

# **Edel Commodities Trading Limited**

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

# **Edel Commodities Trading Limited**

*For the year ended 31 March 2016*

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## Independent Auditors' Report

To  
The Members of Edel Commodities Trading Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of Edel Commodities Trading Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

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

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



**Opinion**

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

**Report on Other Legal and Regulatory Requirements**

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

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

  
**R. P. Soni**

**Partner**

**Membership No.:104796**



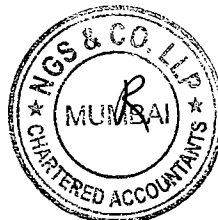
Place: Mumbai

Date: 9 May 2016

**Annexure A to the Auditors' Report**

**The Annexure referred to in our Independent Auditors' Report to the members of Edel Commodities Trading 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.



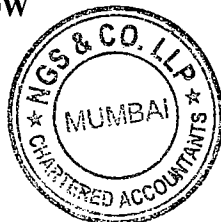
According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, services tax, sales tax, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they 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 to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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



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



Place: Mumbai  
Date: 9 May 2016

**Annexure B to the Auditors' Report**

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

We have audited the internal financial controls over financial reporting of **Edel Commodities Trading 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: 9 May 2016



# Edel Commodities Trading Limited

## Balance Sheet

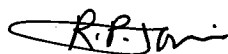
(Currency : Indian rupees)

	Note	As at 31 March 2016	As at 31 March 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2.1	1,700,000	1,700,000
Reserves and surplus	2.2	97,121,201	64,632,109
		<b>98,821,201</b>	<b>66,332,109</b>
<b>Non-current liabilities</b>			
Long-term provisions	2.3	-	580,000
<b>Current liabilities</b>			
Short-term borrowings	2.4	3,914,722,242	3,999,794,061
Trade payables			
Total outstanding due of Micro, Small and Medium enterprises	2.36	-	-
Total outstanding due of creditors other than Micro, Small and Medium enterprises	2.5	28,645,545	80,719,624
Other current liabilities	2.6	45,616,017	31,153,345
Short-term provisions	2.7	-	5,218,212
<b>TOTAL</b>		<b>4,087,805,005</b>	<b>4,183,797,351</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	2.8	176,434	278,137
Non-current investments	2.9	1,625,000,000	1,500,000,000
Deferred tax assets (net)	2.10	5,161,432	281,775
Long-term loans and advances	2.11	2,096,588,886	2,100,000,000
		<b>3,726,926,752</b>	<b>3,600,559,912</b>
<b>Current assets</b>			
Stock-in-trade	2.12	-	323,656,183
Trade receivables	2.13	20,601,712	3,176,074
Cash and cash equivalents	2.14	11,020,592	3,602,254
Short-term loans and advances	2.15	138,706,430	135,970,093
Other current assets	2.16	190,549,519	116,832,835
		<b>360,878,253</b>	<b>583,237,439</b>
<b>TOTAL</b>		<b>4,087,805,005</b>	<b>4,183,797,351</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  
9 May 2016



For and on behalf of the Board of Director:



Manjeet Bijlani  
Director  
DIN 06714231



Amit Agarwal  
Director  
DIN 06396342

Mumbai  
9 May 2016

# Edel Commodities Trading 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	2.17	(24,762,175)	(32,963,224)
Sale of commodities		5,492,237,457	1,214,035,650
Other operating revenue	2.18	573,291,938	52,084,937
Other income	2.19	4,244,062	-
<b>Total revenue</b>		<b>6,045,011,282</b>	<b>1,233,157,363</b>
<b>Expenses</b>			
Purchases of commodities		5,249,876,103	1,359,360,377
Changes in Stock-in-trade		251,404,096	(251,404,096)
Employee benefit expenses	2.20	10,732,416	19,234,642
Finance costs	2.21	468,108,148	66,988,469
Depreciation expenses	2.8	110,853	196,330
Other expenses	2.22	31,830,072	5,705,919
<b>Total expenses</b>		<b>6,012,061,688</b>	<b>1,200,081,641</b>
Profit before tax		32,949,594	33,075,722
Tax expense:			
Income tax [Includes (excess )/short provision of earlier year of (Rs. 46,68,350) (Previous year: Rs. 795,749)]		8,988,072	12,874,749
Minimum alternative tax credit availed		(3,647,913)	-
Deferred tax benefit		(4,879,657)	(6,065)
Profit for the year		<b>32,489,092</b>	<b>20,207,038</b>
Earnings per equity share: (Face value of Rs. 10 each)			
Basic and diluted	2.31	191.11	118.86
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



