

# **EFSL Commodities Limited**

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

# **EFSL Commodities Limited**

## **Financial Statements together with Auditors' Report**

### ***Contents***

Auditors' report

Balance sheet

Statement of Profit and loss

Cash flow statement

Notes to the financial statements

**Independent Auditors' Report**

**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 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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



## Opinion

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

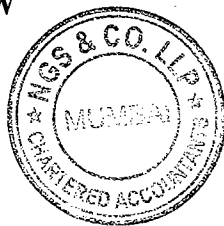
## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the aforesaid financial statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.;
  - e. on the basis of written representations received from the Directors as on 31 March 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016, from being appointed as a director in terms of section 164(2) of the Act;
  - f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company does not have any pending litigations which would impact its financial position;
    - ii. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
    - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

  
R. P. Soni

Partner  
Membership No.: 104796



Place: Mumbai  
Date: 09 May 2016

**Annexure A to the Auditors' Report**

**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 2016, we report that:**


- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are verified in a phased manner over a period of three years. In our opinion this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the Company does not own immovable properties, accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The Company has conducted physical verification of inventory on the basis of statement received from depository participants in respect of securities and warehouse receipts in respect of commodities held as inventory, at reasonable intervals during the year. No material discrepancies have been noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans to directors including entities in which they are interested in respect of which the provisions of section 185 of the Companies Act, 2013 are applicable and hence not commented upon. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Companies Act, 2013 in respect of loans and advances given and investments made.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Companies Act, 2013 for any activities conducted and services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, 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, sales tax, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of income tax, sales tax, value added tax, service tax, and cess which have not been deposited on account of any dispute.
- (viii) The Company does not have any loans or borrowings from any financial institution, bank, government and debenture holders. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, during the year, the Company has not paid/provided for managerial remuneration. Accordingly, paragraph 3 (xi) of the Order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

  
R. P. Soni  
Partner  
Membership No.:104796



Place: Mumbai  
Date: 09 May 2016

**Annexure B to the Auditors' Report**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **EFSL Commodities Limited** ("the Company") as of 31 March 2016 in conjunction with our audit of financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

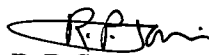
### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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



**R. P. Soni**  
**Partner**

**Membership No.: 104796**



Place: Mumbai

Date: 09 May 2016

# EFSL Commodities Limited

## Balance Sheet

(Currency: Indian rupees)

	Note	As at 31 March 2016	As at 31 March 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2.1	2,700,000	2,700,000
Reserves and surplus	2.2	(66,509,782)	(22,998,916)
		(63,809,782)	(20,298,916)
<b>Non-current liabilities</b>			
Long-term borrowings	2.3	-	20,000,000
Deferred tax liabilities (net)	2.4	3,370,607	-
Long-term provisions	2.5	173,000	519,000
<b>Current liabilities</b>			
Short-term borrowings	2.6	1,124,922,129	3,513,819,379
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	2.36	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	2.7	22,618,469	2,385,076
Other current liabilities	2.8	25,007,223	38,926,313
Short-term provisions	2.9	71,390	25,373,372
<b>TOTAL</b>		<b>1,112,353,036</b>	<b>3,580,724,224</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	2.10	4,575,577	7,744
Deferred tax assets (net)	2.4	-	222,425
Long-term loans and advances	2.11	292,653,757	2,790,811,447
		297,229,334	2,791,041,616
<b>Current assets</b>			
Trade receivables	2.12	2,088,230	2,387,533
Cash and cash equivalents	2.13	156,379	3,722,780
Short-term loans and advances	2.14	532,412,206	501,036,685
Other current assets	2.15	280,466,887	282,535,610
		815,123,702	789,682,608
<b>TOTAL</b>		<b>1,112,353,036</b>	<b>3,580,724,224</b>

Significant accounting policies and notes to the financial statements.

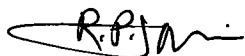
1 & 2

As per our report of even date attached.

