

EFSL Comtrade Limited

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

EFSL Comtrade Limited

Financial Statements together with Auditors' Report

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To
The Members of EFSL Comtrade Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **EFSL Comtrade 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 Comtrade 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, services tax, sales tax, value added tax, cess and other material statutory dues, applicable to it, have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, Company did not have any dues on account of employees' state insurance, duty of excise and duty of custom.

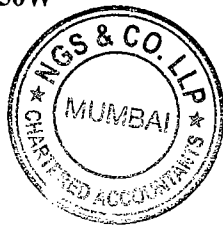


According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, services tax, sales tax, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (b) According to the information and 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 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 Comtrade 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 Comtrade Limited

Balance Sheet

(Currency: Indian rupees)

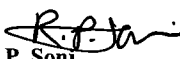
	Note	As at 31 March 2016	As at 31 March 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	1,700,000	1,700,000
Reserves and surplus	2.2	(344,650,553)	31,304,851
		(342,950,553)	33,004,851
Non-current liabilities			
Long-term provisions	2.3	184,000	116,000
Current liabilities			
Short-term borrowings	2.4	2,317,434,396	649,522,577
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	2.34	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	2.5	141,103,709	7,428,133
Other current liabilities	2.6	18,732,182	20,262,741
Short-term provisions	2.7	1,677,016	1,675,016
TOTAL		2,136,180,750	712,009,318
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	2.8	9,523	6,496
Non-current investments	2.9	672,704,794	616,962,922
Deferred tax assets	2.10	1,399,715	41,893
Long-term loans and advances	2.11	804,704	3,305,758
		674,918,736	620,317,069
Current assets			
Trade receivables	2.12	9,363,528	7,640,969
Cash and cash equivalent	2.13	22,799,262	1,175,130
Short-term loans and advances	2.14	6,396,434	3,096,649
Other current assets	2.15	1,422,702,790	79,779,501
		1,461,262,014	91,692,249
TOTAL		2,136,180,750	712,009,318

Significant accounting policies and notes to the financial statements.

1 & 2

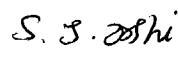
As per our report of even date attached.

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


R. P. Soni
Partner
Membership No.: 104796

For and on behalf of the Board of Directors


Shailendra Maru
Director
DIN 03290024


S. S. Doshi
Samir Doshi
Director
DIN 02020452

Mumbai
09 May 2016

Mumbai
09 May 2016



EFSL Comtrade Limited

Statement of Profit and Loss

(Currency: Indian rupees)

	Note	For the year ended 31 March 2016	For the year ended 31 March 2015
Revenue from operations			
Fee and commission income	2.16	4,537,204	-
Income from treasury operations	2.17	(191,080,937)	(69,782,263)
Sale of commodities		2,233,837,337	1,149,159,659
Other operating revenue	2.18	8,029,179	32,176,020
Other income	2.19	4,359	4,959
Total revenue		2,055,327,142	1,111,558,375
Expenses			
Purchases of commodities		2,172,981,184	1,032,762,041
Employee benefit expenses	2.20	4,350,433	4,510,796
Finance costs	2.21	177,321,232	78,261,687
Depreciation and amortization expenses	2.8	4,873	1,804
Other expenses	2.22	77,564,922	11,043,411
Total expenses		2,432,222,644	1,126,579,739
Loss before tax		(376,895,502)	(15,021,364)
Tax expense:			
Current tax (Including excess provision for earlier year Rs. Nil; Previous year: Rs. 453,907)		417,724	(453,907)
Deferred tax benefit		(1,357,822)	(18,926)
Loss for the year		(375,955,404)	(14,548,531)
Earnings per equity share: (Face value of Rs. 10 each)			
Basic and diluted	2.31	(2,211.50)	(85.58)

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
R. P. Soni
Partner
Membership No.: 104796

Mumbai
09 May 2016

For and on behalf of the Board of Directors

Shailendra Maru *S. J. Doshi*
Shailendra Maru **Samir Doshi**
Director Director
DIN 03290024 DIN 02020452

Mumbai
09 May 2016

EFSL Comtrade Limited

Cash Flow Statement

(Currency: Indian rupees)

