred tax		
Deferred tax assets		
Tax effect of the timing differences on account of:		
Difference between book and tax depreciation	109,031	76,641
Disallowances under section 43B of the Income Tax Act, 1961	520,356	392,801
	<u>629,387</u>	469,442
Deferred tax liabilities		
- Unrealised gain on derivatives	8,406,108	-
	<u>8,406,108</u>	-
Deferred tax assets (net)		469,442
Deferred tax liabilities (net)	<u>7,776,721</u>	-
2.12 Long-term loans and advances (Unsecured, considered good)		
Loans and advances given to others	4,870,000,000	4,870,000,000
Advance tax and tax deducted at source (net of provision for taxation)	32,674,038	5,899,213
	<u>4,902,674,038</u>	<u>4,875,899,213</u>
* Disclosure under section 186(4) of the Companies Act, 2013 : Loan have been given to Edelweiss Asset Reconstruction Company Limited for general business purpose.		
2.13 Other non-current assets		
Long term deposit with banks (refer note 2.30) (Rs. Nil; (Previous year Rs. 73,907) pledged with Sales tax authorities for meeting deposit requirements)	-	73,907
Accrued interest on fixed deposits	-	12,273
	<u>-</u>	<u>86,180</u>



Edel Commodities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

	As at 31 March 2016	As at 31 March 2015
2.14 Trade receivables		
Other debts		
Unsecured, considered good	69,150,102	1,826,784,341
	<u>69,150,102</u>	<u>1,826,784,341</u>
2.15 Cash and cash equivalents		
Balances with banks		
in current accounts	1,239,878	2,573,373
	<u>1,239,878</u>	<u>2,573,373</u>



Edel Commodities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

	As at 31 March 2016	As at 31 March 2015
2.16 Short-term loans and advances (Unsecured, considered good)		
Loans and advances to related parties	-	208,362
Other loans and advances		
Advances to others	10,772	10,772
Deposits - others	640,000	240,000
Prepaid expenses	121,589	72,385
Vendor advances	492,785	12,278,987
Intercorporate deposits placed	384,600,000	384,600,000
Cenvat and VAT assets	42,126,596	52,565,250
Advance tax and tax deducted at source (net of provision for taxation)	-	1,327,090
MAT credit entitlement	29,193,276	-
	457,185,018	451,302,846
2.17 Other current assets		
Accrued interest on inter-corporate deposits	127,645,044	89,371,471
Accrued interest on loans given	29,800,808	31,405,694
Accrued interest on margin	25,635	-
Margin placed with broker	71,758,044	-
	229,229,531	120,777,165

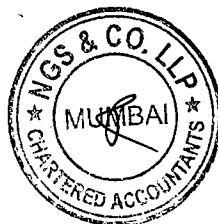


Edel Commodities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

	For the year ended 31 March 2016	For the year ended 31 March 2015
2.18 Income from treasury operations		
Profit/(loss) on trading of securities (net)	4,788,484	(11,344,289)
Profit on trading in equity derivative instruments (net)	9	-
Profit on trading in commodity derivative instruments (net)	3,373,991	107,840,000
Loss on trading in currency derivative instruments (net)	(50,541,097)	-
Gain on foreign exchange movement on trade	8,316,280	74,401,261
	<u>(34,062,333)</u>	<u>170,896,972</u>
2.19 Other operating revenue		
Interest income on loan	681,800,000	29,486,849
Interest income on intercorporate deposits	38,273,573	38,169,000
Interest income on fixed deposits	1,558	5,905,019
Interest income on debt instruments	-	3,026
Interest income on margin with broker	605,350	-
Interest income on delay payments	-	14,613,031
	<u>720,680,481</u>	<u>88,176,925</u>
2.20 Other income		
Miscellaneous income	14,844,168	8,423,523
Interest income - others	121,371	99
	<u>14,965,539</u>	<u>8,423,622</u>