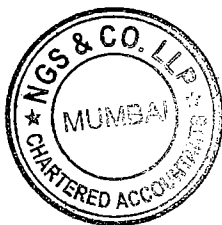
**R. P. Soni**

Partner

Membership No.: 104796

Mumbai

9 May 2016



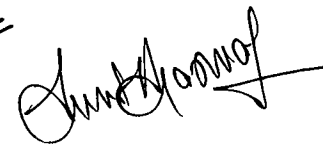
For and on behalf of the Board of Directors



**Manjeet Bijlani**

Director

DIN 06714231



**Amit Agarwal**

Director

DIN 06396342

Mumbai

9 May 2016

# Edel Commodities Trading Limited

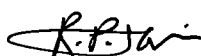
## Cash Flow Statement

(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>		
Profit before tax	32,949,594	33,075,723
<b>Adjustments for:</b>		
Depreciation	110,853	196,329
Provision for compensated leave absences and gratuity	(667,000)	(75,000)
Interest income	(564,612,851)	(22,840,556)
Interest expense	470,547,268	47,784,382
<b>Operating cash flow before working capital changes</b>	<b>(61,672,136)</b>	<b>58,140,878</b>
Adjustments for working capital changes		
(Increase)/decrease in trade receivables	(17,425,638)	118,856,093
Decrease/(increase) in Stock-in-trade	323,656,183	(323,656,183)
Decrease/(increase) in loans and advances	677,685	(1,895,670,699)
Increase in other current assets	(79,148,173)	(56,442,604)
Decrease in current liabilities and provisions	(42,386,607)	(235,141,748)
<b>Cash generated from / (used in) operations</b>	<b>123,701,314</b>	<b>(2,333,914,263)</b>
Income tax paid	(16,411,682)	(34,145,924)
<b>Net cash generated from / (used in) operating activities - A</b>	<b>107,289,632</b>	<b>(2,368,060,187)</b>
<b>B Cash flow from investing activities</b>		
Purchase of fixed assets	(9,150)	(45,300)
Investment in mutual fund/debentures	(125,000,000)	(1,500,000,000)
Interest received	570,044,340	3,109,317
Proceeds from / (deployment of) unsecured loans given (net) (refer note 2)	5,937,403	(97,604,668)
<b>Net cash generated from / (used in) investing activities - B</b>	<b>450,972,593</b>	<b>(1,594,540,651)</b>
<b>C Cash flow from financing activities</b>		
(Repayment of) / proceeds from short term borrowings (net) (refer note 2)	(85,071,819)	3,999,917,061
Interest paid	(465,772,068)	(33,802,996)
<b>Net cash (used in) / generated from financing activities - C</b>	<b>(550,843,887)</b>	<b>3,966,114,065</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>7,418,338</b>	<b>3,513,227</b>
Cash and cash equivalents as at the beginning of the year	3,602,254	89,027
Cash and cash equivalents as at the end of the year (refer note 1)	11,020,592	3,602,254
<b>Notes:</b>		
1 Cash and cash equivalents include the following (refer note 2.14)		
Balances with scheduled banks:		
in current accounts	11,020,592	3,602,254
Cash and cash equivalents	11,020,592	3,602,254
2 Net figures have been reported on account of volume of transactions.		

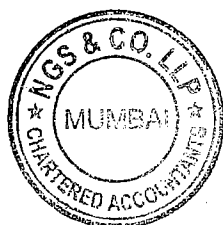
As per our report of even date attached.

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



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

Mumbai  
9 May 2016

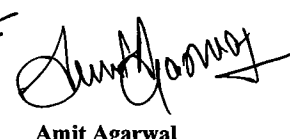


For and on behalf of the Board of Directors



**Manjeet Bijlani**  
Director  
DIN 06714231

Mumbai  
9 May 2016



**Amit Agarwal**  
Director  
DIN 06396342

Mumbai

# Edel Commodities Trading Limited

## Notes to the financial statements

(Currency: Indian rupees)

### 1. Significant accounting policies

#### 1.1 Basis of preparation of financial statements

The 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

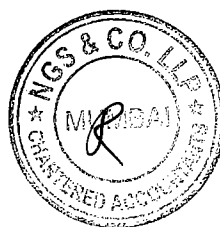
All assets and liabilities are classified into current and non-current.