For NGS & Co. LLP

Chartered Accountants

Firm's Registration No.: 119850W



R. P. Soni

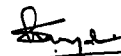
Partner

Membership No.: 104796



Mumbai  
09 May 2016

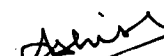
For and on behalf of the Board of Directors



S Ranganathan

Director

DIN 00125493



Ashish Bansal

Director

DIN 06865549

Mumbai  
09 May 2016

# EFSL Commodities Limited

## Statement of Profit and Loss

(Currency: Indian rupees)

	Note	For the year ended 31 March 2016	For the year ended 31 March 2015
<b>Revenue from operations</b>			
Income from treasury operations	2.16	(959,062)	42,878,913
Sale of commodities		983,407,790	2,206,005,060
Other operating revenue	2.17	220,707,062	69,203,229
Other income	2.18	88,553	4,130
<b>Total revenue</b>		<b>1,203,244,343</b>	<b>2,318,091,332</b>
<b>Expenses</b>			
Purchases of commodities		970,241,758	1,998,289,136
Employee benefit expenses	2.19	14,515,444	9,341,304
Finance costs	2.20	245,271,437	135,711,329
Depreciation	2.10	963,661	956
Other expenses	2.21	42,790,079	28,663,630
<b>Total expenses</b>		<b>1,273,782,379</b>	<b>2,172,006,355</b>
<b>(Loss)/profit for the year</b>		<b>(70,538,036)</b>	<b>146,084,977</b>
Tax expense:			
Income tax [Including excess provision for earlier year Rs. 224,007 ; (Previous year: Rs. 7)]		(224,007)	30,620,007
Minimum alternate tax credit entitlement		(30,396,195)	-
Deferred tax charge		3,593,032	(75,716)
<b>(Loss)/profit for the year</b>		<b>(43,510,866)</b>	<b>115,540,686</b>
Earnings per equity share: (Face value of Rs. 10 each)			
Basic and diluted	2.32	(161.15)	427.93
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

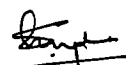


**R. P. Soni**  
Partner  
Membership No.: 104796

Mumbai  
09 May 2016

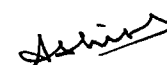


For and on behalf of the Board of Directors



**S Ranganathan**  
Director  
DIN 00125493

Mumbai  
09 May 2016



**Ashish Bansal**  
Director  
DIN 06865549

# EFSL Commodities Limited

## Cash Flow Statement

(Currency: Indian rupees)

	For the year ended 31 March 2016	For the year ended 31 March 2015
<b>A Cash flow from operating activities</b>		
(Loss)/profit before tax	(70,538,036)	146,084,977
<b>Adjustments for:</b>		
Interest income	(209,021,311)	(16,103,836)
Provision for compensated leave absences and gratuity	(435,000)	178,000
Depreciation	963,661	956
Interest expense	244,662,952	92,889,417
<b>Operating cash flow before working capital changes</b>	<b>(34,367,734)</b>	<b>223,049,514</b>
<b>Adjustments for:</b>		
Decrease in trade receivables	299,303	72,728,169
Increase in loans and advances	(1,282,168)	(11,049)
Increase in other assets	(7,908,082)	(188,428,374)
Increase in current liabilities and provisions	19,306,230	17,242,969
<b>Cash generated from/ (used in) operations</b>	<b>(23,952,451)</b>	<b>124,581,229</b>
Income taxes paid	(26,528,443)	(4,233,329)
<b>Net cash (used in)/ generated from operating activities - A</b>	<b>(50,480,894)</b>	<b>120,347,900</b>
<b>B Cash flow from investing activities</b>		
Purchase of fixed assets	(5,531,494)	(8,700)
Receipt / (deployment) of unsecured loans given (net) (refer note 2)	2,500,000,000	(3,290,000,000)
Interest received	218,998,116	1,610,384
<b>Net cash generated from/(used in) investing activities - B</b>	<b>2,713,466,622</b>	<b>(3,288,398,316)</b>
<b>C Cash flow from financing activities</b>		
(Repayment of)/ proceeds from secured and unsecured borrowings (net) (refer note 2)	(2,408,897,250)	3,247,068,414
Interest paid	(257,654,879)	(75,459,449)
<b>Net cash (used in)/generated from financing activities - C</b>	<b>(2,666,552,129)</b>	<b>3,171,608,965</b>
<b>Net (decrease)/ increase in cash and cash equivalents (A+B+C)</b>	<b>(3,566,401)</b>	<b>3,558,549</b>
Cash and cash equivalent as at the beginning of the year	3,722,780	164,231
Cash and cash equivalent as at the end of the year (refer note 1)	156,379	3,722,780

Notes:

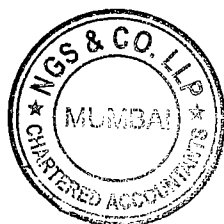
- Cash and cash equivalents include the following: (refer note 2.13)  
Balances with scheduled banks:  
In current accounts
- Net figures have been reported on account of volume of transaction.

