

EFSL Commodities Limited

Financial Statements
together with Auditors' Report
for the year ended 31 March 2015

EFSL Commodities Limited

Financial statements together with Auditors' Report
for the year ended 31 March 2015

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To
The Members of EFSL Commodities Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **EFSL Commodities Limited** ("the **Company**"), which comprise the Balance Sheet as at 31 March 2015, 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 thereunder.

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, 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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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 2015, and its profit and its cash flows for the year ended on that date.

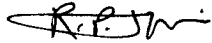
Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("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 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 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015, from being appointed as a director in terms of section 164(2) of the Act;
 - f. 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: 12 May 2015

The Annexure referred to in our Independent Auditors' Report to the members of EFSL Commodities Limited ('the Company') on the financial statements for the year ended 31 March 2015, 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 fixed assets have been physically verified by the management during the year as per the phased programme, designed to cover all the items 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.
- (ii) (a) 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.
- (b) The procedures for physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records in respect of inventory. No material discrepancies have been noticed on physical verification of stock in trade.
- (iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods. The activities of the Company do not involve sale of services. In our opinion and according to the information and explanations given to us, we have not observed any major weakness in the internal control system during the course of the audit.
- (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 of the services rendered by the Company

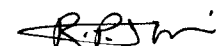


- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, wealth tax, sales tax, value added tax, 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, service tax, 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, wealth tax, sales tax, service tax, value added tax, cess and other material statutory dues were in arrears as at 31 March 2015 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 income-tax, wealth tax, sales tax, value added tax and cess which have not been deposited with the appropriate authorities on account of any dispute.
- (c) According to the information and explanation given to us, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (viii) The Company has been registered for a period of less than five years and hence we are not required to comment on whether or not the accumulated losses at the end of the financial year is fifty per cent or more of its net worth and whether it has incurred cash losses in such financial year and in the immediately preceding financial year.
- (ix) Based on our audit procedures and as per the information and explanations given by the management, the Company does not owe any dues to a financial institution, bank or debenture holders. Accordingly, the provisions of clause 3(ix) of the Companies (Auditor's Report) Order, 2015 are not applicable to the Company.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) In our opinion and according to the information and explanations given to us, no term loan has been taken by the Company during the previous financial year.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

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



R. P. Soni

Partner

Membership No.: 104796

Place: Mumbai

Date: 12 May 2015



EFSL Commodities Limited

Balance Sheet

(Currency: Indian rupees)

	Note	As at 31 March 2015	As at 31 March 2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	27,00,000	27,00,000
Reserves and surplus	2.2	(2,29,98,916)	(13,85,39,602)
		(2,02,98,916)	(13,58,39,602)
Non-current liabilities			
Long-term borrowings	2.3	2,00,00,000	2,00,00,000
Long-term provisions	2.4	5,19,000	3,62,989
Current liabilities			
Short-term borrowings	2.5	3,51,38,19,379	26,67,50,965
Trade payables	2.6	23,85,076	6,30,510
Other current liabilities	2.7	3,89,26,313	60,07,942
Short-term provisions	2.8	2,53,73,372	95,085
TOTAL		3,58,07,24,224	15,80,07,889
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	2.9	7,744	-
Deferred tax assets	2.10	2,22,425	1,46,709
Long-term loans and advances	2.11	2,79,08,11,447	9,47,820
		2,79,10,41,616	10,94,529
Current assets			
Trade receivables	2.12	23,87,533	7,51,15,702
Cash and cash equivalents	2.13	37,22,780	1,64,231
Short-term loans and advances	2.14	50,10,36,685	20,19,643
Other current assets	2.15	28,25,35,610	7,96,13,784
		78,96,82,608	15,69,13,360
TOTAL		3,58,07,24,224	15,80,07,889

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
12 May 2015

For and on behalf of the Board of Directors


S Ranganathan
Director
DIN 00125493


Pradeep Nagori
Director
DIN 03291315

Mumbai
12 May 2015

EFSL Commodities Limited

Statement of Profit and Loss

(Currency: Indian rupees)