	For the year ended 31 March 2016	For the year ended 31 March 2015
A Cash flow from operating activities		
Loss before tax	(376,895,502)	(15,021,364)
Adjustments for:		
Depreciation	4,873	1,804
Provision for compensated leave absences and gratuity	70,000	74,000
Interest income	(26,238)	(254,035)
Interest expense	175,035,447	66,394,218
Operating cash flow before working capital changes	(201,811,420)	51,194,623
Adjustments for :		
(Increase)/decrease in trade receivable, loans and advances and other current assets	(1,345,417,579)	655,191,883
Increase/(decrease) in current liabilities and provisions	131,344,790	(685,639,462)
Cash (used in) / generated from operations	(1,415,884,209)	20,747,044
Income taxes paid	(370,578)	(1,622,303)
Net cash (used in) / generated from operating activities - A	(1,416,254,787)	19,124,741
B Cash flow from investing activities		
Purchase of fixed assets	(7,900)	(8,300)
Investment in ordinary shares	(55,741,872)	(568,835,172)
Interest received	279,918	1,772
Deployment of unsecured loans given (net) (refer note 2)	(327,825)	(2,996,030)
Net cash used in investing activities - B	(55,797,679)	(571,837,730)
C Cash flow from financing activities		
Proceeds from unsecured loans borrowed (net) (refer note 2)	1,667,911,819	611,018,607
Interest paid	(174,235,221)	(57,767,679)
Net cash generated from financing activities - C	1,493,676,598	553,250,928
Net increase in cash and cash equivalents (A+B+C)	21,624,132	537,939
Cash and cash equivalents as at the beginning of the year	1,175,130	637,191
Cash and cash equivalents as at the end of the year (refer note 1)	22,799,262	1,175,130

Notes:

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

Balances with scheduled banks:

in current accounts

Cash and cash equivalents

22,799,262	1,175,130
22,799,262	1,175,130

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

As per our report of even date attached.

For NGS & Co. LLP

Chartered Accountants

Firm's Registration No.: 119850W

R. P. Soni

R. P. Soni

Partner

Membership No.: 104796

Mumbai

09 May 2016



For and on behalf of the Board of Directors

S. S. Doshi

Shailendra Maru

Director

DIN 03290024

Samir Doshi

Director

DIN 02020452

Mumbai

09 May 2016

EFSL Comtrade 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 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

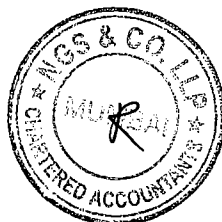
All assets and liabilities are classified into current and non-current.

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 Comtrade Limited

Notes to the financial statements

(Currency: Indian rupees)

1. Significant accounting policies (Continued)

1.4 Revenue recognition

- Income from treasury 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 risk 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 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 estimated 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	Estimated useful life
Office equipment	5 years

1.6 Borrowing costs

Borrowing costs that are directly attributable to the acquisition / construction of qualifying assets are capitalised. Other borrowing costs are recognised as an expense in the period in which they are incurred.



EFSL Comtrade Limited

Notes to the financial statements

(Currency: Indian rupees)

1. Significant accounting policies (Continued)

1.7 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.

1.8 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.

1.9 Investments

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

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

Current investments are carried at lower of cost or fair value. The comparison of cost and fair value is done separately in respect of each category of investment. In case of investments in mutual funds, the net asset value of units declared by the mutual funds is considered as the fair value.

1.10 Foreign currency transactions

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

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

Non monetary assets and liabilities are carried at historical cost using exchange rate on the date of the transaction.



EFSL Comtrade Limited

Notes to the financial statements

(Currency: Indian rupees)

1. Significant accounting policies (Continued)

1.11 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.

1.12 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.

1.13 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.



EFSL Comtrade Limited

Notes to the financial statements

(Currency: Indian rupees)

1. Significant accounting policies (Continued)

1.13 Employee benefits (continued)

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.

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

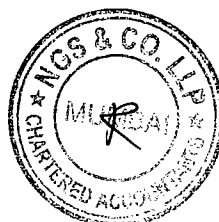
The eligible employees of the Company are permitted to carry forward certain number of their annual leave entitlement to subsequent years, subject to a ceiling. The Company recognises the charge to the statement of profit and loss and corresponding liability on account of such non-vesting accumulated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

1.14 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 Comtrade Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