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



For and on behalf of the Board of Directors

  
**S Ranganathan**  
Director  
DIN 00125493

  
**Ashish Bansal**  
Director  
DIN 06865549

Mumbai  
09 May 2016

Mumbai  
09 May 2016

# EFSL Commodities Limited

## Notes to the financial statements

(Currency: Indian rupees)

### 1. Significant accounting policies

#### 1.1 Basis of preparation of financial statements

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

#### 1.2 Use of estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities on the date of the financial statements and reported amount of revenue and expenses during the reporting period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as on the date of the financial statements. Actual results could differ from the estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

#### 1.3 Current-non-current classification

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

##### *Assets*

An asset is classified as current when it is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle or it is held primarily for the purpose of being traded or it is expected to be realized within 12 months after the reporting date or it is cash or cash equivalent unless it is restricted from being exchanged or expected to be used to settle a liability for at least 12 months after the reporting date. Current assets include the current portion of non-current assets. All other assets are classified as non-current

##### *Liabilities*

A liability is classified as current when it is expected to be settled in the company's normal operating cycle or it is held primarily for the purpose of being traded or it is due to be settled within 12 months after the reporting date or the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. Current liabilities include current portion of non-current liabilities. All other liabilities are classified as non-current.



# EFSL Commodities Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees)

### 1 Significant accounting policies (Continued)

#### 1.4 Revenue recognition

- Income from treasury operations comprises of profit/loss on sale of securities and profit/loss on derivative instruments.
  - a) Profit/loss on sale of securities is determined based on the weighted average cost of the securities sold.
  - b) Realised profit/ loss on closed positions of derivative instruments is recognised on final settlement on squaring-up of the contracts. Outstanding derivative contracts in the nature of forwards / futures / options are measured at fair value as at the balance sheet date. Fair value is determined using quoted market prices in an actively traded market, for the instrument, wherever available, as the best evidence of fair value. In the absence of quoted market prices in an actively traded market, a valuation technique is used to determine the fair value. In most cases the valuation techniques use observable market data as input parameters in order to ensure reliability of the fair value measure.
- Commodities sales are accounted when all obligations connected with the transfer of risks and rewards to the buyer have been fulfilled after the price has been determined and collection of the receivable is reasonably certain.
- Interest income is recognised on accrual basis.
- 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 acquired by the Company are reported at acquisition cost, with deductions for accumulated depreciation and impairment losses, 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 up to the date of disposal.

As per the requirement of Schedule II of the Companies Act, 2013, the Company has evaluated the estimated useful lives of the respective fixed assets which are as per the provisions of Part C of schedule II of the Act for calculating the depreciation. The estimated useful lives of the fixed assets are as follows:

Class of asset	Estimated useful life
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



# **EFSL Commodities Limited**

## **Notes to the financial statements (Continued)**

(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. The recoverable amount is the greater of the net selling price and the value in use of those assets. Value in use is arrived at by discounting the estimated future cash flows to their present value based on an appropriate discount factor. If such recoverable amount of the asset or the recoverable amount of cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of the depreciable historical cost.

#### **1.8 Earnings per share**

The Company reports basic and diluted earnings per share in accordance with Accounting Standard 20 – “Earnings Per Share”. Basic earnings per share is computed by dividing the net profit after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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



# EFSL Commodities Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees)

### 1 Significant accounting policies (Continued)

#### 1.9 Taxation

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

##### *Current tax*

Provision for current tax is recognised based on estimated tax liability computed after adjusting for allowances, disallowances and exemptions in accordance with the Income Tax Act, 1961.

##### *Deferred tax*

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

##### *Minimum alternative tax (MAT) Credit*

MAT credit asset is recognized where there is convincing evidence that the asset can be realized in future. MAT credit assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably certain to be realised.

#### 1.10 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*

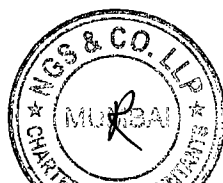
The Company contributes to a recognised provident fund which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognised in the statement of profit and loss.

##### *Gratuity*

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted.

The present value of the obligation under such benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at present values of estimated future cash flows. The discounted rates used for determining the present value are based on the market yields on Government Securities as at the balance sheet date.



