

**Aster Commodities DMCC**

**Financial Statements together  
with Auditor's Report for the  
year ended 31 March 2017**

## Independent Auditors' Report

To the Directors of  
**Aster Commodities DMCC**

### Report on the Financial Statements

We have audited the accompanying financial statements of **Aster Commodities DMCC** ('the Company'), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss and 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 preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company. This responsibility also includes maintenance of adequate accounting records for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 conducted our audit in accordance with the Standards on Auditing, which requires 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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.



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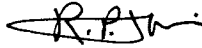
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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**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 Companies Act, 2013 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 loss and its cash flows for the year ended on that date.

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



R.P.Soni  
Partner  
Membership No. 104796



Place: Mumbai  
Date: 11 May 2017

# Aster Commodities DMCC

## Balance Sheet

(Currency : Indian rupees)

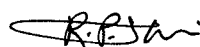
|                                | Note | As at<br>31 March 2017 | As at<br>31 March 2016 |
|--------------------------------|------|------------------------|------------------------|
| <b>EQUITY AND LIABILITIES</b>  |      |                        |                        |
| <b>Shareholders' funds</b>     |      |                        |                        |
| Share capital                  | 2.1  | 133,729,953            | 133,729,953            |
| Reserves and surplus           | 2.2  | 2,094,076,073          | 2,621,862,813          |
|                                |      | <b>2,227,806,026</b>   | <b>2,755,592,766</b>   |
| <b>Non-current liabilities</b> |      |                        |                        |
| Long-term provisions           | 2.3  | 12,163,835             | 12,992,000             |
| <b>Current liabilities</b>     |      |                        |                        |
| Short-term borrowings          | 2.4  | 58,603,167             | 5,322,511,102          |
| Trade payables                 | 2.5  | 136,098,569            | 1,027,755,860          |
| Other current liabilities      | 2.6  | 85,945,100             | 88,496,768             |
| Short-term provisions          | 2.7  | 2,636,000              | 2,459,000              |
| <b>TOTAL</b>                   |      | <b>2,523,252,697</b>   | <b>9,209,807,496</b>   |
| <b>ASSETS</b>                  |      |                        |                        |
| <b>Non-current assets</b>      |      |                        |                        |
| Fixed assets                   | 2.8  |                        |                        |
| Tangible assets                |      | 154,884,705            | 168,676,352            |
| Intangible assets              |      | 299,370                | 63,821,022             |
| Long-term loans and advances   | 2.9  | -                      | 134,096                |
| Other non-current assets       | 2.10 | 118,230,594            | -                      |
|                                |      | <b>273,414,669</b>     | <b>232,631,470</b>     |
| <b>Current assets</b>          |      |                        |                        |
| Stock-in-trade                 | 2.11 | -                      | 97,000,123             |
| Trade receivables              | 2.12 | 454,160,614            | 976,607,234            |
| Cash and bank balances         | 2.13 | 344,373,698            | 1,807,945,877          |
| Short term loans and advances  | 2.14 | 661,056,232            | 4,797,643,419          |
| Other current assets           | 2.15 | 790,247,484            | 1,297,979,373          |
|                                |      | <b>2,249,838,028</b>   | <b>8,977,176,026</b>   |
| <b>TOTAL</b>                   |      | <b>2,523,252,697</b>   | <b>9,209,807,496</b>   |

Significant accounting policies and notes to the financial statements.

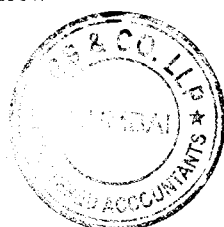
1 & 2

As per our report of even date attached.

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




R. P. Soni  
Partner  
Membership No: 104796



Mumbai  
11 May 2017

For and on behalf of the Board of Directors



Udit Sureka  
Director



Vinod Soni  
Director

11 May 2017

# Aster Commodities DMCC

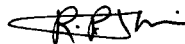
## Statement of Profit and Loss

(Currency : Indian rupees)

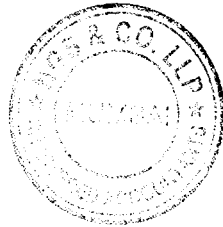
|   | Note | For the year ended<br>31 March 2017 | For the year ended<br>31 March 2016 |
|---|------|-------------------------------------|-------------------------------------|
| <b>Revenue from operations</b>  |      |                                     |                                     |
| Income from treasury operations                                       | 2.16 | 40,769,561                          | 287,123,917                         |
| Sale of commodities   |      | 20,025,217,773                      | 38,733,361,408                      |
| Other operating revenue   | 2.17 | 299,620,828                         | 149,959,022                         |
| Other income  | 2.18 | 49,801,564                          | 558,517                             |
| <b>Total revenue</b>  |      | <b>20,415,409,726</b>               | <b>39,171,002,864</b>               |
| <b>Expenses</b>   |      |                                     |                                     |
| Purchases of commodities  |      | 20,113,718,932                      | 38,532,691,841                      |
| Changes in stock-in-trade of commodities                              |      | 97,000,123                          | 168,537,565                         |
| Employee benefit expenses   | 2.19 | 197,742,387                         | 121,780,944                         |
| Finance costs   | 2.20 | 262,702,996                         | 215,387,159                         |
| Depreciation and amortization expenses                                | 2.8  | 77,926,737                          | 43,429,948                          |
| Other expenses  | 2.21 | 194,105,291                         | 119,616,343                         |
| <b>Total expenses</b>   |      | <b>20,943,196,466</b>               | <b>39,201,443,800</b>               |
| <b>Loss before tax</b>  |      | <b>(527,786,740)</b>                | <b>(30,440,936)</b>                 |
| Tax expense:  |      | -                                   | -                                   |
| <b>Loss for the year</b>  |      | <b>(527,786,740)</b>                | <b>(30,440,936)</b>                 |
| Earnings per ordinary shares (Rs.) (Face value AED 1,000 each)        |      |                                     |                                     |
| Basic and diluted   | 2.24 | (47,980.61)                         | (2,767.36)                          |
| 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  
11 May 2017

For and on behalf of the Board of Directors



**Udit Sureka**  
Director



**Vinod Soni**  
Director

11 May 2017

# Aster Commodities DMCC

## Cash Flow Statement

(Currency : Indian rupees)