##### *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.



# Edel Commodities Trading Limited

## Notes to the financial statements (Continued)

(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.
- 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.
- Commodity's 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.
- Interests on delayed payments and rental income are recognised on accrual basis by reference to the agreements entered.
- Dividend income is recognised when the right to receive payment is established.

#### 1.5 Fixed assets and depreciation

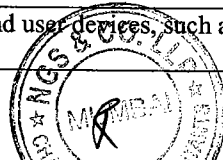
##### *Tangible fixed assets and Capital work in progress*

Tangible fixed assets acquired by the Company are reported at acquisition cost, with deductions for accumulated depreciation and impairment losses, if any. Tangible fixed assets are stated at cost less accumulated depreciation 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 up to the date of disposal.

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

Nature of assets	Useful life
Furniture and fittings	10 years
Motor vehicles	8 years
Office equipments	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



# Edel Commodities Trading 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.

#### 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.



# Edel Commodities Trading Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees)

### 1 Significant accounting policies (Continued)

#### 1.9 Taxation (Continued)

##### *Deferred tax*

The deferred tax charge or benefit and the corresponding deferred tax liabilities and assets are recognized using the tax rates that have been enacted or substantially enacted at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the asset can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of 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 recognised when 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 recognized provident fund which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognized in the statement of profit and loss.

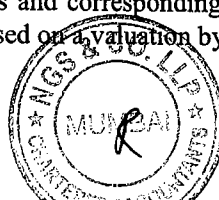
##### *Gratuity*

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

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

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

Actuarial gains and losses arising from experience adjustments and change in actuarial assumptions are recognised in the statement of profit and loss in the period in which they arise. charge to the statement of profit and loss and corresponding liability on account of such non-vesting accumulated leave entitlement based on a valuation by an independent actuary.



# Edel Commodities Trading Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees)

### 1 Significant accounting policies (Continued)

#### 1.10 Employee benefits (Continued)

##### *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

#### 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.





# Edel Commodities Trading 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>		
200,000 (Previous year: 2,00,000) equity shares of Rs. 10 each	2,000,000	2,000,000
<b>Issued, subscribed and paid up:</b>		
170,000 (Previous year: 1,70,000) equity shares of Rs. 10 each, fully paid-up	1,700,000	1,700,000
	1,700,000	1,700,000

### 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	170,000	1,700,000	170,000	1,700,000
Outstanding at the end of the year	170,000	1,700,000	170,000	1,700,000

#### a) Terms/rights attached to equity shares:

The Company has only one class of equity shares having a par value of Rs. 10 each. 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. 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.

#### b) Reconciliation of the shares outstanding at the beginning and at the end of the year:

	As at 31 March 2016		As at 31 March 2015	
	No. of Shares	Amount	No. of Shares	Amount
<b>Equity shares:</b>				
Outstanding at the beginning of the year	170,000	1,700,000	170,000	1,700,000
Shares issued during the year	-	-	-	-
Outstanding at the end of the year	170,000	1,700,000	170,000	1,700,000

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

	As at 31 March 2016		As at 31 March 2015	
	No. of Shares	%	No. of Shares	%
Edel Commodities Limited, the holding company and its nominees	170,000	100%	170,000	100%
	170,000	100%	170,000	100%

#### d) Details of shares held by shareholders holding more than 5% of the aggregate shares of the Company:

	As at 31 March 2016		As at 31 March 2015	
	No. of Shares	%	No. of Shares	%
Edel Commodities Limited, the holding company and its nominees	170,000	100%	170,000	100%
	170,000	100%	170,000	100%

## 2.2 Reserves and surplus

Securities premium reserves	4,800,000	4,800,000
Surplus in the statement of profit and loss		
Opening balance	59,832,109	39,625,070
Add: Profit/(Loss) for the year	32,489,092	20,207,039
Closing balance	92,321,201	59,832,109
	97,121,201	64,632,109