# EFSL Commodities Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees)

### 1 Significant accounting policies (Continued)

#### 1.10 Employee benefits (Continued)

Actuarial gains and losses arising from experience adjustments and change in actuarial assumptions are recognised in the statement of profit and loss in the period in which they arise.

##### *Compensated leave absences*

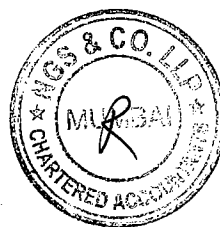
The eligible employees of the Company are permitted to carry forward certain number of their annual leave entitlement to subsequent years, subject to a ceiling. The Company recognises the charge to the statement of profit and loss and corresponding liability on account of such non-vesting accumulated leave entitlement based on a valuation by an independent actuary.

#### 1.11 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)

(Currency: Indian rupees)

	As at 31 March 2016	As at 31 March 2015
<b>2.1 Share capital</b>		
<b>Authorised</b>		
300,000 (Previous year: 300,000) equity shares of Rs. 10 each	3,000,000	3,000,000
	<u>3,000,000</u>	<u>3,000,000</u>
<b>Issued, subscribed and paid up:</b>		
270,000 (Previous year: 270,000) equity shares of Rs. 10 each, fully paid-up	2,700,000	2,700,000
	<u>2,700,000</u>	<u>2,700,000</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 2016		As at 31 March 2015	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	270,000	2,700,000	270,000	2,700,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	<u>270,000</u>	<u>2,700,000</u>	<u>270,000</u>	<u>2,700,000</u>

### 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	8,800,000	8,800,000
Deficit in the statement of profit and loss		
Opening balance	(31,798,916)	(147,339,602)
Add: (Loss)/profit for the year	<u>(43,510,866)</u>	<u>115,540,686</u>
	<u>(75,309,782)</u>	<u>(31,798,916)</u>
<b>Closing balance</b>	<u><u>(66,509,782)</u></u>	<u><u>(22,998,916)</u></u>

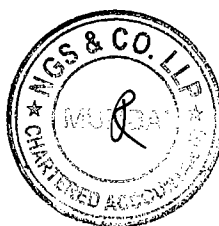


# EFSL Commodities Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees)

	As At 31 March 2016	As At 31 March 2015
<b>2.3 Long term borrowings</b>		
Unsecured		
Loan from a related party	-	20,000,000
(The loan is repayable after the end of one year but before the end of 3 years , as mutually agreed, having interest @ 12%)		
	-	20,000,000
<b>2.4 Deferred tax</b>		
<b>Deferred tax assets</b>		
Tax effect of the timing differences on account of:		
Disallowances under section 43B of the Income Tax Act, 1961	60,873	218,723
Others	-	3,702
	60,873	222,425
<b>Deferred tax liabilities</b>		
Tax effect of the timing differences on account of:		
Difference between book and tax depreciation	210,754	-
Unrealised gain on derivatives	3,220,726	-
	3,431,480	-
<b>Deferred tax assets (net)</b>		222,425
<b>Deferred tax liabilities (net)</b>	3,370,607	-
<b>2.5 Long-term provisions</b>		
Provision for employee benefits		
Gratuity	103,000	446,000
Compensated leave absences	70,000	73,000
	173,000	519,000
<b>2.6 Short-term borrowings</b>		
Unsecured		
From :		
Loan from holding company	1,124,922,129	3,513,819,379
(Repayable on demand, at variable rate of interest ranging from 8.47% to 11.50% per annum)		
	1,124,922,129	3,513,819,379



# EFSL Commodities Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees)

	As At 31 March 2016	As At 31 March 2015
<b>2.7 Trade payables</b>		
Trade payables (refer note 2.36) (includes sundry creditors and provision for expenses)	22,618,469	2,385,076
	<u>22,618,469</u>	<u>2,385,076</u>
<b>2.8 Other current liabilities</b>		
Interest accrued and due on borrowings	5,915,183	18,907,110
Other payables		
Accrued salaries and benefits	2,707,642	4,789,481
TDS, service tax and other taxes payable	15,082,741	15,229,722
Book overdraft	683,657	-
Others	618,000	-
	<u>25,007,223</u>	<u>38,926,313</u>
<b>2.9 Short-term provisions</b>		
Provision for employee benefits		
Gratuity	-	95,000
Compensated leave absences	24,000	18,000
Provision for taxation	47,390	25,260,372
(Net of advance tax and tax deducted at source)		
	<u>71,390</u>	<u>25,373,372</u>