|  | For the year ended<br>31 March 2017 | For the year ended<br>31 March 2016 |
|--|-------------------------------------|-------------------------------------|
| <b>A Cash flow from operating activities</b>   |                                     |                                     |
| Loss before tax  | (527,786,740)                       | (30,440,936)                        |
| <i>Adjustments for</i>   |                                     |                                     |
| Depreciation and amortisation expenses   | 77,926,737                          | 43,429,948                          |
| Provision for employee benefits  | (651,165)                           | 4,501,000                           |
| Interest income  | (25,541,262)                        | (121,888,155)                       |
| Interest expense   | 146,844,351                         | 81,536,703                          |
| Loss on write-off of fixed assets  | 171,624                             | -                                   |
| Advances written off   | 80,299,969                          | -                                   |
| <b>Operating cash flow before working capital changes</b>                            | <b>(248,736,486)</b>                | <b>(22,861,440)</b>                 |
| Adjustments for working capital changes  |                                     |                                     |
| Decrease/(increase) in trade receivables, loan and advances and other current assets | 2,183,945,637                       | (354,005,096)                       |
| Decrease in stock-in-trade   | 97,000,123                          | 168,537,565                         |
| Decrease in trade payables and other current liabilities                             | (892,207,439)                       | (648,792,867)                       |
| <b>Net cash generated from/ (used in) operating activities - A</b>                   | <b>1,140,001,835</b>                | <b>(857,121,838)</b>                |
| <b>B Cash flow from investing activities</b>   |                                     |                                     |
| Purchase of fixed assets, capital work-in progress and capital advances              | (785,062)                           | (5,610,693)                         |
| Decrease/ (increase) in unsecured loans given (net) (refer note 2 below)             | 3,493,106,444                       | (758,319,563)                       |
| Interest received  | 24,908,120                          | 126,379,897                         |
| <b>Net cash generated from/ (used in) investing activities - B</b>                   | <b>3,517,229,502</b>                | <b>(637,550,359)</b>                |
| <b>C Cash flow from financing activities</b>   |                                     |                                     |
| (Repayment of)/ proceeds from secured borrowings (net) (refer note 2 below)          | (4,498,013,947)                     | 3,086,907,779                       |
| Repayment of unsecured loan (net) (refer note 2 below)                               | (765,893,988)                       | (733,626,661)                       |
| Dividend paid  | -                                   | (65,599,875)                        |
| Interest paid  | (148,845,871)                       | (167,492,999)                       |
| <b>Net cash (used in)/ generated from financing activities - C</b>                   | <b>(5,412,753,806)</b>              | <b>2,120,188,244</b>                |
| <b>Net (decrease)/ increase in cash and cash equivalents (A+B+C)</b>                 | <b>(755,522,469)</b>                | <b>625,516,047</b>                  |
| Cash and cash equivalent as at the beginning of the year                             | 870,723,471                         | 245,207,424                         |
| Cash and cash equivalent as at the end of the year (refer note 1 below)              | 115,201,002                         | 870,723,471                         |

Notes:

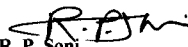
1 Cash and cash equivalents include the following: (refer note 2.13)

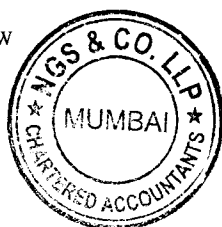
|   |                    |                    |
|---|--------------------|--------------------|
| Cash                                      | -                  | 126,542            |
| Cheques in hand                           | -                  | 1,263,703          |
| Balances with banks:                      |                    |                    |
| In current accounts                       | 115,201,002        | 869,333,226        |
| <b>Total of cash and cash equivalents</b> | <b>115,201,002</b> | <b>870,723,471</b> |

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  
11 May 2017

For and on behalf of the Board of Directors

  
Udit Sureka  
Director

  
Vinod Soni  
Director

11 May 2017

# Aster Commodities DMCC

## 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 referred to as 'the Act') and the Schedule III to the Act. The financial statements are presented in Indian Rupees.

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

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

#### 1.2 Use of estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires the management to make certain estimates and assumptions that affect the reported amounts of assets, liabilities, disclosure of contingent liabilities on 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

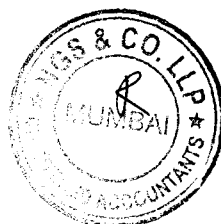
All assets and liabilities are classified into current and non-current.

##### 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.



# Aster Commodities DMCC

Notes to the financial statements (Continued)  
for the year ended 31 March 2017

(Currency: Indian rupees)

## 1. Significant accounting policies (Continued)

### 1.4 Revenue recognition

- Income from treasury operations comprises of profit/loss on equity, commodities, interest rate 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.
- Interest income is recognised on the accrual basis.
- Sale of commodity is recognised when all the significant risks and rewards have been passed to the buyer.
- Purchase and sale of bullion is recorded at the price which is fixed between the buyer and the seller at the future date including the contracts where the price is fixed subsequent to the balance sheet date. In case of unfixed purchase/ sale contracts as at the reporting date, the price is recorded at the market rate as on the reporting date.
- Other income is recognised in accordance with the terms of contracts.

### 1.5 Fixed assets and depreciation

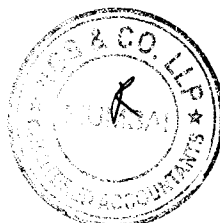
#### Tangible fixed assets and Capital work in progress

Tangible fixed assets are stated at cost less accumulated depreciation and impairment, if any. The cost of fixed assets comprises of 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.

The Company has evaluated the useful lives of the respective fixed assets which are as follows:

| Nature of assets  | Useful life |
|---|-------------|
| Building (other than factory building)  | 60 years    |
| Plant and machinery   | 15 years    |
| Furniture and fittings  | 10 years    |
| Motor vehicles  | 8 years     |
| Office equipment  | 5 years     |
| Computers and data processing units - Servers and networks                              | 6 years     |
| Computers and data processing units - End user devices, such as desktops, laptops, etc. | 3 years     |





# Aster Commodities DMCC

Notes to the financial statements (Continued)  
for the year ended 31 March 2017

(Currency: Indian rupees)

## 1. Significant accounting policies (Continued)

### 1.5 Fixed assets and depreciation (Continued)

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

#### Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated depreciation and impairment, if any.

Jewellery Designing costs are amortised on a straight-line basis over 5 years or its estimated useful life whichever is shorter.

Intangibles such as software is amortised over a period of 3 years or its estimated useful life whichever is shorter.

### 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

The commodity stocks are valued at weighted average cost or net realisable value, whichever is lower.

### 1.8 Employee benefits

#### Gratuity

Provision for employees' end of service benefits is made in accordance with the U.A.E. Labour Laws, and is based on current remuneration and periods of service at the end of the reporting period.

#### Compensated 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 as per IAS 19 and AS 15 –Accounting for employee benefits, based on a valuation by an independent actuary.

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 are recognised immediately in the statement of profit and loss.



# Aster Commodities DMCC

## Notes to the financial statements (Continued)

for the year ended 31 March 2017

(Currency: Indian rupees)

### 1. Significant accounting policies (Continued)

#### 1.9 Operating leases

Lease payments for assets taken on operating lease are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

#### 1.10 Earnings per share

The Company reports basic and diluted earnings per share in accordance with the Accounting Standard 20 – “Earnings Per Share” as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. Basic earnings per share is computed by dividing the net profit after tax attributable to the ordinary shareholders for the year by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue ordinary shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax attributable to the ordinary shareholders for the year by the weighted average number of ordinary shares considered for deriving basic earnings per share and weighted average number of ordinary shares that could have been issued upon conversion of all potential ordinary shares.

#### 1.11 Provisions and contingencies

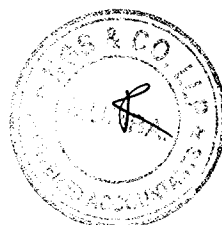
The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognised in the period in which the change occurs.