	As at 31 March 2016	As at 31 March 2015
2.1 Share capital		
(a) Authorised		
200,000 (Previous year 200,000) equity shares of Rs. 10 each	2,000,000	2,000,000
	<u>2,000,000</u>	<u>2,000,000</u>
(b) Issued, subscribed and paid up:		
170,000 (Previous year 170,000) equity shares of Rs. 10 each, fully paid-up	1,700,000	1,700,000
	<u>1,700,000</u>	<u>1,700,000</u>
(The entire paid up share capital is held by Edelweiss Commodities Services Limited, the holding company and its nominees w.e.f. 8 September 2014, Edel Commodities Limited till 7 September 2014).		
(c) Reconciliation of number of shares outstanding :		
Number of shares outstanding at the beginning of the year	170,000	170,000
Number of Shares issued during the year	-	-
Number of shares outstanding at the end of the year	<u>170,000</u>	<u>170,000</u>
(d) Reconciliation of share capital:		
Share capital at the beginning of the year	1,700,000	1,700,000
Shares capital issued during the year	-	-
Share capital at the end of the year	<u>1,700,000</u>	<u>1,700,000</u>
(e) Shares held by holding/ultimate holding company and / or their subsidiaries / associates:		
	31 March 2016	31 March 2015
	No. of shares % holding	No. of shares % holding
Equity shares of Rs.10 each fully paid		
Edelweiss Commodities Services Limited	170,000 100%	170,000 100%
Total	<u>170,000 100%</u>	<u>170,000 100%</u>
(f) Details of shareholders holding more than 5% shares in the Company :		
	31 March 2016	31 March 2015
	No. of shares % holding	No. of shares % holding
Equity shares of Rs.10 each fully paid		
Edelweiss Commodities Services Limited	170,000 100%	170,000 100%
Total	<u>170,000 100%</u>	<u>170,000 100%</u>
(g) 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 share 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	4,800,000	4,800,000
Surplus in the statement of profit and loss		
Opening balance	26,504,851	41,053,382
Add : Loss for the year	(375,955,404)	(14,548,531)
Closing balance	<u>(349,450,553)</u>	<u>26,504,851</u>
	<u>(344,650,553)</u>	<u>31,304,851</u>



EFSL Comtrade Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

	As at 31 March 2016	As at 31 March 2015
2.3 Long-term provisions		
Provision for employee benefits		
Gratuity	143,000	88,000
Compensated leave absences	41,000	28,000
	<u>184,000</u>	<u>116,000</u>
2.4 Short-term borrowings		
Unsecured		
From:		
Loan from holding company	317,434,396	649,522,577
Loan from Other	2,000,000,000	-
(Repayable on demand, at variable rate of interest ranging from 8.47% to 11.50% per annum)		
	<u>2,317,434,396</u>	<u>649,522,577</u>
2.5 Trade payables		
Trade payables (refer note 2.34) (includes sundry creditors and provision for expenses)	141,103,709	7,428,133
	<u>141,103,709</u>	<u>7,428,133</u>
2.6 Other current liabilities		
Interest accrued and due on borrowings	9,660,334	8,860,108
Other payables		
Accrued salaries and benefits	1,090,000	1,398,000
TDS, service tax and other taxes payable	7,795,288	8,079,101
Others	186,560	1,925,532
	<u>18,732,182</u>	<u>20,262,741</u>
2.7 Short-term provisions		
Provision for employee benefits		
Compensated leave absences	10,000	8,000
Others		
Provision for taxation (Net of advance tax and tax deducted at source)	1,667,016	1,667,016
	<u>1,677,016</u>	<u>1,675,016</u>



EFSL Comtrade Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

2.8 Fixed assets

Description of Assets	Gross block		Depreciation		Net block	
	As at 1 April 2015	Additions during the year	Deductions during the year	As at 31 March 2016	As at 31 March 2016	As at 31 March 2015
Tangible assets						
Office equipment	8,300	7,900	-	16,200	9,523	6,496
Total	8,300	7,900	-	16,200	9,523	6,496
Previous year	-	8,300	-	1,804	6,496	