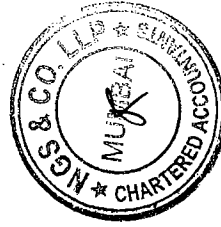
## ₹FSL Commodities Limited

Notes to the financial statements (Continued)

Currency : Indian rupees)

### 2.10 Fixed assets

		Gross block			Depreciation			Net block		
Description of assets		As at 1 April 2015	Additions during the year	Deductions during the year	As at 31 March 2016	As at 1 April 2015	Additions during the year	Deductions during the year	As at 31 March 2016	As at 31 March 2015
Tangible assets										
Office equipment		8,700	75,646	-	84,346	956	7,061	-	8,017	76,329
Computers		-	5,455,848	-	5,455,848	-	956,600	-	956,600	4,499,248
Grand total		8,700	5,531,494	-	5,540,194	956	963,661	-	964,617	4,575,577
Previous year		-	8,700	-	8,700	-	956	-	956	7,744



# EFSL Commodities Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees)

	As At 31 March 2016	As At 31 March 2015
<b>2.11 Long-term loans and advances</b>		
Unsecured, considered good		
Loans and advances to a related party	290,000,000	2,790,000,000
Other loans and advances		
Advance tax and tax deducted at source (net of provision for taxation)	2,653,757	811,447
	<u>292,653,757</u>	<u>2,790,811,447</u>
<b>2.12 Trade receivables</b>		
Unsecured, considered good		
Other debts	2,088,230	2,387,533
	<u>2,088,230</u>	<u>2,387,533</u>
<b>2.13 Cash and cash equivalents</b>		
Balances with banks		
in current accounts	156,379	3,722,780
	<u>156,379</u>	<u>3,722,780</u>



# EFSL Commodities Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees)

	As At 31 March 2016	As At 31 March 2015
<b>2.14 Short-term loans and advances</b>		
Unsecured, considered good		
Loans and advances to a related party	500,000,000	500,000,000
Other loans and advances		
Deposits- others	65,000	65,000
Prepaid expenses	1,305,533	23,865
Vendor advances	500	-
Advance tax and tax deducted at source (net of provision for taxation)	644,978	947,820
MAT credit entitlement	30,396,195	-
	<b>532,412,206</b>	<b>501,036,685</b>
<b>2.15 Other current assets</b>		
Accrued interest on loans given	4,516,647	14,493,452
Accrued interest on margin	157,336	1,310,177
Currency options premium paid	-	1,765,375
Margin placed with broker	275,792,904	264,966,606
	<b>280,466,887</b>	<b>282,535,610</b>



# EFSL Commodities Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees)

	For the year ended 31 March 2016	For the year ended 31 March 2015
<b>2.16 Income from treasury operations</b>		
Profit on trading of securities (net)	14,220,513	19,900,470
Profit on trading in equity derivative instruments (net)	66,722,280	47,855,885
Profit on trading in commodity derivative instruments (net)	17,057,997	29,640,000
Loss on trading in currency derivative instruments (net)	(64,621,942)	(52,381,041)
Loss on trading in interest rate derivative (net)	(34,337,910)	(2,136,401)
	<u>(959,062)</u>	<u>42,878,913</u>
<b>2.17 Other operating revenue</b>		
Interest income on loan	209,021,311	16,103,836
Interest income on fixed deposits	6,844,437	1,315,070
Interest income on margin with brokers	4,841,314	12,111,457
Interest income on delayed payments	-	37,556,366
Warehouse charges	-	2,116,500
	<u>220,707,062</u>	<u>69,203,229</u>
<b>2.18 Other income</b>		
Miscellaneous income	-	49
Interest income - others	88,553	4,081
	<u>88,553</u>	<u>4,130</u>