#### 1.12 Presentation of financial assets and liabilities

Financial assets and liabilities are offset and the net amounts are presented in the Balance Sheet where the Company has a legal right to set off the recognised amounts. Such legal rights are by virtue of a binding legal contract or by an irrevocable undertaking executed by the Company. The aforesaid policy is generally applied to offset receivables from and payables to same counterparties; to offset fixed deposits specifically pledged with banks against the borrowings availed from them; and other such similar qualifying arrangements.



# Aster Commodities DMCC

## Notes to the financial statements (Continued)

(Currency : Indian rupees)

|   | As at<br>31 March 2017 | As at<br>31 March 2016 |
|---|------------------------|------------------------|
| <b>2.1 Share capital</b>  |                        |                        |
| <b>Authorised :</b>   | <b>133,729,953</b>     | 133,729,953            |
| 11,000 (Previous year: 11,000) Ordinary shares of AED 1,000 each                |                        |                        |
| <b>Issued, subscribed and paid up:</b>  | <b>133,729,953</b>     | 133,729,953            |
| 11,000 (Previous year: 11,000) Ordinary shares of AED 1,000 each, fully paid-up |                        |                        |
|   | <b>133,729,953</b>     | 133,729,953            |

### Movement in ordinary share capital during the year:

|  | 31 March 2017       |                    | 31 March 2016       |             |
|--|---------------------|--------------------|---------------------|-------------|
|  | Number of<br>shares | Amount             | Number of<br>shares | Amount      |
| <b>Ordinary shares of AED 1,000 each</b> |                     |                    |                     |             |
| Outstanding at the beginning of the year | 11,000              | 133,729,953        | 11,000              | 133,729,953 |
| Issued during the year                   | -                   | -                  | -                   | -           |
| Outstanding at the end of the year       | <b>11,000</b>       | <b>133,729,953</b> | 11,000              | 133,729,953 |

### Shares held by holding / ultimate holding company and / or their subsidiaries / associates:

|   | 31 March 2017       |                            | 31 March 2016    |                            |
|---|---------------------|----------------------------|------------------|----------------------------|
|   | Number of<br>shares | Percentage<br>Shareholding | Number of shares | Percentage<br>Shareholding |
| Ordinary shares                               |                     |                            |                  |                            |
| EC International Limited, the holding company | 11,000              | 100%                       | 11,000           | 100%                       |

### Details of shareholders holding more than 5% shares in the Company:

|   | 31 March 2017       |                            | 31 March 2016    |                            |
|---|---------------------|----------------------------|------------------|----------------------------|
|   | Number of<br>shares | Percentage<br>Shareholding | Number of shares | Percentage<br>Shareholding |
| Ordinary shares                               |                     |                            |                  |                            |
| EC International Limited, the holding company | 11,000              | 100%                       | 11,000           | 100%                       |

### Terms/rights attached to ordinary shares

The Company has only one class of ordinary shares having a par value of AED 1,000 each. Each holder of ordinary shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of ordinary 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 ordinary shares held by the shareholders.

## 2.2 Reserves and surplus

|   |                      |               |
|---|----------------------|---------------|
| Foreign Exchange Translation Reserves       | (5,523,684)          | (5,523,684)   |
| Surplus in the statement of profit and loss |                      |               |
| Opening balance                             | 2,627,386,497        | 2,657,827,433 |
| Add: Loss for the year                      | (527,786,740)        | (30,440,936)  |
| Closing balance                             | <b>2,099,599,757</b> | 2,627,386,497 |
|   | <b>2,094,076,073</b> | 2,621,862,813 |

## 2.3 Long-term provisions

|                            |                   |            |
|----------------------------|-------------------|------------|
| Gratuity                   | 11,327,835        | 11,741,000 |
| Compensated leave absences | 836,000           | 1,251,000  |
|                            | <b>12,163,835</b> | 12,992,000 |

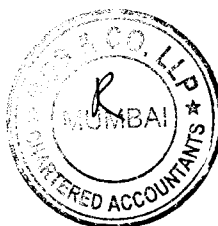


# Aster Commodities DMCC

## Notes to the financial statements (Continued)

(Currency : Indian rupees)

|   | As at<br>31 March 2017 | As at<br>31 March 2016 |
|---|------------------------|------------------------|
| <b>2.4 Short-term borrowings</b>  |                        |                        |
| <b>Secured</b>  |                        |                        |
| Secured loan  |                        |                        |
| - from bank   | -                      | 2,251,571,941          |
| (Secured against fixed deposit; refer note 2.28)<br>(at variable rate of interest, for a tenure of 30 days) |                        |                        |
| Letter of credit discounted (net of fixed deposits)<br>(Secured against fixed deposits; refer note 2.28)    | 58,603,167             | 2,305,045,173          |
| <b>Unsecured</b>  |                        |                        |
| Loans from holding company  | -                      | 684,636,185            |
| [Previous year: Repayable on demand, at variable rate of interest ranging from 0.18% p.a. to 0.43% p.a.]    |                        |                        |
| Loans from related parties<br>(Interest free, repayable on demand)  | -                      | 81,257,803             |
|   | <b>58,603,167</b>      | <b>5,322,511,102</b>   |
| <b>2.5 Trade payables</b>   |                        |                        |
| Trade payables<br>(includes sundry creditors and provision for expenses)                                    | 136,098,569            | 1,027,755,860          |
|   | <b>136,098,569</b>     | <b>1,027,755,860</b>   |
| <b>2.6 Other current liabilities</b>  |                        |                        |
| Interest accrued but not due on borrowings  | -                      | 2,001,520              |
| Premium received on exchange traded options   | -                      | 21,495,653             |
| Accrued salaries and benefits   | 46,503,709             | 24,998,566             |
| Advances from customers   | -                      | 103,382                |
| Others  | 39,441,391             | 39,897,647             |
|   | <b>85,945,100</b>      | <b>88,496,768</b>      |
| <b>2.7 Short-term provisions</b>  |                        |                        |
| Provision for employee benefits   |                        |                        |
| Gratuity  | 2,433,000              | 2,152,000              |
| Leave accumulation  | 203,000                | 307,000                |
|   | <b>2,636,000</b>       | <b>2,459,000</b>       |



## Aster Commodities DMCC

Notes to the financial statements (Continued)

(Currency : Indian rupees)