EFSL Comtrade Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at 31 March 2016			As at 31 March 2015		
	Face Value	Quantity	Amount Rs.	Face Value	Quantity	Amount Rs.
2.9 Non-current investments - at cost						
Investments in ordinary shares of subsidiary companies (unquoted)						
Edelweiss Commodities Pte Limited	SGD 1	12,724,304	613,009,840	SGD 1	12,724,304	613,009,840
Edelweiss Commodities Nigeria Limited	Naira 1	10,000,000	3,836,574	Naira 1	10,000,000	3,836,574
Edelweiss Commodities (CHAD) SARL	XAF 5000	200	116,852	XAF 5000	199	116,267
Edelweiss Tarim Urunleri Anonim Sirketi (25% paid up)	ITL	750,000	4,278,750	-	-	-
Others (unquoted)						
Investments in common stock of						
Goqii Inc	\$0.00001	610	511,936	-	-	-
Investments in Series A preferred stock of						
Goqii Inc	\$0.00001	60,985	50,950,842	-	-	-
Share application money paid			-	-	-	241
			<u>672,704,794</u>			<u>616,962,922</u>
Aggregate of unquoted investment						
At carrying value			672,704,794			616,962,922



EFSL Comtrade Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

	As at 31 March 2016	As at 31 March 2015
2.10 Deferred tax assets		
Tax effect of the timing differences on account of:		
Difference between book and tax depreciation	1,149	365
Disallowances under section 43B of the Income Tax Act, 1961	59,946	38,316
Others	-	3,212
Unrealised loss on derivatives	1,338,620	-
	<u>1,399,715</u>	<u>41,893</u>



EFSL Comtrade Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

	As at 31 March 2016	As at 31 March 2015
2.11 Long-term loans and advances		
Other loans and advances		
Advance income taxes	804,704	3,305,758
(Net of provision for taxation)		
	804,704	3,305,758
2.12 Trade receivables		
Unsecured, considered good		
Other debts	9,363,528	7,640,969
	9,363,528	7,640,969
2.13 Cash and cash equivalent		
in current accounts	2,799,262	1,175,130
in fixed deposits with original maturity less than 3 months	20,000,000	-
	22,799,262	1,175,130
2.14 Short-term loans and advances		
Unsecured, considered good		
Loans and advances to related parties	3,323,855	2,996,030
Other loans and advances		
Deposits - others	65,000	65,000
Prepaid expenses	16,185	16,539
Loans and advances to employees	30,025	19,080
Vendor Advances	479,912	-
Cenvat and VAT assets	27,549	-
Advance tax and tax deducted at source	2,453,908	-
	6,396,434	3,096,649
2.15 Other current assets		
Accrued interest on fixed deposits	278,877	-
Accrued interest on loans given	-	253,680
Accrued interest on margin	359,720	164,236
Margin placed with broker	1,422,064,193	79,361,585
	1,422,702,790	79,779,501



EFSL Comtrade Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

	For the year ended 31 March 2016	For the year ended 31 March 2015
2.16 Fee and commission income		
Advisory and other fees	4,537,204	-
	<u>4,537,204</u>	<u>-</u>
2.17 Income from treasury operations		
Loss on trading of securities (net)	(8,311,418)	(75,253)
Loss on trading in equity derivative instruments (net)	(98,643,528)	(32,293,440)
Profit on trading in commodity derivative instruments (net)	1,191,603	1,652,303
Loss on trading in currency derivative instruments (net)	(130,594,904)	(42,040,250)
Profit on trading in interest rate derivative (net)	45,226,041	2,974,377
Loss on foreign exchange movement on trade	(44,356)	-
Dividend on stock in trade	95,625	-
	<u>(191,080,937)</u>	<u>(69,782,263)</u>
2.18 Other operating revenue		
Interest income on loans	26,238	254,035
Interest income on fixed deposits	309,863	-
Interest income on margin with brokers	7,693,078	10,378,191
Interest income on delayed payment	-	19,736,907
Warehouse charges	-	1,806,887
	<u>8,029,179</u>	<u>32,176,020</u>
2.19 Other income		
Miscellaneous income	4,359	3,360
Interest income - others	-	1,599
	<u>4,359</u>	<u>4,959</u>