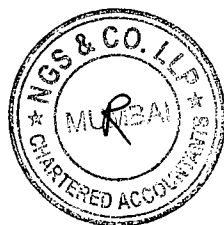


# Edel Commodities Trading Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees)

	As at 31 March 2016	As at 31 March 2015
<b>2.3 Long-term provisions</b>		
Provision for employee benefits		
Gratuity	-	487,000
Compensated leave absences	-	93,000
	-	580,000
<b>2.4 Short-term borrowings</b>		
Unsecured		
From :		
Holding company	3,354,722,242	3,439,794,061
Others	560,000,000	560,000,000
(Repayable on demand, at variable rate of interest ranging from 8.47% to 11.50% per annum)		
	3,914,722,242	3,999,794,061
<b>2.5 Trade payables</b>		
Trade payables (refer note 2.36) (includes sundry creditors and provision for expenses)	28,645,545	80,719,624
	28,645,545	80,719,624
<b>2.6 Other current liabilities</b>		
Interest accrued and due on borrowings	18,772,394	13,997,194
Other payables		
Accrued salaries and benefits	3,200,000	7,925,000
Withholding tax, service tax and other taxes payable	23,598,861	8,986,389
Others	44,762	244,762
	45,616,017	31,153,345
<b>2.7 Short-term provisions</b>		
Provision for employee benefits		
Gratuity	-	69,000
Compensated leave absences	-	18,000
Provision for taxation	-	5,131,212
(Net of advance tax and tax deducted at source)		
	-	5,218,212



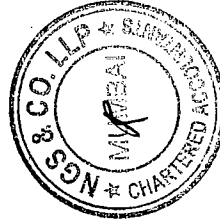
# lel Commodities Trading Limited

as to the financial statements (Continued)

urrency: Indian rupees)

## Fixed assets

Description of assets	Gross block			Depreciation and amortisation			Net block	
	As at 1 April 2015	Additions during the year	Deductions during the year	As at 31 March 2016	Charge for the year	Deductions during the year	As at 31 March 2016	As at 31 March 2015
<b>Tangible assets</b>								
Motor vehicles	562,975	-	-	562,975	72,469	-	414,566	220,878
Office equipments	34,800	9,150	-	43,950	11,634	-	28,754	17,680
Computers	165,089	-	-	165,089	26,750	-	152,260	39,579
<b>Total Rs.</b>	<b>762,864</b>	<b>9,150</b>	<b>-</b>	<b>772,014</b>	<b>110,853</b>	<b>-</b>	<b>595,580</b>	<b>278,137</b>
Previous year	717,564	45,300	-	762,864	196,329	-	484,727	



# Edel Commodities Trading Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees)

	As at 31 March 2016			As at 31 March 2015		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
<b>2.9 Non-current investments - at cost</b>						
Investments in debentures (unquoted)	1,000,000	1,500	1,500,000,000	1,000,000	1,500	1,500,000,000
17% Unsecured redeemable non- convertible debenture of Edelweiss Asset Reconstruction Company Limited						
Investments in venture fund (unquoted)						
EW Clover Scheme -I	10,000	12,500	125,000,000	-	-	-
<b>Total</b>	<b>1,010,000</b>	<b>14,000</b>	<b>1,625,000,000</b>	<b>1,000,000</b>	<b>1,500</b>	<b>1,500,000,000</b>
<b>Aggregate of unquoted investment</b>						
- At book value			1,625,000,000			1,500,000,000



# Edel Commodities Trading Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees)

	As at 31 March 2016	As at 31 March 2015
<b>2.10 Deferred tax assets (net)</b>		
<b>Deferred tax assets</b>		
Tax effect of the timing differences on account :		
Difference between book and tax depreciation	53,457	57,789
Others	5,856,456	3,456
Disallowances under section 43B of the Income Tax Act, 1961	-	220,530
	<u>5,909,913</u>	<u>281,775</u>
<b>Deferred tax liabilities</b>		
Unrealised gain on derivatives	748,481	-
	<u>748,481</u>	<u>-</u>
<b>Deferred tax assets (net)</b>	<u><u>5,161,432</u></u>	<u><u>281,775</u></u>