### 2.8 Fixed assets

| Description of Assets    | Gross block        |                           |  | Depreciation and amortization |                    |                     |  | Net block           |                     |                    |
|--------------------------|--------------------|---------------------------|--|-------------------------------|--------------------|---------------------|--|---------------------|---------------------|--------------------|
|                          | As at 1 April 2016 | Additions during the year | Deductions / adjustments during the year | As at 31 March 2017           | As at 1 April 2016 | Charge for the year | Deductions / adjustments during the year | As at 31 March 2017 | As at 31 March 2016 |                    |
| <b>Tangible assets</b>   |                    |                           |  |                               |                    |                     |  |                     |                     |                    |
| Building                 | 157,285,446        | -                         | -  | 157,285,446                   | 17,032,827         | 7,012,631           | -  | 24,045,458          | 133,239,988         | 140,252,619        |
| Leasehold improvements   | 8,870,002          | -                         | 637,784                                  | 8,232,218                     | 3,762,602          | 254,808             | 511,659                                  | 3,505,751           | 4,726,467           | 5,107,400          |
| Plant and equipment      | 3,491,290          | -                         | -  | 3,491,290                     | 1,955,933          | 287,195             | -  | 2,243,128           | 1,248,162           | 1,535,357          |
| Furniture and fixtures   | 20,348,180         | -                         | 157,475                                  | 20,190,705                    | 2,276,864          | 4,678,003           | 141,307                                  | 6,813,560           | 13,377,145          | 18,071,316         |
| Vehicles                 | 1,455,064          | -                         | -  | 1,455,064                     | 982,026            | 150,061             | -  | 1,132,087           | 322,977             | 473,038            |
| Office equipment         | 4,518,834          | -                         | 276,273                                  | 4,242,561                     | 3,079,550          | 664,205             | 254,887                                  | 3,488,868           | 753,693             | 1,439,284          |
| Computers                | 3,841,031          | 785,062                   | 196,001                                  | 4,430,092                     | 2,043,693          | 1,358,182           | 188,056                                  | 3,213,819           | 1,216,273           | 1,797,338          |
| <b>Total</b>             | <b>199,809,847</b> | <b>785,062</b>            | <b>1,267,533</b>                         | <b>199,327,376</b>            | <b>31,133,495</b>  | <b>14,405,085</b>   | <b>1,095,909</b>                         | <b>44,442,671</b>   | <b>154,884,705</b>  | <b>168,676,352</b> |
| <b>Intangible assets</b> |                    |                           |  |                               |                    |                     |  |                     |                     |                    |
| Jewellery Designs        | 163,167,900        | -                         | -  | 163,167,900                   | 99,795,910         | 63,371,990          | -  | 163,167,900         | -                   | 63,371,990         |
| Software                 | 474,985            | -                         | -  | 474,985                       | 25,953             | 149,662             | -  | 175,615             | 299,370             | 449,032            |
| <b>Total</b>             | <b>163,642,885</b> | <b>-</b>                  | <b>-</b>                                 | <b>163,642,885</b>            | <b>99,821,863</b>  | <b>63,521,652</b>   | <b>-</b>                                 | <b>163,343,515</b>  | <b>299,370</b>      | <b>63,821,022</b>  |
| <b>Grand Total</b>       | <b>363,452,732</b> | <b>785,062</b>            | <b>1,267,533</b>                         | <b>362,970,261</b>            | <b>130,955,358</b> | <b>77,926,737</b>   | <b>1,095,909</b>                         | <b>207,786,186</b>  | <b>155,184,075</b>  | <b>232,497,374</b> |
| Previous Year            | 342,644,557        | 20,808,175                | -  | 363,452,732                   | 87,525,410         | 43,429,948          | -  | 130,955,358         | 232,497,374         |                    |



# Aster Commodities DMCC

## Notes to the financial statements (Continued)

(Currency : Indian rupees)

|  | As at<br>31 March 2017 | As at<br>31 March 2016 |
|--|------------------------|------------------------|
| <b>2.9 Long-term loans and advances</b><br>(Unsecured, considered good)  |                        |                        |
| Security deposits  | -                      | 134,096                |
| Rental deposits  | -                      | 134,096                |
|  | <u>-</u>               | <u>134,096</u>         |
| <b>2.10 Other non-current assets</b>   |                        |                        |
| Long term deposits with banks (Refer note 2.28)<br>(Held as margin money or security against borrowings, guarantees) | 116,709,480            | -                      |
| Accrued interest on fixed deposits   | 1,521,114              | -                      |
|  | <u>118,230,594</u>     | <u>-</u>               |
| <b>2.11 Stock-in-trade</b>   |                        |                        |
| <b>Commodities</b>   |                        |                        |
| Agricultural products**  | -                      | 97,000,123             |
|  | <u>-</u>               | <u>97,000,123</u>      |
| ** Quantitative details of Commodities is not given due to the varied nature of products and measurement units.      |                        |                        |
| <b>2.12 Trade receivables</b>  |                        |                        |
| Debtors outstanding for a period exceeding six months<br>(Unsecured, considered good)                                | 388,541,009            | 21,644,842             |
| Other debts<br>(Unsecured, considered good)  | 65,619,605             | 954,962,392            |
|  | <u>454,160,614</u>     | <u>976,607,234</u>     |



# Aster Commodities DMCC

## Notes to the financial statements (Continued)

(Currency : Indian rupees)

|   | As at<br>31 March 2017 | As at<br>31 March 2016 |
|---|------------------------|------------------------|
| <b>2.13 Cash and bank balances</b>  |                        |                        |
| <b>Cash and cash equivalents</b>  |                        |                        |
| Cash in hand  | -                      | 126,542                |
| Cheques in hand   | -                      | 1,263,703              |
| Balances with banks   |                        |                        |
| - in current accounts   | 115,201,002            | 869,333,226            |
| <b>Other balances with banks</b>  |                        |                        |
| Short term deposits with banks (refer note 2.28)                          | 229,172,696            | 937,222,406            |
|   | <b>344,373,698</b>     | <b>1,807,945,877</b>   |
| <b>2.14 Short-term loans and advances</b><br>(Unsecured, considered good) |                        |                        |
| Loans and advances to related parties                                     | 637,653,012            | 4,130,759,456          |
| Other loans and advances  |                        |                        |
| Advances to others  | -                      | 3,817,442              |
| Deposits- others  | 1,301,496              | 1,250,290              |
| Prepaid expenses  | 5,292,208              | 3,620,181              |
| Loans and advances to employees   | 1,175,287              | 7,352,442              |
| Vendor advances   | 15,634,229             | 650,843,608            |
|   | <b>661,056,232</b>     | <b>4,797,643,419</b>   |
| <b>2.15 Other current assets</b>  |                        |                        |
| Accrued interest on fixed deposits  | 153,827,896            | 24,781,261             |
| Accrued interest on loans given   | 4,427,698              | 3,794,556              |
| Receivable from exchange / clearing house (net)                           | 78,806,780             | 472,819,850            |
| Mark to market on derivatives   | -                      | 5,091,474              |
| Margin placed with broker   | 553,185,110            | 791,492,232            |
|   | <b>790,247,484</b>     | <b>1,297,979,373</b>   |



# Aster Commodities DMCC

## Notes to the financial statements (Continued)

(Currency : Indian rupees)