# EFSL Commodities Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees)

	For the year ended 31 March 2016	For the year ended 31 March 2015
<b>2.19 Employee benefit expenses</b>		
Salaries and wages (refer note 2.34)	13,575,917	9,184,308
Contribution to provident and other funds	550,756	114,922
Staff welfare expenses	388,771	42,074
	<b>14,515,444</b>	<b>9,341,304</b>
<b>2.20 Finance costs</b>		
Interest on loan from holding company	242,361,313	90,489,417
Interest on loan from fellow subsidiaries	2,301,639	2,400,000
Interest - others	608,456	42,821,884
Financial and bank charges	29	28
	<b>245,271,437</b>	<b>135,711,329</b>
<b>2.21 Other expenses</b>		
Auditors' remuneration (refer note no 2.23)	125,439	116,492
Communication	4,063,144	144,000
Computer expenses	103,383	-
Clearing and custodian charges	314,950	265,000
Electricity charges (refer note no 2.34)	126,202	117,938
Insurance expenses	-	11,794
Legal and professional fees	2,769,628	223,620
Office expenses	500	-
Printing and stationery	1,885	6,710
Rates and taxes	5,120	6,465
Rent (refer note no 2.34)	997,151	1,048,343
Repairs and maintenance - others	4,466	-
ROC expenses	-	4,010
Security transaction tax	31,002,814	24,433,893
Service tax expenses	2,478,961	1,535,514
Stamp duty	29,062	17,314
Stock exchange expenses	8,445	72,665
Travelling and conveyance	302,911	74,266
Warehousing charges	266,364	585,606
Miscellaneous expenses	189,654	-
	<b>42,790,079</b>	<b>28,663,630</b>



# EFSL Commodities Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

## 2.22 Segment reporting

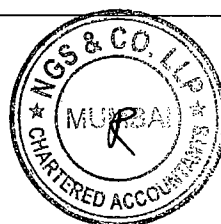
The Company has operated only in one business segment during the year viz. capital based business comprising of trading and investment activities. Therefore, the Company has only one reportable business segment, the results of which are disclosed in the financial statements. Since business operations 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 2016	For the year ended 31 March 2015
As auditor	91,239	74,750
Other services	34,200	41,742
<b>Total</b>	<b>125,439</b>	<b>116,492</b>

## 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:

Sr. No	Particulars
<b>A.</b>	<b>Names of related parties by whom control is exercised</b>
	Edelweiss Financial Services Limited, ultimate holding Company
	Edelweiss Commodities Services Limited, holding company of Edel Commodities Limited
	Edel Commodities Limited, the holding Company
<b>B.</b>	<b>Fellow subsidiaries with whom the Company has transactions</b>
	Edelweiss Comtrade Limited
	Edelweiss Web Services Limited
	Edelweiss Agri Value Chain Limited (Formerly known as Edelweiss Integrated Commodity Management Limited)
	Edelweiss Securities Limited
	Edelweiss Retail Finance Limited
	ECap Equities Limited
	Edelcap Securities Limited
	Edel Commodities Trading Limited



# EFSL Commodities Limited

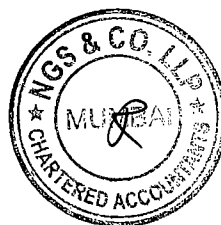
## Notes to the financial statements (Continued) for the year ended 31 March 2016

(Currency: Indian rupees)

### 2.24 Related parties (Continued)

Transactions with related parties :

Nature of Transaction	Related Party Name	2015-16	2014-15
<b>Current account transactions</b>			
Short term loans taken from (Refer note below)	Edelweiss Financial Services Limited Edelweiss Commodities Services Limited	119,710,792 3,785,170,990	3,668,276,000 1,979,929,012
Short term loans repaid to (Refer note below)	Edelweiss Financial Services Limited Edelweiss Commodities Services Limited	3,354,926,000 2,938,853,032	360,000,000 2,041,136,598
Long term / short term loans given to (Refer note below)	Edelweiss Retail Finance Limited ECap Equities Limited Edelcap Securities Limited	- - -	3,150,000,000 500,000,000 500,000,000
Long term / short term loans repaid by (Refer note below)	Edelweiss Retail Finance Limited Edelcap Securities Limited Edelweiss Comtrade Limited	2,500,000,000 - 20,000,000	360,000,000 500,000,000 -
Margin placed with (Refer note below)	Edelweiss Securities Limited	672,435,564	830,407,426
Margin withdrawn from (Refer note below)	Edelweiss Securities Limited	662,058,148	642,767,433
Sale of commodities to	Edelweiss Commodities Services Limited	983,407,790	-
Cost reimbursement paid	Edelweiss Securities Limited Edelweiss Commodities Services Limited Edelweiss Financial Services Limited Edelweiss Web Services Limited	572,500 1,233,351 222,786 1,000,162	561,800 1,166,281 51,398 -
Reimbursement paid to	Edelweiss Financial Services Limited Edelweiss Commodities Services Limited Edelweiss Web Services Limited	32,948,903 11,044,098 4,600	2,367,426 2,400 1,200
Warehousing expenses to	Edelweiss Agri Value Chain Limited	266,364	585,606
Clearing and custodian expenses to	Edelweiss Securities Limited	314,950	265,000
Processing fees paid to	Edelweiss Web Services Limited	30,858	5,078
Interest income on margin placed with	Edelweiss Securities Limited	4,841,314	-
Interest income on loans given	Edelweiss Retail Finance Limited ECap Equities Limited Edelcap Securities Limited	151,521,311 57,500,000 -	14,316,164 157,534 1,630,137
Net amount earned on settlement of forward contracts	ECap Equities Limited  Edel Commodities Trading Limited	4,005,000  11,930,000	-  -
Interest expense on loans from	Edelweiss Commodities Services Limited Edelweiss Financial Services Limited Edelweiss Comtrade Limited	68,818,468 173,542,845 2,301,639	76,036,019 14,453,398 2,400,000