# Edel Commodities Trading 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 -others *	2,094,968,263	2,100,000,000
Advance tax and tax deducted at source	1,620,623	-
(Net of provision for taxation)		
	<u>2,096,588,886</u>	<u>2,100,000,000</u>
* Disclosure under section 186(4) of the Companies Act, 2013 : Loan have been given to Edelweiss Asset Reconstruction Company Limited for general business purpose.		
<b>2.12 Stock-in-trade</b>		
Securities		
Equity shares (quoted)	-	72,252,087
Commodities		
Agri products	-	251,404,096
	<u>-</u>	<u>323,656,183</u>
Aggregate amount of quoted equity share		
At carrying value	-	72,252,087
At market value	-	78,747,900
<b>2.13 Trade receivables</b>		
Other debts		
Unsecured, considered good	20,601,712	3,176,074
	<u>20,601,712</u>	<u>3,176,074</u>
<b>2.14 Cash and cash equivalents</b>		
Balances with banks		
- in current accounts	11,020,592	3,602,254
	<u>11,020,592</u>	<u>3,602,254</u>



# Edel Commodities Trading Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees)

	As at 31 March 2016	As at 31 March 2015
<b>2.15 Short-term loans and advances</b>		
Unsecured, considered good		
Loans and advances to related parties	-	638,676
Loans and advances to others	129,733,010	130,000,000
Other loans and advances		
Deposits - others	65,000	65,000
Prepaid expenses	18,543	31,400
Loans and advances to employees	30,025	-
Vendor advances	2,702,760	-
Cenvat and VAT assets	952,182	320,455
Minimum alternative tax credit entitlement	885,222	4,914,562
Advance tax and tax deducted at source	4,319,688	-
(Net of provision for taxation)		
	<b>138,706,430</b>	<b>135,970,093</b>
<b>2.16 Other current assets</b>		
Accrued interest on debt instruments	349,315	3,493,151
Accrued interest on loans given	14,275,962	16,563,615
Accrued interest on margin	44,427	112,475
Currency options premium paid	-	2,765,450
Margin placed with broker	175,879,815	93,898,144
	<b>190,549,519</b>	<b>116,832,835</b>



# Edel Commodities Trading 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>2.17 Income from treasury operations</b>		
Profit/(loss) on trading of securities (net)	27,021,429	(23,281,126)
Profit on trading in equity derivative instruments (net)	11,697,611	9,633,726
(Loss)/profit on trading in commodity derivative instruments (net)	(11,785,609)	49,600,000
Loss on trading in currency derivative instruments (net)	(53,515,808)	(68,083,911)
Profit on trading in interest rate derivative (net)	1,806,113	(831,913)
Dividend	14,089	-
	<u>(24,762,175)</u>	<u>(32,963,224)</u>
<b>2.18 Other operating revenue</b>		
Interest income on loan	309,612,851	19,347,405
Interest income on fixed deposits	2,724,400	2,386,543
Interest income on debt instrument	255,000,000	3,493,151
Interest income on margin with brokers	5,954,687	3,486,344
Interest income on delayed payments	-	23,371,494
	<u>573,291,938</u>	<u>52,084,937</u>
<b>2.19 Other income</b>		
Miscellaneous income	4,069,000	-
Interest income - others	175,062	-
	<u>4,244,062</u>	<u>-</u>





# Edel Commodities Trading 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>2.20 Employee benefit expenses</b>		
Salaries and wages (refer note 2.34)	10,552,511	18,970,875
Contribution to provident and other funds	66,490	176,802
Staff welfare expenses	113,415	86,965
	<b>10,732,416</b>	<b>19,234,642</b>
<b>2.21 Finance costs</b>		
Interest on loan from holding company	406,147,268	47,538,903
Interest - others	(2,439,120)	19,204,087
Interest on loan – others	64,400,000	245,479
	<b>468,108,148</b>	<b>66,988,469</b>
<b>2.22 Other expenses</b>		
Advertisement and business promotion	11,720	4,284
Auditors' remuneration (refer note 2.24)	44,481	39,340
Commission and brokerage	1,236,938	-
Communication	37,097	114,546
Clearing and custodian charges	326,425	210,000
Contribution towards CSR (refer note 2.35)	50,000	50,000
Electricity charges (refer note 2.34)	75,434	138,383
Insurance	-	44,072
Legal and professional fees	367,958	252,786
Office expenses	32,435	1,800
Printing and stationery	4,815	6,147
Rates and taxes	11,125	10,431
Rent (refer note 2.34)	682,429	1,239,325
ROC expenses	400	2,706
Security transaction tax	21,820,761	2,963,113
Seminar and conference	10,000	-
Service tax expenses	1,623,436	303,739
Stock exchange expenses	35,220	15,427
Transportation charges	314,226	-
Travelling and conveyance	181,996	206,278
Warehousing charges	4,788,050	47,950
Miscellaneous expenses	175,126	55,592
	<b>31,830,072</b>	<b>5,705,919</b>