	Note	For the year ended 31 March 2015	For the year ended 31 March 2014
Revenue from operations			
Income from treasury operations	2.16	4,28,78,913	(7,35,05,281)
Sale of commodities		2,20,60,05,060	18,48,13,000
Other operating revenue	2.17	6,92,03,229	94,78,200
Other income	2.18	4,130	-
Total revenue		2,31,80,91,332	12,07,85,919
Expenses			
Purchases of commodities		1,99,82,89,136	18,50,52,000
Employee benefit expenses	2.19	93,41,304	61,31,400
Finance costs	2.20	13,57,11,329	4,21,55,435
Depreciation and amortization expenses		956	-
Other expenses	2.21	2,86,63,630	68,01,401
Total expenses		2,17,20,06,355	24,01,40,236
Profit /(loss) before tax		14,60,84,977	(11,93,54,317)
Tax expense:			
Income tax ((Including excess provision for earlier year Rs. 7 ; Previous year: Rs. Nil)		3,06,20,007	-
Deferred tax benefit/charge		(75,716)	72,60,738
Profit /(loss) for the year		11,55,40,686	(12,66,15,055)
Earnings per equity share: (Face value of Rs. 10 each)			
Basic and diluted	2.32	427.93	(468.94)

Significant accounting policies and notes to the financial statements.

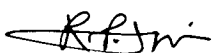
1 & 2

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

12 May 2015

For and on behalf of the Board of Directors



S Ranganathan

Director

DIN 00125493

Mumbai

12 May 2015



Pradeep Nagori

Director

DIN 03291315

EFSL Commodities Limited

Cash Flow Statement

(Currency: Indian rupees)

	For the year ended 31 March 2015	For the year ended 31 March 2014
A Cash flow from operating activities		
Profit/(loss) before tax	14,60,84,977	(11,93,54,317)
Adjustments for:		
Interest income	(1,61,03,836)	-
Provision for compensated leave absences and gratuity	1,78,000	29,011
Depreciation	956	-
Interest expense	9,28,89,417	4,21,55,435
Operating cash flow before working capital changes	22,30,49,514	(7,71,69,871)
Adjustments for:		
Decrease /(increase) in trade receivables	7,27,28,169	(6,30,84,131)
Increase in loans and advances	(11,049)	(31,107)
(Increase)/decrease in other assets	(18,84,28,374)	16,64,82,904
Increase in current liabilities and provisions	1,72,42,969	32,15,398
Cash generated from operations	12,45,81,229	2,94,13,193
Income taxes paid	(42,33,329)	(8,85,350)
Net cash generated from operating activities - A	12,03,47,900	2,85,27,843
B Cash flow from investing activities		
Purchase of fixed assets	(8,700)	-
Unsecured loans given (net) (refer note 2)	(3,29,00,00,000)	-
Interest received	16,10,384	3,309
Net cash (used in) /generated from investing activities - B	(3,28,83,98,316)	3,309
C Cash flow from financing activities		
Proceeds from long term borrowings (unsecured) (net) (refer note 2)	-	2,00,00,000
Proceeds from/(repayment of) short term borrowings (unsecured) (net) (refer note 2)	3,24,70,68,414	(76,49,035)
Interest paid	(7,54,59,449)	(4,25,40,544)
Net cash generated from /(used in) financing activities - C	3,17,16,08,965	(3,01,89,579)
Net increase /(Decrease) in cash and cash equivalents (A+B+C)	35,58,549	(16,58,427)
Cash and cash equivalent as at the beginning of the year	1,64,231	18,22,658
Cash and cash equivalent as at the end of the year (refer note 1)	37,22,780	1,64,231

Notes:

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

Balances with scheduled banks:

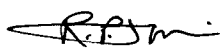
In current accounts

37,22,780	1,64,231
37,22,780	1,64,231

2 Net figures have been reported on account of volume of transaction

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
12 May 2015



For and on behalf of the Board of Directors


S Ranganathan
Director
DIN 00125493


Pradeep Nagori
Director
DIN 03291315

Mumbai
12 May 2015

EFSL Commodities Limited

Notes to the financial statements

for the year ended 31 March 2015

(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), provisions of the Companies Act, 1956 (to the extent applicable) (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 GAAP requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of the financial statement. 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 satisfies any of the following criteria:

- a) It is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
- b) It is held primarily for the purpose of being traded;
- c) It is expected to be realized within 12 months after the reporting date; or
- d) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- a) It is expected to be settled in the company's normal operating cycle.
- b) It is held primarily for the purpose of being traded;
- c) It is due to be settled within 12 months after the reporting date; or
- d) 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 financial liabilities.

All other liabilities are classified as non-current.