Edel Commodities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

	For the year ended 31 March 2016	For the year ended 31 March 2015
2.21 Employee benefit expenses		
Salaries and wages (refer note 2.37)	15,298,932	36,787,035
Contribution to provident and other funds	601,276	891,417
Staff welfare expenses	309,891	370,124
	<u>16,210,099</u>	<u>38,048,576</u>
2.22 Finance costs		
Interest on loan from holding company	550,851,334	436,603,126
Interest - others	1,649,171	12,257,063
Financial and bank charges	469,776	14,995
Interest on loan – others	194,400,000	6,923,836
	<u>747,370,281</u>	<u>455,799,020</u>
2.23 Other expenses		
Advertisement and business promotion	7,576	7,535
Auditors' remuneration (refer note 2.26)	126,000	115,000
Commission and brokerage	28,120	105,500
Communication	502,003	415,663
Computer expenses	5,127	41,657
Computer software	-	(55,000)
Clearing and custodian charges	171,425	75,500
Electricity charges (refer note 2.37)	224,501	404,277
Freight and forwarding expenses	578	922,260
Insurance	-	41,825
Legal and professional fees	905,557	2,437,829
Membership and subscription	-	65,000
Office expenses	(247,500)	(4,230)
Printing and stationery	46,416	39,477
Rates and taxes	43,859	308,249
Rent (refer note 2.37)	2,047,096	3,553,628
ROC expenses	600	9,552
Security transaction tax	23,719	3,410,209
Service tax expenses	634,035	2,023,249
Stamp duty	2,530	-
Stock exchange expenses	18,702	52
Transportation charges	834,228	7,147,406
Travelling and conveyance	635,706	574,598
Warehousing charges	(4,172,730)	6,825,008
Miscellaneous expenses	43,709	4,282
Commodity transaction tax	9,678	-
	<u>1,890,935</u>	<u>28,468,526</u>



Edel Commodities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.24 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.

2.25 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
	EFSL Commodities Limited
C.	Fellow Subsidiaries with whom the Company has transactions
	Aster Commodities DMCC
	EC Commodity Limited
	EC Global Limited
	ECL Finance Limited
	Edel Investments Limited
	Edelweiss Broking Limited
	Edelweiss Agri Value Chain Limited (Formerly Edelweiss Integrated Commodity Management Limited)
	Edelweiss Commodities (CHAD) SARL
	Edelweiss Commodities Pte Limited
	Edelweiss Commodities Nigeria Limited
	Edelweiss International (Singapore) Pte. Limited
	Edelweiss Securities Limited
	Edelweiss Web Services Limited



Edel Commodities Limited

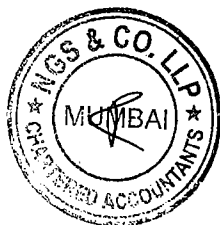
Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.25 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	2015-16	2014-15
Current account transactions			
Short term loans taken from (Refer note below)	Edelweiss Financial Services Limited	14,107,500	900,000,000
	Edelweiss Commodities Services Limited	908,352,312	3,354,380,437
Short term loans repaid to (Refer note below)	Edelweiss Financial Services Limited	403,861,098	477,635,375
	Edelweiss Commodities Services Limited	2,116,296,458	406,137,151
Secondary market transactions			
Purchases of commodities from	EC Commodity Limited	-	636,207,036
	Edelweiss Commodities Services Limited	-	9,510,145,022
Sale of commodities to	Edelweiss Agri Value Chain Limited	-	594,208,914
	Edelweiss Commodities Services Limited	48,310,716	1,223,402,720
	Edel Investments Limited	-	679,560,156
Margin placed with (Refer note below)	Edelweiss Securities Limited	117,897,289	14,213,208
	Edelweiss Commodities Services Limited	13,066,792	13,813,946
Margin withdrawn from (Refer note below)	Edelweiss Securities Limited	45,164,822	66,152,986
	Edelweiss Commodities Services Limited	13,066,792	13,813,946
Other income from	EC Global Limited	2,896,094	3,129,540
	Aster Commodities DMCC	3,316,645	3,129,540
	Edelweiss International (Singapore) Pte. Limited	2,171,805	2,139,120
	Edelweiss commodities (Chad) SARL	1,448,047	-
	Edelweiss Commodities Pte. Limited	1,930,951	-
	Edelweiss Commodities Nigeria Limited	1,448,047	-
Interest income on margin placed with	Edelweiss Commodities Services Limited	58,870	114
	Edelweiss Securities Limited	546,480	2,913
Interest on delayed payment - income	Edel Investments Limited	-	14,613,031
Interest expense on loans from	Edelweiss Financial Services Limited	40,668,676	30,875,325
	Edelweiss Commodities Services Limited	510,182,658	405,727,801
Interest on delayed payment - expenses	EC Commodity Limited	-	10,686,635
Cost reimbursement to	Edelweiss Financial Services Limited	587,487	138,383
	Edelweiss Securities Limited	406,214	1,685,400
	Edelweiss Commodities Services Limited	2,315,304	3,952,182
	Edelweiss Broking Limited	-	5,723
Reimbursement paid to	Edelweiss Financial Services Limited	39,228,371	16,877,853
	Edelweiss Commodities Services Limited	2,500	-
	Edelweiss Web Services Limited	1,218,730	-
Investments in equity shares sold to	Edelweiss Commodities Services Limited	-	6,500,000
Processing fees to	Edelweiss Web Services Limited	18,510	25,135
Professional fees to	Edelweiss Securities Limited	-	75,964