# Edel Commodities Trading Limited

## Notes to the financial statements (Continued)

(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
<b>Total</b>	<b>44,481</b>	<b>39,340</b>

### 2.25 Capital commitment

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

### 2.26 Contingent liability

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



# Edel Commodities Trading Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees)

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

S. No	Particulars
<b>A.</b>	<b>Names of the 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, Holding company
<b>B.</b>	<b>Fellow subsidiaries</b>
	Edelcap Securities Limited
	Edelweiss Securities Limited
	Edelweiss Capital Markets Limited
	BFSL Commodities Limited
	Edelweiss Global Wealth Management Limited
	ECap Equities Limited
	EC Commodity Limited
	Edelweiss Agri Value Chain Limited (Formerly known as Edelweiss Integrated Commodity Management Limited)
	Edelweiss Web Services Limited
	Edelweiss Metals Limited
	Edelgive Foundation
	Edel Investments Limited
<b>C.</b>	<b>Name of related party over whom significant influence is exercised</b>
	EW Clover Scheme -I



# Edel Commodities Trading Limited

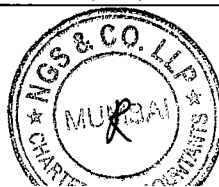
## Notes to the financial statements (Continued)

(Currency: Indian rupees)

### 2.27 Related Party (Continued)

(d) Transactions with related parties:

Nature of transaction	Related Party Name	2015-16	2014-15
<b>Current account transactions</b>			
Short term loans taken from	Edelweiss Financial Services Limited	6,805,000	3,171,975,001
(Refer note below)	Edelweiss Commodities Services Limited	4,986,069,326	1,657,876,241
	Edelcap Securities Limited	-	560,000,000
Short term loans repaid to	Edelweiss Financial Services Limited	3,064,892,297	-
(Refer note below)	Edelweiss Commodities Services Limited	2,013,053,848	1,390,057,181
	Edelcap Securities Limited	-	560,000,000
Short term loans given to	Edelweiss Commodities Services Limited	8,300,000	15,100,001
(Refer note below)			
Short term loans repaid by	Edelweiss Commodities Services Limited	8,851,676	47,582,333
(Refer note below)			
Margin placed with	Edelweiss Securities Limited	2,598,319,265	125,688,325
(Refer note below)	Edelweiss Commodities Services Limited	9,101,709	-
Margin withdrawn from	Edelweiss Securities Limited	2,518,216,967	69,502,993
(Refer note below)	Edelweiss Commodities Services Limited	9,101,709	-
Non current investment made	EW Clover Scheme -I	125,000,000	-
Nomination deposits repaid to	Edel Commodities Limited	200,000	-
Purchase of commodities from	ECap Equities Limited	-	256,450,908
	Edelweiss Capital Markets Limited	-	87,572,557
	Edelweiss Commodities Services Limited	9,491,400	2,500,000
	Edel Investments Limited	2,231,841,174	-
	Edelweiss Global Wealth Management Limited	45,483,546	-
	EC Commodity Limited	1,760,085,901	-
	Edelweiss Web Services Limited	747,034,645	-
Sale of commodities to	Edelweiss Commodities Services Limited	326,379,269	-
	Edelcap Securities Limited	2,219,465,429	-
Interest expense on loans from	Edelweiss Financial Services Limited	269,757,492	10,845,470
	Edelweiss Commodities Services Limited	136,389,776	34,576,173
	Edelcap Securities Limited	-	2,117,260
Interest on Delayed Payment - Expenses	Edelweiss Capital Markets Limited	-	1,086,802
	ECap Equities Limited	-	4,288,339
Warehouse expenses to	Edelweiss Capital Markets Limited	-	273,700
	ECap Equities Limited	-	953,700
	Edelweiss Agri Value Chain Limited	4,762,485	839,450
	Edelweiss Securities Limited	4,365	-
Interest income on margin placed with	Edelweiss Securities Limited	5,915,461	3,486,344
	Edelweiss Commodities Services Limited	39,226	-
Interest income on loan from	Edelweiss Commodities Services Limited	28,948	558,912
Professional fees paid to	Edelweiss Securities Limited	-	500
Processing fees to	Edelweiss Web Services Limited	4,156	5,428
Cost reimbursements to	Edelweiss Financial Services Limited	103,040	53,867
	Edelweiss Securities Limited	572,500	561,800