EFSL Commodities Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2015

(Currency: Indian rupees)

1 Significant accounting policies (Continued)

1.4 Revenue recognition

- Income from treasury operations comprises of profit/loss on equity, commodity and currency derivative instruments.
 - a) Profit/loss on sale of securities is determined based on the weighted average cost of the securities sold.
 - b) Realised profit/ loss on closed positions of derivative instruments is recognised on final settlement on squaring-up of the contracts. Outstanding derivative contracts in the nature of forwards / futures / options are measured at fair value as at the balance sheet date. Fair value is determined using quoted market prices in an actively traded market, for the instrument, wherever available, as the best evidence of fair value. In the absence of quoted market prices in an actively traded market, a valuation technique is used to determine the fair value. In most cases the valuation techniques use observable market data as input parameters in order to ensure reliability of the fair value measure.
- Sale of commodity is recognised when all the significant risks and rewards have been passed to the buyer.
- Interest income is recognised on accrual basis.
- Dividend income is recognised when the right to receive the payment is established.

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 equipment	5 years



EFSL Commodities Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2015

(Currency: Indian rupees)

1 Significant accounting policies (Continued)

1.6 Stock-in-trade

- The commodity stocks are valued at weighted average cost or net realisable value, whichever is lower.
- 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.
- The securities held as stock in trade under current assets are valued at lower of weighted average cost or market value. In case of units of mutual funds, net asset value is considered as fair value.

1.7 Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of cash generating unit which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of the depreciable historical cost.

1.8 Earnings per share

The Company reports basic and diluted earnings per share in accordance with 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 equity shareholders for the year by the weighted average number of equity shares outstanding during the year.

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

1.9 Taxation

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

Income 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 and minimum alternative tax.



EFSL Commodities Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2015

(Currency: Indian rupees)

1 Significant accounting policies (Continued)

1.9 Taxation (Continued)

Deferred tax

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

1.10 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.



EFSL Commodities Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2015

(Currency: Indian rupees)

1 Significant accounting policies (Continued)

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.



EFSL Commodities Limited

Notes to the financial statements (Continued)
as at 31 March 2015

(Currency: Indian rupees)

	As at 31 March 2015	As at 31 March 2014
2.1 Share capital		
Authorised		
300,000 (Previous year: 300,000) equity shares of Rs. 10 each	30,00,000	30,00,000
	<u>30,00,000</u>	<u>30,00,000</u>
Issued, subscribed and paid up:		
270,000 (Previous year: 270,000) equity shares of Rs. 10 each, fully paid-up	27,00,000	27,00,000
	<u>27,00,000</u>	<u>27,00,000</u>

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

Movement of share Capital

	As at 31 March 2015		As at 31 March 2014	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	2,70,000	27,00,000	2,70,000	27,00,000
Outstanding at the end of the year	2,70,000	27,00,000	2,70,000	27,00,000

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.

2.2 Reserves and surplus

Securities premium account	88,00,000	88,00,000
Deficit in the statement of profit and loss		
Opening balance	(14,73,39,602)	(2,07,24,547)
Add: Profit/(loss) for the year	<u>11,55,40,686</u>	<u>(12,66,15,055)</u>
	(3,17,98,916)	(14,73,39,602)
	<u>(2,29,98,916)</u>	<u>(13,85,39,602)</u>



EFSL Commodities Limited

Notes to the financial statements (Continued)

as at 31 March 2015

(Currency: Indian rupees)

	As At 31 March 2015	As At 31 March 2014
2.3 Long term borrowings		
Unsecured		
Loan from a related party (Repayable after 3 years, as mutually agreed and at an interest rate of 12%)	2,00,00,000	2,00,00,000
	2,00,00,000	2,00,00,000
2.4 Long-term provisions		
Provision for employee benefits		
Gratuity	4,46,000	3,07,989
Compensated leave absences	73,000	55,000
	5,19,000	3,62,989
2.5 Short-term borrowings		
Unsecured		
From :		
Loan from Holding company	3,51,38,19,379	26,67,50,965
	3,51,38,19,379	26,67,50,965
2.6 Trade payables		
Trade payables (includes sundry creditors and provision for expenses)	23,85,076	6,30,510
	23,85,076	6,30,510
2.7 Other current liabilities		
Interest accrued and due on borrowings	1,89,07,110	14,77,142
Other payables		
Accrued salaries and benefits	47,89,481	21,61,481
TDS, service tax and other taxes payable	1,52,29,722	14,33,075
Book overdraft	-	9,36,244
	3,89,26,313	60,07,942
2.8 Short-term provisions		
Provision for employee benefits		
Gratuity	95,000	77,011
Compensated leave absences	18,000	14,000
Others		
Provision for taxation (Net of advance tax and TDS Rs. 73,67,167; Previous year Rs. 58,396)	2,52,60,372	4,074
	2,53,73,372	95,085