|   | For the year ended<br>31 March 2017 | For the year ended<br>31 March 2016 |
|---|-------------------------------------|-------------------------------------|
| <b>2.16 Income from treasury operations and investments</b> |                                     |                                     |
| Profit on trading in equity derivative instruments (net)    | -                                   | 162,786                             |
| Profit on trading in commodity derivative instruments (net) | 542,955,555                         | 335,758,333                         |
| Loss on trading in currency derivative instruments (net)    | (433,710,101)                       | (153,264,637)                       |
| (Loss)/ profit on trading in interest rate derivative (net) | (813,702)                           | 85,260                              |
| (Loss)/ gain on foreign exchange movement on trade          | (67,662,191)                        | 104,382,175                         |
|   | <b>40,769,561</b>                   | <b>287,123,917</b>                  |
| <b>2.17 Other operating revenue</b>                         |                                     |                                     |
| Interest income on loan to fellow subsidiary companies      | 25,541,262                          | 121,888,155                         |
| Interest income on fixed deposits                           | 270,076,482                         | 28,070,867                          |
| Interest income on overdue accounts                         | 4,003,084                           | -                                   |
|   | <b>299,620,828</b>                  | <b>149,959,022</b>                  |
| <b>2.18 Other income</b>                                    |                                     |                                     |
| Miscellaneous income  | 48,972,553                          | -                                   |
| Interest income - others                                    | 829,011                             | 558,517                             |
|   | <b>49,801,564</b>                   | <b>558,517</b>                      |
| <b>2.19 Employee benefit expenses</b>                       |                                     |                                     |
| Salaries and wages (refer note 2.26)                        | 193,190,322                         | 117,465,478                         |
| Staff welfare expenses                                      | 4,552,065                           | 4,315,466                           |
|   | <b>197,742,387</b>                  | <b>121,780,944</b>                  |
| <b>2.20 Finance costs</b>                                   |                                     |                                     |
| Interest on bank overdraft                                  | 272,298                             | -                                   |
| Interest on loan from holding company                       | 28,566,804                          | 2,097,063                           |
| Interest on loan from fellow subsidiaries                   | 27,000,996                          | 571,837                             |
| Interest - others   | 26,468,787                          | 70,423,275                          |
| LC discounting charges                                      | 64,535,466                          | 8,444,528                           |
| Finance and bank charges                                    | 115,858,645                         | 133,850,456                         |
|   | <b>262,702,996</b>                  | <b>215,387,159</b>                  |



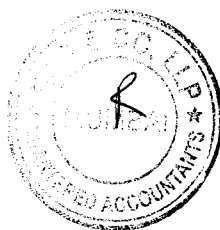


# Aster Commodities DMCC

## Notes to the financial statements (Continued)

(Currency : Indian rupees)

|   | For the year ended<br>31 March 2017 | For the year ended<br>31 March 2016 |
|---|-------------------------------------|-------------------------------------|
| <b>2.21 Other expenses</b>                |                                     |                                     |
| Advertisement and business promotion      | 268,701                             | 330,585                             |
| Auditors' remuneration (Refer note below) | 786,815                             | 1,557,026                           |
| Advances written off                      | 80,299,969                          | -                                   |
| Commission and brokerage                  | 25,589,124                          | 55,075,484                          |
| Communication                             | 3,774,632                           | 4,224,771                           |
| Clearing and custodian charges            | 13,425,807                          | 12,805,525                          |
| Electricity charges                       | 255,102                             | 257,673                             |
| Freight and forwarding expenses           | 2,479,323                           | 5,576,103                           |
| Housekeeping and security charges         | 87,096                              | 272,456                             |
| Insurance                                 | 2,285,796                           | 2,150,350                           |
| Legal and professional fees               | 36,724,630                          | 15,583,922                          |
| Loss on write-off of fixed assets         | 171,624                             | -                                   |
| Membership and subscription               | 11,604,680                          | 3,376,209                           |
| Office expenses                           | 362,135                             | 400,351                             |
| Postage and courier                       | 282,104                             | 530,971                             |
| Printing and stationery                   | 103,934                             | 35,987                              |
| Rent                                      | 1,047,627                           | 816,612                             |
| Repairs and maintenance - building        | 3,150,876                           | 3,227,560                           |
| Repairs and maintenance - others          | 612,112                             | 1,284,303                           |
| Seminar and conference                    | 1,330,241                           | 226,141                             |
| Transportation charges                    | 9,423                               | (197,348)                           |
| Travelling and conveyance                 | 7,807,544                           | 12,081,748                          |
| Warehousing charges                       | 1,642,008                           | -                                   |
| Miscellaneous expenses                    | 3,988                               | (86)                                |
|   | <b>194,105,291</b>                  | <b>119,616,343</b>                  |
| <b>Note:</b>                              |                                     |                                     |
| Auditors' remuneration                    |                                     |                                     |
| As auditor                                | <b>786,815</b>                      | <b>1,557,026</b>                    |



# Aster Commodities DMCC

## Notes to the financial statements (Continued)

for the year ended 31 March 2017

(Currency: Indian rupees)

### 2.22 Segment reporting

The Company has operated only in one business segment during the year viz. capital based business comprising of trading activities. Therefore, the Company has only one reportable business segment, the results of which are disclosed in the financial statements. Further, there are no geographical segments. Hence, no disclosures are required under Accounting Standard 17 on Segment Reporting.

### 2.23 Related parties

| Sr. No.   | Particulars  |
|-----------|--|
| <b>A.</b> | <b>Names of related parties by whom control is exercised</b>   |
|           | EC International Limited, the holding company  |
|           | Edelweiss Financial Services Limited, Ultimate holding company   |
|           |  |
| <b>B.</b> | <b>Fellow Subsidiaries with whom the Company has transactions</b>  |
|           | EC Global Limited  |
|           | Edelweiss Commodities Services Limited   |
|           | Edel Commodities Limited   |
|           | Edelweiss Capital (Singapore) Pte. Limited   |
|           | Edelweiss Commodities Pte. Limited   |
|           | Edelweiss International (Singapore) Pte. Limited   |
|           | Edelweiss Commodities Chad SARL (till 17 November 2016)  |
|           | Edelweiss Commodities Nigeria Limited (till 17 November 2016)  |
|           | Edelweiss Agri Value Chain Limited (formerly known as Edelweiss Integrated Commodity Management Limited) |
|           | Edelweiss Tarim Urunleri Anonim Sirketi  |
|           | Edelweiss Financial Services Inc   |
|           | Edelweiss India Capital Management   |
|           |  |
| <b>C.</b> | <b>Key Management Personnel</b>  |
|           | Guruprasad Rao (w.e.f. 13 November 2015 till 26 October 2016)  |
|           | Udit Sureka  |
|           | Vinod Kumar Soni   |
|           | Hiten Kapdi (w.e.f. 26 October 2016)   |
|           | Shalin Khanna (w.e.f. 18 June 2015 till 19 November 2015)  |
|           | Durga Prasad Jhawar (till 19 November 2015)  |



# Aster Commodities DMCC

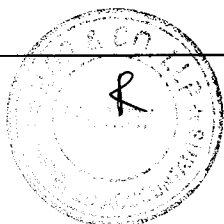
## Notes to the financial statements (Continued)

(Currency : Indian rupees)