EFSL Comtrade Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

	For the year ended 31 March 2016	For the year ended 31 March 2015
2.20 Employee benefit expenses		
Salaries and wages (refer note 2.33)	4,116,149	4,450,864
Contribution to provident and other funds	71,350	-
Staff welfare expenses	162,934	59,932
	4,350,433	4,510,796
2.21 Finance costs		
Interest on loan from holding company	175,035,447	66,394,218
Interest - others	2,233,883	11,849,771
Financial and bank charges	51,902	17,698
	177,321,232	78,261,687
2.22 Other expenses		
Advertisement and business promotion	-	11,124
Auditors' remuneration (refer note 2.24)	80,981	80,352
Communication	54,804	71,800
Clearing and custodian charges	302,125	210,000
Electricity charges (refer note 2.33)	45,603	81,807
Insurance expenses	(1,687,248)	1,931,291
Legal and professional fees	403,189	101,763
Membership and subscription	18,445	-
Office expenses	31,625	-
Printing and stationery	1,838,491	4,683
Rates and taxes	5,120	6,465
Rent (refer note 2.33)	418,762	733,489
ROC expenses	-	6,005
Security transaction tax	69,925,532	6,087,259
Service tax expenses	6,048,053	574,539
Stamp duty	36,053	13,180
Stock exchange expenses	5,956	34,709
Transportation charges	1,000	-
Travelling and conveyance	2,231	21,370
Warehousing charges	15,000	443,942
Miscellaneous expenses	19,144	498,917
Commodity transaction tax	56	130,716
	77,564,922	11,043,411



EFSL Comtrade Limited

Notes to the financial statements

(Currency: Indian rupees)

2.23 Segment reporting

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

2.24 Auditors' remuneration

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
As auditor	44,481	39,340
Other services	36,500	41,012
Total	80,981	80,352

2.25 Earnings and expenditure in foreign currency:

The Company has incurred expenditure in foreign currency Rs. 32,62,175 during the year (Previous year: Nil) and there are no earning in foreign currency during the year (Previous year: Nil).

2.26 Capital commitment:

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

2.27 Contingent liability:

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



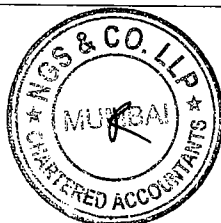
EFSL Comtrade Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.28 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
A.	Names of related parties by whom control is exercised
	Edelweiss Financial Services Limited, Ultimate holding company
	Edelweiss Commodities Services Limited, the holding company
B.	Subsidiaries which are controlled by the Company
	Edelweiss Commodities Pte. Limited
	Edelweiss Commodities Nigeria Limited
	Edelweiss Commodities (CHAD) SARL
	Edelweiss Tarim Urunleri Anonim Sirketi
C.	Fellow Subsidiaries with whom the Company has transactions
	Edelweiss Capital Markets Limited
	Edelweiss Web Services Limited
	Edelweiss Agri Value Chain Limited (Formerly known as Edelweiss Integrated Commodity Management Limited)
	Edelweiss Securities Limited
	Edel Investments Limited
	EC Commodity Limited
	Edel Commodities Trading Limited
	ECap Equities Limited



EFSL Comtrade Limited

Notes to the financial statements (Continued)
(Currency: Indian rupees)

2.28 Related parties (continued)

(D) Transactions with related party during the reporting year

Nature of transaction	Related party name	2015-16	2014-15
Current account transactions			
Short term loans taken from (Refer note below)	Edelweiss Financial Services Limited	38,305,000	23,600,000
	Edelweiss Commodities Services Limited	3,411,046,845	1,013,831,297
	Edelweiss Capital Markets Limited	3,600,000	673,000,000
Short term loans repaid to (Refer note below)	Edelweiss Financial Services Limited	7,697,469	27,647,000
	Edelweiss Commodities Services Limited	3,771,246,557	401,261,690
	Edelweiss Capital Markets Limited	3,600,000	673,000,000
Short term loans given to (Refer note below)	Edelweiss Commodities Services Limited	-	105,796,030
Short term loans repaid by (Refer note below)	Edelweiss Commodities Services Limited	500,030	105,296,000
Investments in ordinary shares of	Edelweiss Commodities Pte. Limited	-	564,882,090
	Edelweiss Commodities Nigeria Limited	-	3,842,213
	Edelweiss Commodities (CHAD) SARL	-	116,852
	Edelweiss Tarim Urunleri Anonim Sirketi	4,278,750	-
Application money refund to	Edelweiss Commodities Nigeria Limited	-	5,639
Margin placed with (Refer note below)	Edelweiss Securities Limited	2,916,302,368	625,144,226
	Edelweiss Commodities Services Limited	100,000	6,973,783
Margin withdrawn from (Refer note below)	Edelweiss Securities Limited	1,566,825,172	913,686,217
	Edelweiss Commodities Services Limited	100,000	6,973,783
Purchase of commodities from	Edelweiss Capital Markets Limited	-	917,349,975
	ECap Equities Limited	-	115,412,066
Cost reimbursements to	Edelweiss Securities Limited	500,000	561,800
	Edelweiss Commodities Services Limited	483,657	815,296
	Edelweiss Financial Services Limited	104,543	31,996
Reimbursements paid to	Edelweiss Financial Services Limited	3,888,989	689,203
	Edelweiss Web Services Limited	153,668	1,200
	Edelweiss Commodities Services Limited	5,825,960	2,000
	Edelweiss Commodities Nigeria Limited	-	130,000
	Edelweiss Tarim Urunleri Anonim Sirketi	3,323,855	-
Professional fees paid to	Edelweiss Web Services Limited	5,260	3,697
	Edelweiss Securities Limited	-	500
Interest income on margin placed with	Edelweiss Securities Limited	7,693,040	10,267,160
	Edelweiss Commodities Services Limited	38	111,031
Interest income on loan from	Edelweiss Commodities Services Limited	26,238	254,035