EFSL Commodities Limited

Notes to the financial statements (Continued) as at 31 March 2015

(Currency : Indian rupees)

2.9 Fixed assets

Description of assets	Gross block			Depreciation			Net block	
	As at 1 April 2014	Additions during the year	Deductions during the year	As at 31 March 2015	As at 1 April 2014	Additions during the year	Deductions during the year	As at 31 March 2015
Tangible assets								
Office equipment	-	8,700	-	8,700	-	956	-	7,744
Grand total	-	8,700	-	8,700	-	956	-	7,744
Previous year	-	-	-	-	-	-	-	-



EFSL Commodities Limited

Notes to the financial statements (Continued)

as at 31 March 2015

(Currency: Indian rupees)

	As At 31 March 2015	As At 31 March 2014
2.10 Deferred tax assets		
Tax effect of the timing differences on account of:		
Disallowances under section 43B of the Income Tax Act, 1961	2,18,723	1,40,286
Others	3,702	6,423
	2,22,425	1,46,709
2.11 Long-term loans and advances		
Unsecured, considered good		
Loan and advances to a related party	2,79,00,00,000	-
Other loans and advances		
Advance income taxes	8,11,447	9,47,820
(net of provision for taxation Rs. 11,30,380; Previous year Rs. Nil)		
	2,79,08,11,447	9,47,820
2.12 Trade receivables		
Unsecured, considered good		
Other debts	23,87,533	7,51,15,702
	23,87,533	7,51,15,702
2.13 Cash and cash equivalents		
Cash and cash equivalents		
Balances with banks	37,22,780	1,64,231
in current accounts		
	37,22,780	1,64,231



EFSL Commodities Limited

Notes to the financial statements (Continued)

as at 31 March 2015

(Currency: Indian rupees)

	As At 31 March 2015	As At 31 March 2014
2.14 Short-term loans and advances		
Unsecured, considered good		
Loan and advances to a related party	50,00,00,000	-
Other loans and advances		
Deposits - others	65,000	65,000
Prepaid expenses	23,865	8,190
Cenvat and VAT assets	-	4,626
Advance tax and tax deducted at source	9,47,820	19,41,827
	50,10,36,685	20,19,643
2.15 Other current assets		
Accrued interest on loans given	1,44,93,452	-
Accrued interest on margin	13,10,177	3,15,341
Currency options premium paid	17,65,375	-
Margin placed with broker	26,49,66,606	7,92,98,443
	28,25,35,610	7,96,13,784



EFSL Commodities Limited

Notes to the financial statements (Continued) for the year ended 31 March 2015

(Currency: Indian rupees)

	For the year ended 31 March 2015	For the year ended 31 March 2014
2.16 Income from treasury operations		
Profit on trading of securities (net)	1,99,00,470	15,75,446
Profit/(loss) on trading in equity derivative instruments (net)	4,78,55,885	(2,92,91,731)
Profit on trading in commodity derivative instruments (net)	2,96,40,000	7,47,00,000
Loss on trading in currency derivative instruments (net)	(5,45,17,442)	(12,16,88,996)
Dividend on stock in trade	-	12,00,000
	4,28,78,913	(7,35,05,281)
2.17 Other operating revenue		
Interest income on loan	1,61,03,836	-
Interest income on fixed deposits	13,15,070	-
Interest income on margin with brokers	1,21,11,457	94,78,200
Interest income on overdue accounts	3,75,56,366	-
Warehouse charges	21,16,500	-
	6,92,03,229	94,78,200
2.18 Other income		
Miscellaneous income	49	-
Interest Income - Others	4,081	-
	4,130	-



EFSL Commodities Limited

Notes to the financial statements (Continued)
for the year ended 31 March 2015

(Currency: Indian rupees)