### 2.23 Related parties (continued)

#### (D) Transactions with related parties :

| Nature of transaction                                  | Related party name  | For the year ended<br>31 March 2017 | For the year ended 31<br>March 2016 |
|--|---|-------------------------------------|-------------------------------------|
| <b>Current account transactions</b>                    |   |                                     |                                     |
| Short term loans taken from<br>(refer note below)      | EC Global Limited   | 3,773,047,887                       | 76,614,426                          |
|  | EC International Limited  | 737,823,556                         | 764,678,648                         |
|  | Edelweiss Commodities Pte. Limited  | 326,989,985                         | 23,561,734                          |
|  | Edelweiss International (Singapore) Pte. Limited  | -                                   | 112,108,040                         |
| Short term loan repaid to<br>(refer note below)        | EC Global Limited   | 3,773,047,887                       | 76,614,426                          |
|  | Edelweiss Commodities Pte. Limited  | 409,156,699                         | 687,276,150                         |
|  | EC International Limited  | 1,430,115,728                       | 913,275,234                         |
|  | Edelweiss International (Singapore) Pte. Limited  | -                                   | 112,108,040                         |
| Short term loans given to<br>(refer note below)        | EC Global Limited   | 23,875,300                          | 670,095,343                         |
|  | Edelweiss International (Singapore) Pte. Limited  | 503,061,516                         | 177,557,301                         |
|  | Edelweiss Capital (Singapore) Pte. Limited  | 26,829,948                          | 326,860,157                         |
|  | Edelweiss Commodities Pte. Limited  | 1,657,420,007                       | 255,252,120                         |
|  | EC International Limited  | 35,402,286                          | -                                   |
| Short term loans repaid by<br>(refer note below)       | EC Global Limited   | 2,244,571,664                       | 326,392,873                         |
|  | Edelweiss International (Singapore) Pte. Limited  | 770,911,475                         | 438,622                             |
|  | Edelweiss Capital (Singapore) Pte. Limited  | 1,055,610,870                       | 275,685,379                         |
|  | Edelweiss Commodities Pte. Limited  | 1,657,420,007                       | 255,252,120                         |
|  | EC International Limited  | 35,402,286                          | -                                   |
| <b>Secondary market transactions</b>                   |   |                                     |                                     |
| Purchases of commodities from                          | Edelweiss Commodities Chad SARL   | 204,752,345                         | 228,352,186                         |
|  | Edelweiss Commodities Nigeria Limited   | 151,456,806                         | 295,704,237                         |
|  | Edelweiss Commodities Pte. Limited  | 1,810,869,345                       | 3,280,238,872                       |
| Sale of commodities to                                 | Edelweiss Commodities Services Limited  | 416,358,818                         | 3,969,959,428                       |
|  | Edelweiss Agri Value Chain Limited (formerly known as<br>Edelweiss Integrated Commodity Management Limited) | -                                   | 175,939,000                         |
|  | Edelweiss Commodities Pte. Limited  | 1,106,991,599                       | 494,857,504                         |
|  | Edelweiss Tarim Urunleri Anonim Sirketi   | 237,721,490                         | -                                   |
| Interest expenses on loans from                        | EC Global Limited   | 27,000,996                          | 127,293                             |
|  | EC International Limited  | 28,566,804                          | 2,097,063                           |
|  | Edelweiss International (Singapore) Pte. Limited  | -                                   | 444,544                             |
| Net amount earned on settlement of forward<br>contract | EC Global Limited   | 277,455,752                         | 1,327,544,056                       |
| Interest income on loans from                          | EC Global Limited   | 25,454,553                          | 121,888,155                         |
|  | EC International Limited  | 86,709                              | -                                   |
| Cost reimbursemt recovered from                        | Edelweiss Commodities Nigeria Limited   | -                                   | 6,207,118                           |
|  | Edelweiss Commodities Chad SARL   | -                                   | 1,786,433                           |
|  | EC Global Limited   | 25,771,574                          | -                                   |
|  | Edelweiss International (Singapore) Pte. Limited  | 23,191,151                          | -                                   |



# Aster Commodities DMCC

## Notes to the financial statements (Continued)

(Currency : Indian rupees)

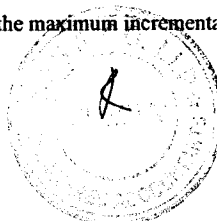
### 2.23 Related parties (continued)

#### (D) Transactions with related parties :

| Nature of transaction                  | Related party name                               | For the year ended<br>31 March 2017 | For the year ended 31<br>March 2016 |
|--|--|-------------------------------------|-------------------------------------|
| Legal and professional fees paid to    | Edel Commodities Limited                         | 1,807,700                           | 3,316,645                           |
|  | Edelweiss Financial Services Inc                 | 8,151,397                           | -                                   |
|  | Edelweiss India Capital Management               | 17,830,615                          | -                                   |
| Commission and brokerage paid to       | Edelweiss Financial Services Limited             | 99,503,390                          | 97,564,166                          |
| Remuneration paid                      | Guruprasad Rao                                   | 35,461,301                          | 25,354,027                          |
|  | Udit Sureka                                      | 12,839,655                          | 6,147,835                           |
|  | VinodKumar Soni                                  | 5,469,730                           | 4,725,814                           |
|  | Hiten Kapdi                                      | 4,518,152                           | -                                   |
|  | Durga Prasad Jhawar                              | -                                   | 2,139,963                           |
|  | Shalin Khanna                                    | -                                   | 3,003,654                           |
| <b>Balances with related parties</b>   |  |                                     |                                     |
| Short term loans taken from            | Edelweiss Commodities Pte. Limited               | -                                   | 81,257,803                          |
|  | EC International Limited                         | -                                   | 684,636,185                         |
| Trade payables to                      | Edelweiss Financial Services Limited             | 99,503,390                          | 97,616,491                          |
|  | Edel Commodities Limited                         | 1,807,700                           | 3,316,645                           |
|  | Edelweiss Commodities Pte. Limited               | -                                   | 4,957,071                           |
|  | Edelweiss Financial Services Inc                 | 8,151,397                           | -                                   |
| Interest accrued on borrowings         | EC Global Limited                                | -                                   | -                                   |
|  | EC International Limited                         | -                                   | 689,748                             |
| Trade receivables from                 | Edelweiss Commodities Services Limited           | -                                   | 358,470,782                         |
|  | EC Global Limited                                | 25,771,574                          | -                                   |
|  | Edelweiss International (Singapore) Pte. Limited | 23,191,151                          | -                                   |
| Interest accrued on loans given        | EC Global Limited                                | 4,427,698                           | 3,794,556                           |
| Short-term loans and advances given to | Edelweiss Capital (Singapore) Pte. Limited       | -                                   | 1,017,400,754                       |
|  | Edelweiss Commodities Chad SARL                  | -                                   | 161,827,834                         |
|  | Edelweiss International (Singapore) Pte. Limited | -                                   | 264,887,056                         |
|  | Edelweiss Commodities Nigeria Limited            | -                                   | 163,604,422                         |
|  | EC Global Limited                                | 637,653,012                         | 2,848,471,646                       |
| Accrued salaries and benefits          | Udit Sureka                                      | 1,826,409                           | 1,973,502                           |
|  | Vinod Kumar Soni                                 | 365,282                             | 536,792                             |
|  | Guruprasad Rao                                   | -                                   | 9,735,942                           |
|  | Hiten Kapdi                                      | 2,739,613                           | -                                   |
| <b>Off balance sheet item</b>          |  |                                     |                                     |
| Corporate guarantee given by           | Edelweiss Financial Services Limited             | 6,044,300,327                       | 8,848,390,299                       |

#### Note :

Loan given/taken to/from related parties are disclosed based on the maximum incremental amount given/taken and placed / refund received during the reporting period.