Edel Commodities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.25 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	2015-16	2014-15
Clearing expenses to	Edelweiss Securities Limited	171,425	-
Depository charges to	Edelweiss Securities Limited	-	43,150.00
Warehouse expenses to	Edelweiss Securities Limited	2,029,779	1,466,972
	EC Commodity Limited	-	2,304,775
	Edelweiss Agri Value Chain Limited	-	87,331
Warehouse income from	Edel Investments Limited	-	2,859,400
	Edelweiss Agri Value Chain Limited	11,457,616	-
Balance with related parties as on 31 March 2016			
Short term loans taken from	Edelweiss Commodities Services Limited	4,704,812,395	5,913,398,541
	Edelweiss Financial Services Limited	52,316,098	442,069,696
Advances recoverable from	Edelweiss Securities Limited	-	94,000
	ECL Finance Limited	-	94,000
Trade payables to	Edelweiss Securities Limited	447,800	1,565,460
	Edelweiss Agri Value Chain Limited	-	77,372
	Edelweiss Commodities Services Limited	58,673	15,712,397
	Edelweiss Web Services Limited	19,343	-
Nomination deposit payable to	Edelweiss Commodities Services Limited	-	200,000
	Edelweiss Financial Services Limited	100,000	100,000
Nomination deposit receivable from	Edel Commodities Trading Limited	-	200,000
	EFSL Commodities Limited	100,000	-
Accrued interest expense on loans taken from	Edelweiss Financial Services Limited	1,839,620	1,204,366
	Edelweiss Commodities Services Limited	24,923,655	19,726,554
	ECL Finance Limited	-	152
Net amount earned on settlement of forward contracts	Edelweiss Commodities Services Limited	7,020,000	-
Trade and other payables to	Edelweiss Financial Services Limited	-	238,199
	Edelweiss Web Services Limited	-	2,536
	Edelweiss Commodities Services Limited	-	4,650,616
Investments in equity shares in	EFSL Commodities Limited	11,500,000	11,500,000
	Edel Commodities Trading Limited	6,500,000	6,500,000
Trade receivables from	Edelweiss Commodities Services Limited	43,795,176	5,496,270
	Edelweiss Broking Limited	-	5,400
	Edelweiss International (Singapore) Pte. Limited	2,171,805	2,139,120
	Aster Commodities DMCC	3,316,645	3,129,540
	EC Global Limited	2,896,094	3,129,540
	Edelweiss commodities (Chad) SARL	1,448,047	-
	Edelweiss Commodities Pte. Limited	1,930,951	-
	Edelweiss Commodities Nigeria Limited	1,448,047	-
	Edelweiss Agri Value Chain Limited	11,456,390	-
Accrued interest income on loans given to	Edelweiss Financial Services Limited	-	45,304
	Edelweiss Commodities Services Limited	-	4,126,659
Accrued interest income on margin placed	Edelweiss Securities Limited	25,635	-
Margin receivable from	Edelweiss Securities Limited	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)

2.26 Auditors' remuneration

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
As auditors	126,000	115,000
Total Rs.	126,000	115,000

2.27 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

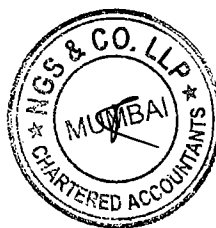
The Company has capital commitments of Rs.4,000/- as at the balance sheet date (previous year: Nil).

2.28 Earnings and expenditure in foreign currency:

The Company has earned Rs. Nil (Previous year: Rs 13,589,218,437) in foreign currency during the year and the Company has not incurred any expenditure in foreign currency during the year (Previous year: Nil).

2.29 Encumbrances on fixed deposits held by the Company:

Fixed deposits aggregating to Rs. Nil (Previous year: Rs. 73,907) have been pledged with VAT authorities against banks guarantee.