EFSL Comtrade Limited

Notes to the financial statements (Continued)
(Currency: Indian rupees)

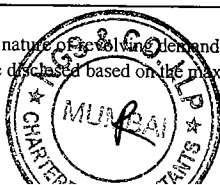
2.28 Related parties (continued)

(D) Transactions with related party during the reporting year

Nature of transaction	Related party name	2015-16	2014-15
Net amount earned on settlement of forward contracts	Edel Investments Limited	-	1,960,000
Interest expense on loans from	Edelweiss Financial Services Limited	1,986,366	736,568
	Edelweiss Commodities Services Limited	172,420,666	62,781,266
	Edelweiss Capital Markets Limited	-	2,876,384
	Edelvalue Partners	-	-
Interest on delayed payment - expenses	ECap Equities Limited	-	1,822,191
	Edelweiss Capital Markets Limited	-	9,883,256
Clearing and custodian expenses to	Edelweiss Securities Limited	302,125	210,000
Warehouse expenses to	Edelweiss Agri Value Chain Limited	-	158,659
	ECap Equities Limited	-	437,113
	Edelweiss Capital Markets Limited	-	2,524,500
Balance with related parties as on 31 March 2016			
Short term loans given to	Edelweiss Commodities Services Limited	-	500,030
	Edelweiss Financial Services Limited	-	2,496,000
Short term loans taken from	Edelweiss Financial Services Limited	28,111,531	-
	Edelweiss Commodities Services Limited	289,322,865	649,522,577
	Edelvalue Partners	-	-
Margin receivable from	Edelweiss Securities Limited	1,422,064,193	79,361,584
Investment in ordinary shares in	Edelweiss Commodities Pte Limited	613,009,840	613,009,840
	Edelweiss Commodities Nigeria Limited	3,836,574	3,836,574
	Edelweiss Commodities (CHAD) SARL	116,852	116,267
	Edelweiss Tarim Urunleri Anonim Sirketi	4,278,750	-
Share application money paid to	Edelweiss Commodities Nigeria Limited	-	241
Accrued interest income on margin placed and loans given	Edelweiss Commodities Services Limited	-	2,978
	Edelweiss Securities Limited	359,720	164,236
Accrued interest expense on loans taken from	Edelweiss Financial Services Limited	122,925	1,794
	Edelweiss Commodities Services Limited	8,971,835	6,018,866
	Edelweiss Capital Markets Limited	-	2,588,746
	Edelvalue Partners	-	-
Trade receivables from	Edelweiss Securities Limited	8,640,461	1,865,873
	Edelweiss Commodities Services Limited	-	5,645,096
	Edelweiss Commodities Nigeria Limited	-	130,000
	Edelweiss Tarim Urunleri Anonim Sirketi	3,323,855	-
Trade payables to	Edelweiss Securities Limited	559,750	6,156,896
	Edelweiss Web Services Limited	5,496	3,368
	EC Commodity Limited	-	-
	Edel Commodities Trading Limited	-	-
	Edelweiss Agri Value Chain Limited	-	142,793
	Edelweiss Financial Services Limited	8,984	37,146
	Edelweiss Commodities (CHAD) SARL	344	-
	Edelweiss Commodities Services Limited	19,950	812,920

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 Comtrade Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

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

Sr. No.	Name of currency future	No. of contracts	Number of units involved
1	Short position – GBP	75	75,000
2	Long position – USD	2,800	2,800,000
3	Short position – IRC	250	500,000
4	Long position – IRC	4,076	8,152,000