# Aster Commodities DMCC

## Notes to the financial statements (Continued)

For the year ended 31 March 2017

(Currency: Indian rupees)

### 2.24 Earnings per share

In accordance with Accounting Standard 20 on Earnings per share as prescribed under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, the computation of earnings per share is set out below:

| Sr. No. | Particulars  | For the year ended<br>31 March 2017 | For the year ended<br>31 March 2016 |
|---------|--|-------------------------------------|-------------------------------------|
| a)      | Shareholders earnings<br>(as per statement of profit and loss)   | (527,786,740)                       | (30,440,936)                        |
| b)      | Calculation of weighted average number of ordinary shares of 1000 AED each:                                      |                                     |                                     |
|         | - Number of shares at the beginning of the year  | 11,000                              | 11,000                              |
|         | - Shares issued during the year  | -                                   | -                                   |
|         | Total number of ordinary shares outstanding at the end of the year   | 11,000                              | 11,000                              |
|         | Weighted average number of ordinary shares outstanding during the year<br>(based on the date of issue of shares) | 11,000                              | 11,000                              |
| c)      | Basic and diluted earnings per share<br>(in rupees) (a/b)  | (47,980.61)                         | (2,767.36)                          |

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

### 2.25 Contingent liabilities and capital commitment

| Sr. No | Particulars  | As at<br>31 March 2017 | As at<br>31 March 2016 |
|--------|--|------------------------|------------------------|
| i)     | Contingent liabilities   | -                      | -                      |
| ii)    | Commitments:   |                        |                        |
|        | Estimated amount of contracts remaining to be executed on capital account and not provided for | -                      | -                      |



# Aster Commodities DMCC

## Notes to the financial statements (Continued)

For the year ended 31 March 2017.

(Currency: Indian rupees)

### 2.26 Disclosure pursuant to Accounting Standard 15 (Revised) – Employee Benefits

#### Defined benefit plan (Gratuity)

The following tables summarize the components of the net benefit expenses recognised in the statement of profit and loss, the funded status and amount recognised in the balance sheet for the gratuity benefit plan.

#### Expenses recognised in the statement of profit and loss:

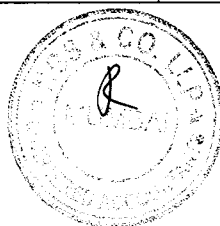
| Particulars  | For the year ended<br>31 March 2017<br>(INR'000) | For the year ended<br>31 March 2016<br>(INR'000) |
|--|--|--|
| Current service cost                                 | 1,944  | 2,485  |
| Interest cost  | 1,028  | 777  |
| Exchange rate adjustment                             | (177)  | 617  |
| Actuarial loss/(gain)                                | 406  | 583  |
| <b>Total included in 'Employee Benefit Expenses'</b> | <b>3,201</b>                                     | <b>4,462</b>                                     |

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

| Particulars   | As at<br>31 March 2017<br>(INR'000) | As at<br>31 March 2016<br>(INR'000) |
|---|-------------------------------------|-------------------------------------|
| Present value of defined benefit obligation (DBO)               | 13,761                              | 13,893                              |
| Fair value of plan assets                                       | -                                   | -                                   |
| <b>Net (liability) / assets recognised in the balance sheet</b> | <b>13,761</b>                       | <b>(13,893)</b>                     |

#### Reconciliation of Defined benefit obligation:

| Particulars  | As at<br>31 March 2017<br>(INR'000) | As at<br>31 March 2016<br>(INR'000) |
|--|-------------------------------------|-------------------------------------|
| Present value of DBO at start of the year          | 13,893                              | 9,963                               |
| Transfer In/(Out)                                  | -                                   | -                                   |
| Interest cost                                      | 1,028                               | 777                                 |
| Current service cost                               | 1,944                               | 2,485                               |
| Benefits Paid                                      | (3,333)                             | (532)                               |
| Past service cost                                  | -                                   | -                                   |
| Exchange rate adjustment                           | (177)                               | 617                                 |
| Actuarial (gain)/loss on obligations:              | 406                                 | 583                                 |
| <b>Present value of DBO at the end of the year</b> | <b>13,761</b>                       | <b>13,893</b>                       |



# Aster Commodities DMCC

## Notes to the financial statements (Continued)

For the year ended 31 March 2017

(Currency: Indian rupees)

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

#### Experience Adjustment:

| Particulars   | (INR'000)                 |                           |                           |                           |
|---|---------------------------|---------------------------|---------------------------|---------------------------|
|   | As at<br>31 March<br>2017 | As at<br>31 March<br>2016 | As at<br>31 March<br>2015 | As at<br>31 March<br>2014 |
| Defined benefit obligation                                | 13,761                    | 13,893                    | 9,963                     | 2,971                     |
| Fair value of plan assets                                 | -                         | -                         | -                         | -                         |
| Surplus / (deficit)                                       | (13,761)                  | (13,893)                  | (9,963)                   | (2,971)                   |
| Experience adjustment on plan liabilities:<br>(gain)/loss | 71                        | 316                       | 1,216                     | N.A.*                     |
| Experience adjustment on plan assets:<br>(gain)/loss      | -                         | -                         | -                         | N.A.                      |

\* Being the first actuarial valuation

#### Principal actuarial assumptions at the balance sheet date:

| Particulars   | For the year ended<br>31 March 2017 | For the year ended<br>31 March 2016 |
|---|-------------------------------------|-------------------------------------|
| Discount rate   | 6.8% p.a                            | 7.4% p.a.                           |
| Salary escalation                                     | 7% p.a                              | 7% p.a.                             |
| Employee attrition rate                               | 13% to 25%                          | 13% to 25%                          |
| Mortality rate  | IALM 2006-08<br>(Ult.)              | IALM 2006-08<br>(Ult.)              |
| Expected average remaining working lives of employees | 4 years                             | 4 years                             |

### 2.28 Encumbrances on fixed deposits held by the Company

- i) Fixed deposit aggregating to Rs. Nil (Previous year: Rs. 588,501,440) have been pledged with bank against secured loan from bank
- ii) Fixed deposit aggregating to Rs. 6,027,879,645 (Previous year: Rs. 4,965,249,730) have been pledged with banks for securing letter of credit.
- iii) Fixed deposit aggregating to Rs. 181,548,080 (Previous year: Rs. 134,055,541) have been pledged with exchange and broker for meeting margin requirements.



# Aster Commodities DMCC

## Notes to the financial statements (Continued)

For the year ended 31 March 2017

(Currency: Indian rupees)

### 2.29 Details of purchases, sales and stock in trade:

#### Commodities

| Particulars                                 | For the year ended<br>31 March 2017 | For the year ended<br>31 March 2016 |
|---|-------------------------------------|-------------------------------------|
| <b>Opening stock</b>                        |                                     |                                     |
| Agri  | 97,000,123                          | 265,537,688                         |
| Bullion                                     | -                                   | -                                   |
| Base Metal                                  | -                                   | -                                   |
|   | <b>97,000,123</b>                   | <b>265,537,688</b>                  |
| <b>Purchase</b>                             |                                     |                                     |
| Agri  | 1,057,288,928                       | 5,582,113,694                       |
| Bullion                                     | 12,089,073,862                      | 32,098,123,732                      |
| Base Metal                                  | 6,967,356,142                       | 852,454,415                         |
|   | <b>20,113,718,932</b>               | <b>38,532,691,841</b>               |
| <b>Sale</b>                                 |                                     |                                     |
| Agri  | 1,229,835,106                       | 5,865,027,126                       |
| Bullion                                     | 11,893,417,486                      | 32,026,841,200                      |
| Base Metal                                  | 6,901,965,181                       | 841,493,082                         |
|   | <b>20,025,217,773</b>               | <b>38,733,361,408</b>               |
| <b>Closing stock ( Refer note)</b>          |                                     |                                     |
| Agri  | -                                   | 97,000,123                          |
| Bullion                                     | -                                   | -                                   |
| Base Metal                                  | -                                   | -                                   |
|   | -                                   | <b>97,000,123</b>                   |
| <b>(Loss)/profit on sale of commodities</b> | <b>(185,501,282)</b>                | <b>32,132,002</b>                   |