Edel Commodities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.31 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 2016	For the year ended 31 March 2015
(a) Profit after tax (as per statement of profit and loss)	24,967,756	104,726,924
(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)	499.36	2,094.54

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

2.32 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

Open interest in currency futures as on 31 March 2015: Nil



Edel Commodities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.33 Detail of purchases, sales and change in inventory:

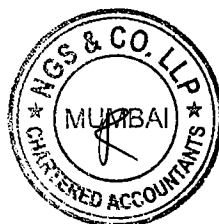
Commodities:

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Opening stock		
Agri	-	756,041,454
Bullion	-	625,587,623
Subtotal	-	1,381,629,077
Purchase		
Agri	48,310,720	1,560,197,275
Bullion	2,493,484,992	12,189,241,988
Subtotal	2,541,795,712	13,749,439,263
Sales		
Agri	48,310,715	2,364,070,445
Bullion	2,563,082,487	13,154,685,511
Subtotal	2,611,393,202	15,518,755,956
Closing stock *		
Agri	-	-
Bullion	-	-
	-	-
Profit on sale of commodities	69,597,490	387,687,616

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

Securities:

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Opening stock	-	-
Subtotal	-	-
Purchase	18,867,422	2,537,112,225
Subtotal	18,867,422	2,537,112,225
Sales	23,655,906	2,525,767,936
Subtotal	23,655,906	2,525,767,936
Closing stock	-	-
	-	-
Profit on sale of securities	4,788,484	(11,344,289)



Edel Commodities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.34 Consumption of raw material

a) Raw material consumed – Gold Bar and Silver

Particulars	For the year ended 31 March 2016		For the year ended 31 March 2015	
	Quantity Kg	Value	Quantity Kg	Value
Gold/Silver	-	-	5,033.00	11,734,400,938
	-	-	5,033.00	11,734,400,938

b) Value of imported and indigenous material consumed

Particulars	For the year ended 31 March 2016		For the year ended 31 March 2015	
	Value	%	Value	%
Raw material				
Indigenous	-	-	11,734,400,938	100.00
TOTAL	-	-	11,734,400,938	100.00

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

A) Defined contribution plan (Provident fund)

An amount of Rs. 601,276 (Previous Year: Rs. 891,417) is recognised as expense and included in "Employee benefit expenses" – Note 2.21 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	For the year ended
	31 March 2016	31 March 2015
Current service cost	261,000	201,000
Interest on defined benefit obligation	70,000	47,000
Expected return on plan assets	-	-
Actuarial (gain)/losses	188,000	132,000
Total included in Employee benefit expenses	519,000	380,000



Edel Commodities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

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

Balance sheet

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

Particulars	As at	As at
	31 March 2016	31 March 2015
Liability at the beginning of the year	906,000	980,000
Transfer in/(out)	(13,000)	(454,000)
Interest cost	70,000	47,000
Current service cost	261,000	201,000
Past service cost (non vested benefit)	-	-
Past service cost (vested benefit)	-	-
Benefit paid	-	-
Actuarial (gain)/loss on obligations	188,000	132,000
Liability at the end of the year	1,412,000	906,000

Amount recognised in the balance sheet:

Particulars	As at	As at	As at	As at	As at
	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Liability at the end of the year	1,412,000	906,000	980,000	708,276	268,976
Fair value of plan assets at the end of the year	-	-	-	-	-
Amount recognized in balance sheet -Liability	1,412,000	906,000	980,000	708,276	268,976

Experience adjustment

Particulars	As at	As at	As at	As at	As at
	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
On plan liabilities: (gain)/ loss	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)

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

Principle actuarial assumptions at the balance sheet date:

Particulars	For the year	For the year
	ended	ended
	31 March 2016	31 March 2015
Discount rate current	7.4%	7.8%
Salary escalation rate	7%	7%
Employees attrition rate	13%-25%	13%-25%

2.36 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.

2.37 Cost sharing

Edelweiss Securities Limited (ESL), being fellow subsidiary company incurs common senior management compensation cost, which is for the benefit of the Company. This cost so expended is reimbursed by the Company on the basis of number of employees and time spent by employees of ESL, actual identifications etc. Accordingly, and as identified appropriately, the expenditure heads in note 2.21 are gross of the reimbursements.

Edelweiss Commodities Services Limited, the holding company, 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 2.23 are gross of the reimbursements.



Edel Commodities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

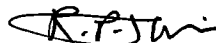
- 2.38 The beneficial owner of the Company has confirmed its intention to provide continuing financial support to the Company so as to enable the Company to continue operating in the foreseeable future. Accordingly the financial statements have been prepared on a going concern basis.

As per our report of even date attached.

For NGS & Co. LLP

Chartered Accountants

Firm's Registration No. 119850W



R. P. Soni

Partner

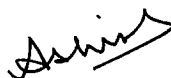
Membership No. 104796



Mumbai

10 May 2016

For and on behalf of the Board of Directors



Ashish Bansal

Director

DIN 06865549

Mumbai

10 May 2016



Gaurang Tailor

Director

DIN 00010292