# EFSL Commodities Limited

## Notes to the financial statements (Continued) for the year ended 31 March 2016

(Currency: Indian rupees)

### 2.24 Related parties (Continued)

Transactions with related parties :

Nature of Transaction	Related Party Name	2015-16	2014-15
<b>Balance with related parties as on 31 March 2016</b>			
Short term loans given to	ECap Equities Limited	500,000,000	500,000,000
Short term loans taken from	Edelweiss Financial Services Limited	76,161,292	3,311,376,500
	Edelweiss Commodities Services Limited	1,048,760,837	202,442,879
Nomination deposit payable to	Edel Commodities Limited	100,000	-
Long term loans given to	Edelweiss Retail Finance Limited	290,000,000	2,790,000,000
Long term loans taken from	Edelweiss Comtrade Limited	-	20,000,000
Other current liabilities	Edelweiss Commodities Services Limited	1,158,255	1,163,952
Accrued interest expense on loans taken from	Edelweiss Commodities Services Limited	2,205,927	9,505,340
	Edelweiss Financial Services Limited	3,709,256	9,276,696
	Edelweiss Comtrade Limited	-	124,274
Trade receivable from	Edelweiss Securities Limited	2,030,063	2,387,532
Trade payable to	Edelweiss Securities Limited	559,750	420,387
	Edelweiss Web Services Limited	28,163	4,626
	Edelweiss Financial Services Limited	-	59,291
	Edelweiss Agri Value Chain Limited	-	527,045
	Edelweiss Commodities Services Limited	618,391	-
Accrued interest income on loans given to	ECap Equities Limited	2,813,729	141,781
	Edelweiss Retail Finance Limited	1,702,918	12,884,548
	Edelcap Securities Limited	-	1,467,123
Accrued interest income on margin placed	Edelweiss Securities Limited	157,336	214,815,658
Margin receivable from	Edelweiss Securities Limited	275,792,904	264,966,606

#### Note :

The Intra group company loans are generally in the nature of revolving demand loans. Loan given/taken to/from parties and margin money placed/refund received with/from related parties are disclosed based on the maximum incremental amount given/taken and placed/refund received during the reporting period



# EFSL Commodities Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

## 2.25 Capital commitment

The Company has capital commitments of Rs.74,000/- 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. 549,046 (Previous year: Rs. 114,922) 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 2016	For the year ended 31 March 2015
Current service cost	62,000	61,000
Interest on defined benefit obligation	2,000	34,000
Expected return on plan assets	-	-
Past service cost	-	-
Net actuarial losses recognized in the year	16,000	61,000
<b>Total included in 'Employee benefit expenses'</b>	<b>80,000</b>	<b>156,000</b>



# EFSL Commodities Limited

Notes to the financial statements (continued)

(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:

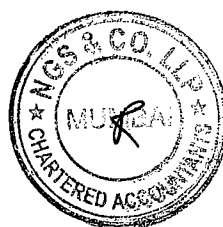
Particulars	As at 31 March 2016	As at 31 March 2015
Liability at the beginning of the year	541,000	3,85,000
Interest cost	2,000	34,000
Current service cost	62,000	61,000
Past service cost	-	-
Transfer in/(out)	(518,000)	-
Actuarial (gain)/loss on obligations:	16,000	61,000
<b>Liability at the end of the year</b>	<b>103,000</b>	<b>541,000</b>

### Amount recognised in the Balance sheet:

Particulars	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
Liability at the end of the year	103,000	541,000	385,000	317,989	-
Fair value of plan assets at the end of the year	-	-	-	-	-
<b>Amount in Balance sheet – liability</b>	<b>103,000</b>	<b>541,000</b>	<b>385,000</b>	<b>317,989</b>	<b>-</b>