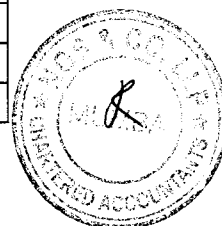
Note: Quantitative details of commodities are not given due to the varied nature of products and measurement units

### 2.30 The following contracts are outstanding as on the balance sheet date:

Open position as at 31 March 2017

#### a) Currency Derivatives

| Particulars of contract | Expiry Date | No .of Contracts  | No. of units      |
|-------------------------|-------------|-------------------|-------------------|
| <b>Long</b>             |             |                   |                   |
| USDINR                  | 26-Apr-17   | 308,600           | 308,600           |
| USDINR                  | 28-Apr-17   | 1,500,000         | 1,500,000         |
| USDINR                  | 28-Apr-17   | 5,000,000         | 5,000,000         |
| AEDUSD                  | 25-Apr-17   | 5,000,000         | 5,000,000         |
| USDINR                  | 28-Apr-17   | 20,000,000        | 20,000,000        |
| <b>Total</b>            |             | <b>31,808,600</b> | <b>31,808,600</b> |





# Aster Commodities DMCC

## Notes to the financial statements (Continued)

For the year ended 31 March 2017

(Currency: Indian rupees)

### 2.30 The following contracts are outstanding as on the balance sheet date: (Continued)

*Open position as at 31 March 2017*

#### b) Commodity forward

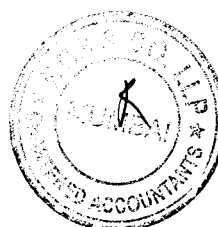
| Particulars of contract | Expiry Date | No .of Contracts | No. of units     |
|-------------------------|-------------|------------------|------------------|
| <b>Long</b>             |             |                  |                  |
| GOLDUSD                 | 21-Apr-17   | 20,904           | 20,904           |
| GOLDUSD                 | 7-Apr-17    | 1,675            | 1,675            |
| SILVERUSD               | 7-Apr-17    | 1,310,747        | 1,310,747        |
| SILVER                  | 26-May-17   | 2                | 10,000           |
| Goldmini                | 28-Jun-17   | 10               | 322              |
| COFFEE                  | 18-May-17   | 1                | 375              |
| ZINC                    | 30-Jun-17   | 2                | 50               |
| <b>Total</b>            |             | <b>1,333,341</b> | <b>1,344,073</b> |
| <b>Short</b>            |             |                  |                  |
| PALLADIUMUSD            | 7-Apr-17    | 281              | 281              |
| GOLD                    | 28-Jun-17   | 161              | 16,100           |
| GOLD                    | 29-Aug-17   | 160              | 16,000           |
| LEAD                    | 30-Jun-17   | 3                | 75               |
| <b>Total</b>            |             | <b>605</b>       | <b>32,456</b>    |

*Open position as at 31 March 2016*

#### a) Options

| Particulars of contract | Premium received  |
|-------------------------|-------------------|
| <b>Options</b>          |                   |
| USDINR                  | 906,970           |
| USDINR                  | 11,020,222        |
| USDINR                  | 2,111,086         |
| USDINR                  | 18,150,768        |
| <b>Total</b>            | <b>32,189,046</b> |

| Particulars of contract | Premium paid      |
|-------------------------|-------------------|
| <b>Options</b>          |                   |
| DINRO149.25CE270416     | 1,608,838         |
| DINRO149.25PE270416     | 2,986,572         |
| DINRO150.38CE270416     | 977,747           |
| DINRO150.38PE270416     | 5,120,234         |
| <b>Total</b>            | <b>10,693,391</b> |



# Aster Commodities DMCC

## Notes to the financial statements (Continued)

For the year ended 31 March 2017

(Currency: Indian rupees)

### 2.30 The following contracts are outstanding as on the balance sheet date: (Continued)

*Open position as at 31 March 2016*

#### b) Currency future

| Particulars of contract | Number of contracts | Number of units involved |
|-------------------------|---------------------|--------------------------|
| Long positions          |                     |                          |
| Currency forwards       |                     |                          |
| DINR270416              | 2,250,600           | 2,250,600                |

#### c) Currency forward

| Particulars of contract | Number of contracts | Number of units involved |
|-------------------------|---------------------|--------------------------|
| Long positions          |                     |                          |
| Currency forwards       |                     |                          |
| USDINR                  | 30,000,000          | 30,000,000               |
| USDINR                  | 123,000,000         | 123,000,000              |
| USDCNY                  | 784,000             | 784,000                  |
| USDINR                  | 7,000,000           | 7,000,000                |
| USDINR                  | 111,000,000         | 111,000,000              |
| <b>Total</b>            | <b>271,784,000</b>  | <b>271,784,000</b>       |
| Short positions         |                     |                          |
| Currency forwards       |                     |                          |
| EURUSD                  | 93,000              | 93,000                   |
| USDINR                  | 20,000,000          | 20,000,000               |
| USDINR                  | 450,000             | 450,000                  |
| USDINR                  | 40,000,000          | 40,000,000               |
| EURUSD                  | 89,200              | 89,200                   |
| EURUSD                  | 92,000              | 92,000                   |
| <b>Total</b>            | <b>60,724,200</b>   | <b>60,724,200</b>        |



# Aster Commodities DMCC

## Notes to the financial statements (Continued)

For the year ended 31 March 2017

(Currency: Indian rupees)

### 2.30 The following contracts are outstanding as on the balance sheet date: (Continued)

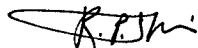
Open position as at 31 March 2016

#### d) Commodity forward

| Particulars of contract | Number of contracts | Number of units involved |
|-------------------------|---------------------|--------------------------|
| Long positions          |                     |                          |
| Commodity forwards      |                     |                          |
| CMX SILVER              | 32                  | 1600                     |
| LME NICKEL US           | 158                 | 948                      |
| GC 28JUN16              | 25                  | 2500                     |
| SI 26MAY16              | 18                  | 1800                     |
| YG 26JUN15              | 4                   | 128.6                    |
| LME ALUM US             | 310                 | 7750                     |
| <b>Total</b>            | <b>547</b>          | <b>14,727</b>            |
| Short positions         |                     |                          |
| Commodity forwards      |                     |                          |
| CMX GOLD                | 718                 | 71,800                   |
| LME ZINC US             | 257                 | 6,425                    |
| LME LEAD US             | 33                  | 825                      |
| <b>Total</b>            | <b>1,008</b>        | <b>79,050</b>            |

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



For and on behalf of the Board of Directors



**Udit Sureka**  
Director



**Vinod Soni**  
Director

Mumbai  
11 May 2017

11 May 2017