# Edel Commodities Trading Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees)

### 2.27 Related Party (Continued)

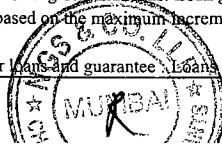
(d) Transactions with related parties:

Nature of transaction	Related Party Name	2015-16	2014-15
	Edelweiss Commodities Services Limited	858,098	1,377,708
	Edelweiss Web Services Limited	-	12,804,024
Reimbursement paid to	Edelweiss Financial Services Limited	11,154,873	41,310,859
	Edelweiss Commodities Services Limited	4,670,909	-
	EFSL Commodities Limited	-	-
	Edelweiss Web Services Limited	149,833	-
Clearing and transaction expenses to	Edelweiss Securities Limited	344,271	210,000
Contribution towards CSR	Edelgive Foundation	50,000	50,000
Net amount incurred on settlement of forward contracts	EFSL Commodities Limited	11,930,000	-
Short term loans given to	Edelweiss Commodities Services Limited	-	-
Short term loans received from	Edelweiss Commodities Services Limited	-	-
<b>Balance with related parties as on 31 March 2016 - (Liabilities)</b>			
Short term loans taken from	Edelweiss Financial Services Limited	113,887,704	3,171,975,001
	Edelweiss Commodities Services Limited	3,240,834,538	267,819,060
Non current Investment made	EW Clower Scheme -I	125,000,000	-
Trade payables to	Edelweiss Securities Limited	559,750	511,800
	Edelweiss Agri Value Chain Limited	4,667,233	755,505
	Edelweiss Commodities Services Limited	591,481	600
	Edelweiss Financial Services Limited	-	80,774
	Edelweiss Web Services Limited	3,793	4,945
	EC Commodity Limited	56,400	-
Other payables to	Edelweiss Commodities Services Limited	-	1,374,028
	Edelweiss Agri Value Chain Limited	-	123,000
Nomination deposits payable to	Edel Commodities Limited	-	200,000
Accrued interest expense on loans taken from	Edelweiss Financial Services Limited	11,785,840	8,289,224
	Edelweiss Commodities Services Limited	3,819,342	3,581,505
	Edelcap Securities Limited	-	1,905,534
<b>Balance with related parties as on 31 March 2016 - (Assets)</b>			
Trade receivables from	Edelweiss Financial Services Limited	-	200,800
	Edelweiss Securities Limited	1,095,984	2,975,274
Margin receivable from	Edelweiss Securities Limited	175,879,757	93,898,146
	Edelweiss Commodities Services Limited	58	-
Short term loans given to	Edelweiss Commodities Services Limited	-	551,676
	Edelweiss Metals Limited	-	87,000
Accrued interest income on loans given to	Edelweiss Commodities Services Limited	-	3,286
Accrued interest income on margin placed	Edelweiss Securities Limited	44,427	112,475

#### Note :

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

Disclosure under section 186(4) of the Companies Act, 2013 for loans and guarantee. Loans have been given for general business purpose.



# Edel Commodities Trading Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees)

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

#### Long Position

Sr. No	Name of stock/ index future	No. of contracts	Number of units involved
1	Short position - IRC	4,917	98,34,000

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

Sr. No	Name of stock/ index future	No. of contracts	Number of units involved
1	Long Position - USD INR	174	13,050
2	Short Position - USD INR	174	13,050

### 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 - IRC	5,000	1,00,00,000
2	Short position - USD	16,056	1,60,56,000

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

Sr. No	Name of stock/ index future	No. of contracts	Number of units involved
1	Long position - USD INR	9,840	98,40,000

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

#### A) Defined contribution plan (Provident fund)

An amount of Rs. 66,490 (Previous year: Rs. 176,802) 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, and amounts recognized in the balance sheet for the gratuity benefit plan.