	For the year ended 31 March 2015	For the year ended 31 March 2014
2.19 Employee benefit expenses		
Salaries and wages (refer note 2.34)	91,84,308	60,73,230
Contribution to provident and other funds	1,14,922	-
Staff welfare expenses	42,074	58,170
	93,41,304	61,31,400
2.20 Finance costs		
Interest on loan from holding company	9,04,89,417	4,20,69,960
Interest on loan from fellow subsidiaries	24,00,000	85,475
Interest - others	4,28,21,884	-
Financial and bank charges	28	-
	13,57,11,329	4,21,55,435
2.21 Other expenses		
Auditors' remuneration (refer note no 2.23)	1,16,492	65,000
Communication	1,44,000	1,10,982
Computer expenses	-	(1,000)
Clearing and custodian charges	2,65,000	2,90,000
Dematerialisation charges	-	22,472
Electricity charges (refer note no 2.34)	1,17,938	1,15,543
Insurance	11,794	6,139
Legal and professional fees	2,23,620	63,486
Office expenses	-	(11,198)
Printing and stationery	6,710	3,683
Rates and taxes	6,465	9,495
Rent (refer note no 2.34)	10,48,343	11,69,218
ROC expenses	4,010	-
Security transaction tax	2,44,33,893	39,61,611
Service tax expenses	15,35,514	3,81,722
Stamp duty	17,314	1,60,873
Stock exchange expenses	72,665	4,08,045
Travelling and conveyance	74,266	45,330
Warehousing charges	5,85,606	-
	2,86,63,630	68,01,401



EFSL Commodities Limited

Notes to the financial statements (continued)
for the year ended 31 March 2015

(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 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.

2.23 Auditors' remuneration

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
As auditor	74,750	65,000
Other services	41,742	-
Total	116,492	65,000

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

S. No	Particulars
A.	Names of related parties by whom control is exercised
	Edelweiss Financial Services Limited, Ultimate Holding Company
	Edelweiss Commodities Services Limited, Holding company of Edel Commodities Limited
	Edel Commodities Limited, the Holding Company
B.	Fellow Subsidiaries with whom the Company has transactions
	Edelweiss Comtrade Limited
	Edelweiss Web Services Limited
	Edelweiss Integrated Commodity Management Limited (w.e.f. 24 July 2014)
	Edelweiss Securities Limited
	Edelweiss Retail Finance Limited
	ECap Equities Limited
	Edelcap Securities Limited
	EC Commodity Limited



EFSL Commodities Limited

Notes to the financial statements (Continued) for the year ended 31 March 2015

(Currency: Indian rupees)

2.24 Related parties (Continued)

Transactions with related parties :

Nature of Transaction	Related Party Name	2014-15	2013-14
Current account transactions			
Short term loans taken from (Refer note 1 below)	Edelweiss Financial Services Limited Edelweiss Commodities Services Limited	3,66,82,76,000 1,97,99,29,012	57,32,00,000 56,36,50,465
Long term loans taken from (Refer note 1 below)	Edelweiss Comtrade Limited	-	2,00,00,000
Short term loans repaid to (Refer note 1 below)	Edelweiss Financial Services Limited Edelweiss Commodities Services Limited	36,00,00,000 2,04,11,36,598	60,44,99,500 30,00,00,000
Long term / short term loans given to (Refer note 1 below)	Edelweiss Retail Finance Limited Ecap Equities Limited Edelcap Securities Limited	3,15,00,00,000 50,00,00,000 50,00,00,000	- - -
Long term / short term loans repaid by (Refer note 1 below)	Edelweiss Retail Finance Limited Edelcap Securities Limited	36,00,00,000 50,00,00,000	- -
Margin placed with (Refer note 1 below)	Edelweiss Securities Limited Edelweiss Financial Advisors Limited	83,04,07,426	35,70,91,953 15,03,442
Margin withdrawn from (Refer note 1 below)	Edelweiss Securities Limited Edelweiss Financial Advisors Limited	64,27,67,433	50,97,43,046 13,30,589
Purchase of commodities from	Edelweiss Commodities Services Limited	-	18,50,52,000
Sale of commodities to	Edelweiss Commodities Services Limited	-	18,48,13,000
Cost reimbursement paid	Edelweiss Securities Limited Edelweiss Commodities Services Limited Edelweiss Financial Services Limited	5,61,800 11,66,281 51,398	5,00,000 11,43,433
Reimbursement paid to	Edelweiss Financial Services Limited Edelweiss Commodities Services Limited Edelweiss Web Services Limited	23,67,426 2,400 1,200	23,50,968 - -
Warehousing expenses to	Edelweiss Integrated Commodity Management Limited	5,85,606	-
Clearing and custodian expenses to	Edelweiss Securities Limited	2,65,000	2,90,000
Processing fees paid to	Edelweiss Web Services Limited	5,078	8,29,072
Professional fees paid to	Edelweiss Web Services Limited	-	1,450
Interest income on margin placed with	Edelweiss Securities Limited	-	94,78,200
Interest income on loans given	Edelweiss Retail Finance Limited Ecap Equities Limited Edelcap Securities Limited	1,43,16,164 1,57,534 16,30,137	- - -
Net amount earned on settlement of forward contracts	Edelweiss Commodities Services Limited	-	7,47,00,000
Interest expense on loans from	Edelweiss Commodities Services Limited Edelweiss Financial Services Limited Edelweiss Comtrade Limited	7,60,36,019 1,44,53,398 24,00,000	1,95,68,923 2,25,01,037 85,475