### Experience adjustment:

Particulars	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
On plan liabilities: (gain)/loss	15,000	9,000	14,000	-	-
On plan assets: (gain)/(loss)	-	-	-	-	-
<b>Estimated contribution for the next year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



# EFSL Commodities Limited

Notes to the financial statements (continued)

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

## 2.29 Open interest in currency futures as at 31 March 2016:

Short position

Sr. No	Name of stock/ index future	No. of contracts	Number of units involved
1	Short position - USD	7,368	7,368,000
2	Short position - USD	1,000	1,000,000

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



# EFSL Commodities Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

## 2.30 Open interest in equity index/stock futures as at 31 March 2016:

### Long position

S. No	Name of stock/ index future	No. of contracts	Number of units involved
1	Long position - NIFTY	3	90
2	Long position - NIFTY	11,171	3,35,130

### Short position

S. No	Name of stock/ index future	No. of contracts	Number of units involved
1	Short position - Stock	11,601	1,48,85,500

Open interest in Equity Index/Stock Futures as at 31 March 2015:

### Long position

S. No	Name of Stock/ Index Future	No. of contracts	Number of Units involved
1	Long position - Stock	54,803.50	14,219,750

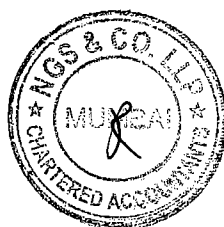
### Short position

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

## 2.31 Open interest in option currency as at 31 March 2016: Nil

Open interest in option currency as at 31 March 2015:

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



# EFSL Commodities Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

## 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 2016	For the year ended 31 March 2015
(a) (Loss)/profit after tax (as per statement of profit and loss)	(43,510,866)	115,540,686
(b) 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
(c) Basic and diluted earnings per share (in Rs) (a)/(b)	(161.15)	427.93

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

## 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 Securities Limited (ESL), being fellow subsidiary company incurs common senior management compensation cost, which is for the benefit of the Company. This cost so expended is reimbursed by the Company on the basis of number of employees and time spent by employees of ESL, actual identifications etc. Accordingly, and as identified appropriately, the expenditure heads in note 2.19 are gross of the reimbursements.

Edelweiss Commodities Services Limited, the holding company, incurs expenditure like electricity and rent which are for the benefit of the Company. These costs so expended are reimbursed by the Company on the basis of area occupied. Accordingly, the expenditure heads in note 2.21 are gross of the reimbursements.



# EFSL Commodities Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

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

### (A) Commodities

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
<b>Commodities</b>		
<b>Opening stock</b>		
Agri	-	-
<b>Subtotal</b>	-	-
<b>Purchase</b>		
Agri	970,241,758	1,998,289,136
<b>Subtotal</b>	970,241,758	1,998,289,136
<b>Sale</b>		
Agri	983,407,790	2,206,005,060
<b>Subtotal</b>	983,407,790	2,206,005,060
<b>Closing stock</b>		
Agri	-	-
<b>Subtotal</b>	-	-
Profit on trading in commodities	13,166,032	207,715,924

### (B) Securities (equity shares):

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
<b>Opening stock</b>	-	-
<b>Subtotal</b>	-	-
<b>Purchase</b>	69,051,859	-
<b>Subtotal</b>	69,051,859	-
<b>Sales</b>	83,272,372	-
<b>Subtotal</b>	83,272,372	-
<b>Closing stock</b>	-	-
<b>Subtotal</b>	-	-
Profit on sale of securities	14,220,513	



# EFSL Commodities Limited

Notes to the financial statements (continued)

(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.

## 2.37 Previous year comparatives

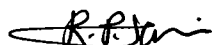
Previous year's numbers have been regrouped and rearranged wherever necessary to confirm to current year's presentation.

As per our report of even date attached

**For NGS & Co. LLP**

*Chartered Accountants*

Firm's Registration No.: 119850W



**R. P. Soni**

*Partner*

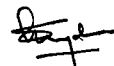
Membership No.: 104796

Mumbai

09 May 2016



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



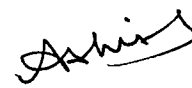
**S Ranganathan**

*Director*

DIN 00125493

Mumbai

09 May 2016



**Ashish Bansal**

*Director*

DIN 06865549