# Edel Commodities Trading Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees)

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

#### 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	-	88,000
Interest on defined benefit obligation	-	45,000
Expected return on plan assets	-	-
Past service cost	-	-
Net actuarial losses recognized in the year	-	(81,000)
<b>Total included in 'Employee benefit expenses'</b>	<b>-</b>	<b>52,000</b>

#### 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	556,000	540,000
Interest cost	-	45,000
Current service cost	-	88,000
Transfer in/out	(556,000)	(36,000)
Past service cost	-	-
Actuarial (gain)/loss on obligations:	-	(81,000)
<b>Liability at the end of the year</b>	<b>-</b>	<b>556,000</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	-	556,000	540,000	375,184	-
Fair value of plan assets at the end of the year	-	-	-	-	-
<b>Amount in Balance sheet liability</b>	<b>-</b>	<b>556,000</b>	<b>540,000</b>	<b>375,184</b>	<b>-</b>



# Edel Commodities Trading Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees)

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

#### 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		(146,000)	20,000	-	-
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	-	7.8%
Salary escalation	-	7%
Employee attrition rate	-	13% - 25%

### 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:

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
<b>Shareholders earnings</b> (as per statement of profit and loss)	<b>32,489,092</b>	<b>20,207,039</b>
Calculation of weighted average number of Equity Shares of Rs 10 each:		
– Number of shares at the beginning of the year	170,000	170,000
– Number of shares issued during the year	-	-
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 (based on the date of issue of shares)	170,000	170,000
Basic and diluted earnings per share (in rupees)	191.11	118.86

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





# Edel Commodities Trading Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees)

### 2.32 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).

### 2.33 Details of Purchase, sales and changes in Stock-in-trade:

#### Commodities:

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
<b>Commodities</b>		
<b>Opening stock</b>		
Agri	251,404,096	-
Bullion	-	-
<b>Subtotal</b>	<b>251,404,096</b>	<b>-</b>
<b>Purchase</b>		
Agri	465,430,837	1,359,360,377
Bullion	4,784,445,266	-
<b>Subtotal</b>	<b>5,249,876,103</b>	<b>1,359,360,377</b>
<b>Sale</b>		
Agri	787,974,213	1,214,035,650
Bullion	4,704,263,244	-
<b>Subtotal</b>	<b>5,492,237,457</b>	<b>1,214,035,650</b>
<b>Closing stock</b>		
Agri	-	251,404,096
Bullion	-	-
<b>Subtotal</b>	<b>-</b>	<b>251,404,096</b>
<b>(Loss)/profit on trading in commodities</b>	<b>(9,042,742)</b>	<b>106,079,369</b>

#### Securities:

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
<b>Opening stock</b>	<b>72,252,087</b>	<b>-</b>
<b>Subtotal</b>	<b>72,252,087</b>	<b>-</b>
<b>Purchase</b>	<b>1,001,390,276</b>	<b>1,940,411,542</b>
<b>Subtotal</b>	<b>1,001,390,276</b>	<b>1,940,411,542</b>
<b>Sales</b>	<b>1,100,663,792</b>	<b>1,844,878,329</b>
<b>Subtotal</b>	<b>1,100,663,792</b>	<b>1,844,878,329</b>
<b>Closing stock</b>	<b>-</b>	<b>72,252,087</b>
<b>Subtotal</b>	<b>-</b>	<b>72,252,087</b>
<b>Profit / (loss) on trading in securities</b>	<b>27,021,429</b>	<b>(23,281,126)</b>



# Edel Commodities Trading Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees)

### 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 2.20 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.

### 2.35 Corporate Social Responsibility (CSR):

As per the provisions of Section 135 of the Companies Act, 2013,

a. Gross amount required to be spent by the Company during the year was Rs 50,000.

b. Amount spent during the year on :

Sr No.	Particulars	In Cash	Yet to be paid in cash	Total
(i)	Constructions/acquisition of any assets	Nil	Nil	Nil
(ii)	On purpose other than (i) above	50,000	Nil	50,000

### 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

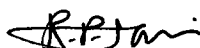
Previous year's numbers have been regrouped and rearranged wherever necessary to confirm to current year's presentation.

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  
9 May 2016

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

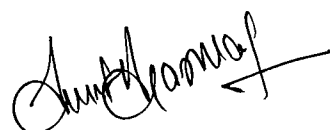


**Manjeet Bijlani**

Director

DIN 06714231

Mumbai  
9 May 2016



**Amit Agarwal**

Director

DIN 06396342