EFSL Commodities Limited

Notes to the financial statements (Continued) for the year ended 31 March 2015

(Currency: Indian rupees)

2.24 Related parties (Continued)

Transactions with related parties :

Nature of Transaction	Related Party Name	2014-15	2013-14
Balance with related parties as on 31 March 2015			
Short term loans borrowed	Ecap Equities Limited	50,00,00,000	-
	Edelweiss Financial Services Limited	3,31,13,76,500	31,00,500
	Edelweiss Commodities Services Limited	20,24,42,879	26,36,50,465
Long term loans given to	Edelweiss Retail Finance Limited	2,79,00,00,000	-
Long term loans taken from	Edelweiss Comtrade Limited	2,00,00,000	2,00,00,000
Other current liabilities	Edelweiss Commodities Services Limited	11,63,952	-
Accrued interest expenst on loans taken from	Edelweiss Commodities Services Limited	95,05,340	7,71,435
	Edelweiss Financial Services Limited	92,76,696	6,40,615
	Edelweiss Comtrade Limited	1,24,274	65,092
Trade receivable from	Edelweiss Securities Limited	23,87,532	4,15,702
	Edelweiss Commodities Services Limited	-	7,47,00,000
Trade payable to	Edelweiss Securities Limited	4,20,387	5,23,025
	Edelweiss Web Services Limited	4,626	1,484
	Edelweiss Financial Services Limited	59,291	-
	Edelweiss Integrated Commodity Management Limited	5,27,045	-
Accrued interest income on loans given to	Ecap Equities Limited	1,41,781	-
	Edelweiss Retail Finance Limited	1,28,84,548	-
	Edelcap Securities Limited	14,67,123	-
Accrued interest income on margin placed	Edelweiss Securities Limited	21,48,15,658	3,15,341
Margin receivable from	Edelweiss Securities Limited	26,49,66,606	7,92,98,443

Note 1:

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.



EFSL Commodities Limited

Notes to the financial statements (continued)
for the year ended 31 March 2015

(Currency: Indian rupees)

2.25 Capital commitment

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

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

2.27 Contingent liability

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

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

A) Defined contribution plan (Provident fund)

An amount of Rs. 114,922 (Previous year: Rs. Nil) is recognised as expense and included in "Employee benefit expenses" – Note 2.19 in the statement of profit and loss.

B) Defined benefit plan (Gratuity)

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

Statement of profit and loss:

Net employee benefit expenses

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
Current service cost	61,000	46,000
Interest on defined benefit obligation	34,000	25,000
Expected return on plan assets	-	-
Past service cost	-	-
Net actuarial losses recognized in the year	61,000	(4,000)
Total included in 'Employee benefit expenses'	156,000	67,000



EFSL Commodities Limited

Notes to the financial statements (continued)
for the year ended 31 March 2015

(Currency: Indian rupees)

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

Balance sheet:

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

Particulars	As at 31 March 2015	As at 31 March 2014
Liability at the beginning of the year	3,85,000	3,17,989
Interest cost	34,000	25,000
Current service cost	61,000	46,011
Past service cost	-	-
Actuarial (gain)/loss on obligations:	61,000	(4,000)
- Difference due to change in assumptions	-	-
- Experience adjustment of plan asset [(gain)/ loss]	-	-
Liability at the end of the year	541,000	3,85,000

Amount recognised in the Balance sheet:

Particulars	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Liability at the end of the year	541,000	3,85,000	317,989
Fair value of plan assets at the end of the year	-	-	-
Amount in Balance sheet – liability	541,000	385,000	317,989

Experience adjustment:

Particulars	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
On plan liabilities: (gain)/loss	9,000	14,000	-	-	-
On plan assets: (gain)/(loss)	-	-	-	-	-
Estimated contribution for the next year	-	-	-	-	-



EFSL Commodities Limited

Notes to the financial statements (continued)
for the year ended 31 March 2015

(Currency: Indian rupees)

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

Principal actuarial assumptions at the balance sheet date:

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
Discount rate	7.8%	8.9%
Salary escalation	7%	6%
Employee attrition rate	13% - 25%	13% - 25%

2.29 Open interest in currency futures as at 31 March 2015:

Long position

Sr. No	Name of stock/ index future	No. of contracts	Number of units involved
1	Long position - USD	500	500,000
2	Long position - IRC	750	1,500,000

Short position

Sr. No	Name of stock/ index future	No. of contracts	Number of units involved
1	Short position - USD	2,904	2,904,000
2	Short position - USD	5,166	5,166,000
3	Short position - USD	6,546	6,546,000

2.30 Open interest in equity index/stock futures as at 31 March 2015:

Long position

Sr. No	Name of stock/ index future	No. of contracts	Number of units involved
1	Long position - stock	54,803.50	14,219,750

Short position

Sr. No	Name of stock/ index future	No. of contracts	Number of units involved
1	Short position - NIFTY	13,682	342,050



EFSL Commodities Limited

Notes to the financial statements (continued)
for the year ended 31 March 2015

(Currency: Indian rupees)

2.31 Open interest in option currency as at 31 March 2015:

Sr. No.	Name of currency future	No. of contracts	Number of units involved
1	Long position – INR	7,150	71,50,000

Open interest in Equity Index/Stock Futures as at 31 March 2014:

Sr. No	Name of Stock/ Index Future	No. of contracts	Number of Units involved
1	Long Position - USD	14,091	140,91,000

2.32 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 2015	For the year ended 31 March 2014
Profit /(Loss) after tax (as per statement of profit and loss)	115,540,686	(126,615,055)
Calculation of weighted average number of Equity Shares of Rs 10 each:		
– Number of shares at the beginning of the year	270,000	270,000
– Number of shares issued during the year	-	-
Total number of equity shares outstanding at the end of the year	270,000	270,000
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	270,000	270,000
Basic and diluted earnings per share (in rupees)	427.93	(468.94)

The basic and diluted earnings per share are the same as there are no dilutive potential equity shares (Previous year Rs. Nil).



EFSL Commodities Limited

Notes to the financial statements (continued)
for the year ended 31 March 2015

(Currency: Indian rupees)

2.33 Earnings and expenditure in foreign currency

The Company did not have any earnings or expenditure in foreign currency during the reporting year (Previous year Rs. Nil).

2.34 Cost Sharing:

Edelweiss Commodities Services Limited (ECSL), being the holding company and Edelweiss Securities Limited (ESL), being fellow subsidiary company, incurs expenditure like common senior management compensation cost, rent expenditure, electricity expenditure etc., which is for the benefit of the Company. This cost so expended is reimbursed by the Company on the basis of number of employees, area occupied, time spent by employees of ECSL and ESL for the Company, actual identifications etc. Accordingly, and as identified by the management, the expenditure heads in note 2.19 and 2.21 in the statement of the profit and loss are inclusive of the reimbursements.

2.35 Details of Purchase, sales and changes in stock-in-trade: Commodities

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
Commodities		
Opening stock		
Agri	-	-
Bullion	-	-
Subtotal	-	-
Purchase		
Agri	1,998,289,136	-
Bullion	-	185,052,000
Subtotal	1,998,289,136	185,052,000
Sale		
Agri	2,206,005,060	-
Bullion	-	184,813,000
Subtotal	2,206,005,060	184,813,000
Closing stock		
Agri	-	-
Bullion	-	-
Subtotal	-	-
Profit /(loss) on trading in commodities	207,715,924	(239,000)



EFSL Commodities Limited

Notes to the financial statements (continued)
for the year ended 31 March 2015

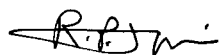
(Currency: Indian rupees)

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.

As per our report of even date attached

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

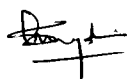


R. P. Soni
Partner
Membership No.: 104796



Mumbai
12 May 2015

For and on behalf of the Board of Directors



S Ranganathan
Director
DIN 00125493

Mumbai
12 May 2015



Pradeep Nagori
Director
DIN 03291315