Open interest in Equity Index/Stock Futures as at 31 March 2016:

Long Position

Sr. No	Name of Stock/ Index Future	No. of Contracts	Number of Units involved
2	Long Position - Stock	43,762	42,293,650

Short Position

Sr. No	Name of Stock/ Index Future	No. of Contracts	Number of Units involved
1	Short Position - NIFTY	36,181	2,713,575

Open interest in currency futures as at 31 March 2015:

Sr. No.	Name of currency future	No. of contracts	Number of units involved
1	Long position – USD	7,709	7,709,000
2	Short position – USD	3,470	3,470,000
3	Long position – IRF	2,250	4,500,000



EFSL Comtrade Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

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

A) Defined contribution plan (Provident fund)

An amount of Rs. 71,350 (Previous year: Rs. 33,485) is recognised as expense and included in "Employee benefit expenses" – Note 2.20 in the statement of profit and loss.

B) Defined benefit plan (Gratuity)

The following tables summarize the components of the net benefit expenses recognized in the statement 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	36,000	29,000
Interest on defined benefit obligation	7,000	3,000
Expected return on plan assets	-	-
Past service cost	-	-
Net actuarial losses recognized in the year	12,000	19,000
Total included in 'Employee benefit expenses'	55,000	51,000

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	88,000	37,000
Interest cost	7,000	3,000
Current service cost	36,000	29,000
Past service cost	-	-
Actuarial (gain)/loss on obligations:	12,000	19,000
Liability at the end of the year	143,000	88,000



EFSL Comtrade Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

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

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	143,000	88,000	37,000	13,959	-
Fair value of plan assets at the end of the year	-	-	-	-	-
Amount in Balance sheet – liability	143,000	88,000	37,000	13,959	-

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	10,000	9,000	6,000	-	-
On Plan assets: (gain)/(loss)	-	-	-	-	-
Estimated contribution for the next year	-	-	-	-	-

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%



EFSL Comtrade Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.31 Earnings per share:

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

S. No	Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
(a)	Loss after tax (as per statement of profit and loss)	(375,955,404)	(14,548,531)
(b)	Calculation of weighted average number of equity shares of Rs. 10 each:		
	Number of shares outstanding at the beginning of the year	170,000	170,000
	Total number of equity shares outstanding at the end of the year	170,000	170,000
	Weighted average number of equity shares outstanding during the year	170,000	170,000
(c)	Basic and diluted earnings per share (in rupees) (a)/(b)	(2,211.50)	(85.58)



EFSL Comtrade Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.32 Details of purchase, sales and changes in stock-in-trade:

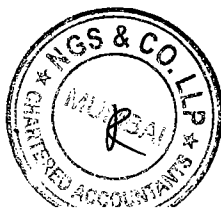
A) Commodities:

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Commodities		
Opening stock		
Agri	-	-
Bullion	-	-
Subtotal	-	-
Purchase		
Agri	-	1,032,762,041
Bullion	2,172,981,184	-
Subtotal	2,172,981,184	1,032,762,041
Sale		
Agri	-	1,149,159,659
Bullion	2,233,837,337	-
Subtotal	2,233,837,337	1,149,159,659
Closing stock		
Agri	-	-
Bullion	-	-
Subtotal	-	-
Profit on trading in commodities	60,856,153	116,397,618

B) Securities:

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Opening stock	-	-
Purchases	854,548,061	8,115,340
Subtotal	854,548,061	8,115,340
Sales	985,855,386	8,040,087
Subtotal	985,855,386	8,040,087
Closing Stock	* (139,618,743)	-
Subtotal	(139,618,743)	-
Loss on sale of securities	(8,311,418)	(75,253)

* includes short sales



EFSL Comtrade Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.33 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 2.20 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 2.22 are gross of the reimbursements.

2.34 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.

2.35 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.

2.36 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.

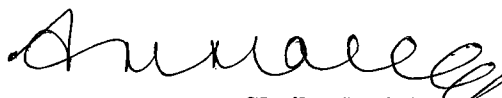
For NGS & Co. LLP
Chartered Accountants
Firm's Registration No. 119850W

For and on behalf of the Board of Directors




R. P. Soni
Partner
Membership No.: 104796

Mumbai
09 May 2016



Shailendra Maru
Director
DIN 03290024

Mumbai
09 May 2016



Samir Doshi
Director
DIN 02020452